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From: Stacey Denaux [<mailto:sdenaux@one80place.org>]

Sent: Wednesday, November 21, 2018 3:17 PM

To: Nicholson, Laura 6-9190

Subject: QAP Comment Re: Land Lease change

Laura:

I have already submitted comments about the QAP, however, it has been brought to our attention that the proposed change to page 13 of the 2019 tax credit manual prohibiting related party land leases in Section 9d could create a significant barrier to affordable housing development.

As we have been working through the process to develop affordable housing for people moving out of homelessness, we have determined that land leases (related party or not) are many times the key to successful affordable multifamily developments. Land leases keep the large land cost out of the development budget. As a non-profit hoping to develop housing on land we own, a third party lease will be essential to our project.

One80 Place is requesting that the land lease prohibition not be included in the 2019 QAP given that related party land leases are many times the key to making projects work. Lowering development costs are key to creating feasible projects.

Perhaps a remedy to address land lease payments could be a mechanism that establishes lease payment as a "not to exceed" percentage of the land value. This would present a level playing field for all projects and allow for productive land leases to decrease development costs and encourage more development.

Thank you for considering this concern. Happy Thanksgiving!

Stacey W. Denaux
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