

From: [Bradley Sweazy](#)
To: [Brenda Evans](#); [Marjorianna Willman](#)
Subject: FW: 2014 qap
Date: Monday, June 10, 2013 11:32:46 AM

From: Greg Gachassin [mailto:ggachassin@cartesiancompany.com]
Sent: Monday, June 10, 2013 10:59 AM
To: Bradley Sweazy
Cc: Michael Airhart
Subject: 2014 qap

Brad, left a voicemail for you Friday. Although we have not had time to properly give comments I wanted to share a few things with you.

1. On Cost Containment we have been working diligently to put together comparisons of the projects that you guys provided data on but simply have not had enough time to complete it. What I can tell you is that the current limits for single family development simply does not work, depending on the construction circumstances. For example, many developments require the construction of all infrastructure work in order to build a complete subdivision. This cost is rising daily and with the effort to develop in high investment areas, so is the land costs. With this said, I would request one of two things to be considered. The first is to return the HUD established cost limits on a per unit basis, known as HUD 203(b) limits. These limits were used for a substantial period of time and seemed to work well as they are adjusted depending on the area that the project is located in. These limits are based on the average costs of housing in an area and takes into consideration of sustainability as well. The second option, as opposed to changing the limits, would allow a developer to eliminate the costs related to infrastructure only, from the TDC. This would be costs for roads, drainage, sewer, water and electrical, all items that are necessary to serve the units as opposed to a cost of the unit itself.
2. Currently the QAP states that carryover documents must be to the Agency on December 20th, which is 10 or so days after the awards will be made. First this is difficult at best during the holiday season and second, I cannot find any technical reason for such. It is my understanding that the credits awarded/reserved will not be able to use the 9% fixed credit percentage and must all be underwritten using the current percentages in the mid 7's. With this being the case I do not see why the agency would want carryover documents so quickly after award. I would request that this be delayed until well into 2014, as these are 2014 credits and that the Agency confirm that for underwriting of credits to be generated require current percentage levels.
3. Lastly, as it relates to the Economic Investment areas, it seems to me that every part of the State will qualify. As you will see in the LED site they list projects all over the State, many of which never get any further than an announcement. With this said, if it is truly the intent to direct credits towards areas of high investment I think there should be tighter language to assure that such occurs, or simply revert back to Congressional Districts so all have a fair chance of competing....

Thanks for your consideration of these issues.

Sincerely,



Greg Gachassin

President, Owner

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