MHO
MOUNTAIN HOUSING OPPORTUNITIES

June 30th 2026
RE: Preliminary QAP Comments

To Whom it May Concern,

Thank you for the partnership NCHFA provides in bringing quality affordable housing to our state and for the opportunity to provide feedback on changes that may make the development of this affordable housing more attainable for all.

In lieu of a lenghty laundry list, we are choosing to focus on the three most critical things that directly effect our ability to develop housing in North Carolina and ask you to consider the urgency behind changing them. Our comments are as follows:

1. Replace, Eliminate, or Edit the Shopping Category in section IV.A.1.b.ii

The ability to distinguish sites via the pointing system for both competitiveness and the quality of life they will provide residents is understood. However, the shopping category being limited to the current big box stores that are listed do not at all aid in selection of quality sites and in fact disqualify sites in otherwise supremely located areas.

Big Box retail is most often located on the fringes of developed areas or passthrough corridors. Very rarely in North Carolina will these stores be located in downtown cores or in "high income" census tracts. This means many of the most desirable areas of town that we should be striving to locate developments in are de facto disqualified due to not being close to big box retail, even if they otherwise meet all other NCHFA site requirements. The 2020 General Assembly Program Evaluation of the NCHFA Rental Program concurred stating: "There is no empirical research supporting the heavy emphasis the QAP places on these specific amenities. The strict distance limitation and short list of acceptable stores mean some otherwise amenity-rich or high-opportunity sites are excluded from receiving tax credits". Since then big box retail has only become more sparse and outdated as a quality amenity as shopping moves increasingly online.

Please, consider replacing the points earned in this category with other amenities. Whether that is amenities that serve low income residents such as health care, libraries, etc. or an expanded definition of retail.

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2. Reduce the Required Parking Ration for Family Developments

Parking is a necessity that should be provided, but the 1.75 ratio currently required for family developments is too high to a large degree, even in the most car dependent environments. It is a fact that low income renters do not own as many cars per household due to the unfortunate high costs associated with the maintenance of personal vehicles. Therefore a 1.75 parking space ratio leaves the majority of LIHTC properties in North Carolina substantially overparked.

The cost of sitework, grading, increased stormwater control measures, paving, and painting associated with building parking lots are all within the eligible basis for developments. When these costs are being deployed on excess parking, we are wasting valuable tax credits that could be used to build more units on unused parking lots.

Please consider lowering the parking ratio for family developments to 1.5 spaces per unit, and provide a clear and ***objective*** waiver process for sites in CBDs, transit corridors, and municipalities where 1.5 spaces is also deemed excessive.

3. Extend the Additional Credit Allocation for the Western Region in II.B.3.a, Ability for Impacted Counties to Receive 2 awards in II.B.3.b, and Extra Point for Impacted Counties in II.B.3.c at least one more year.

Hurricane Helene is the 5th most costly hurricane to ever hit the United States with the vast majority of the expense being concentrated in Western North Carolina. 36,603 housing units were destroyed in MID Counties. Just as the 2019, 2020, 2021, and 2022 QAP extended disaster recovery set asides for the Eastern Region, please consider doing the same for MID counties in the West.

Once again, we appreciate your partnership and could not develop affordable housing without your support and expertise. Thank you again, and we look forward to collaborating on making housing more available and affordable for all in North Carolina.

Sincerely,

Rich Olejniczak

Director of Community Rental Investments

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