

Chris Austin

From: Sarah Swingley <sarah.swingley@artspace.org>
Sent: Monday, November 02, 2015 1:41 PM
To: rentalhelp
Cc: Heidi Zimmer; Ariel Garcia
Subject: proposed changes to QAP

I would like to thank the department for their continued desire to listen to developers and other interested parties, and incorporate their ideas into a QAP that serves the desires of the Agency, a diverse array of communities, and organizations who are passionate about affordable housing in North Carolina. I think many of the changes that have been made thus far in this round will improve the process.

I would like to add Artspace Projects' comments on Draft 1 of the QAP for your consideration:

1. The minimum number of redevelopment projects was lowered from 3 to 2. Artspace believes redevelopment is an incredibly important part of community revitalization and asks that the level of 3 projects be maintained, if not increased.
2. Remove the cap on non-profit awards. Non-profit developers, who could potentially benefit from applying as such, are forced to consider not applying as a non-profit so that they won't automatically be rejected when the cap is reached. We would request the minimum set-aside for non-profits be maintained, and after that minimum is met, all remaining non-profit developer applicants be put in the general application pool. Non-profits are still successful and competitive developers so should not be capped.
3. Create a separate development cost cap/range for units involving downtown development or buildings with cement/steel & elevator construction. This type of dense development is critical in achieving a diverse affordable housing stock and revitalizing historic downtowns, but it's incredibly difficult to compete in the cost category with 2/3 story and walkup developments. If a developer can submit an application that shows a credit ask within the appropriate range, and is able to show sufficient funding to cover the difference, there should be a cost/unit category that realistically allows for this type of development.
4. Allow equity pricing based on an actual investor letter versus the NCHFA pre-determined price.
5. Remove the restriction that disallows preferences to potential tenants based on a specific occupational group, specifically artists. Artist developments have been shown to have a very positive economic impact in neighborhoods that are in the process of revitalizing and redefining their future. An artist preference still allows for compliance with all fair housing laws and does not affect the "lease-ability" of a development because waiting lists of non-artists are always maintained for the case when lease-up goals are not met fully with artists.
6. Incorporate a city's development priority preference into the scoring process.
7. Simplify the parking requirement by requiring projects comply with local zoning code. Developments are all so different that it's restrictive and not always in the best interest of the project or city to fit within NCHFA parking guidelines. Although NCHFA allows exceptions with approval, it would be simpler to just defer to what each city has already determined is appropriate for each site.

Thank you for the opportunity to contribute to this process.

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