

Chris Austin
NC Housing Finance Agency
Attn: Rental Investment
3508 Bush St
Raleigh, NC 27609

Dear Mr. Austin:

We appreciate the opportunity to comment on the 2017 Qualified Allocation Plan (QAP) for the State of North Carolina. GoTriangle is the regional public transportation authority for the Research Triangle region of North Carolina. We operate regional bus and paratransit services that connect Raleigh, Durham, Chapel Hill, Cary, Hillsborough and other municipalities. In addition, for the City of Durham we manage GoDurham, which provides bus and paratransit service throughout the City and County of Durham.

Background

In cooperation with the local municipalities and regional planning organizations, we are developing the Durham-Orange Light-Rail Transit system (D-O LRT), which will provide high-quality fixed-guideway transit service connecting the employment centers at the University of North Carolina, Duke University, downtown Durham, and North Carolina Central University with residential neighborhoods containing a mix of income levels. In addition, GoTriangle and GoDurham, along with Chapel Hill Transit, are providing expanded bus services using funding from a voter-approved half-cent sales tax dedicated to transit implemented in 2013. Both Chapel Hill and Durham have additionally prioritized infill and denser development around future rail stations and along other transit corridors. As a result, both counties will have more high-quality transit options that are well suited for income-constrained households.

A key priority shared by GoTriangle and all our regional partners is making sure there is adequate affordable housing located close to stations along the proposed D-O LRT, as well as along other high-frequency transit corridors. We were recently awarded a \$1.6 million grant by the Federal Transit Administration (FTA) to do comprehensive planning around D-O LRT station areas, and a key topic of study under the grant is how the municipalities and GoTriangle can best encourage the development of affordable housing within the station areas.

The Importance of the Transit-Affordable Housing Link

Our experience as a transit provider has illustrated the important link between housing affordability and transit accessibility for households with low incomes. Many of our riders live in low-income households. According to our recent rider survey, 50% of GoDurham riders have household incomes less than \$15,000 per year, while an additional 20% have household incomes less than \$25,000 per year.

For these lower-income households, the low cost of transit versus automobile ownership is critical. For example, a monthly transit pass that allows for unlimited riders on GoDurham is \$36 per month or \$432 per year, and costs half that much for disabled patrons. A monthly transit pass that allows for unlimited rides on GoTriangle's regional services, as well as Raleigh and Cary's local bus service (Chapel Hill Transit is fare-free), costs only \$76.50 per month (\$34 for disabled patrons), or \$918 per year. By contrast, auto ownership costs \$8,558 per year on average, according to the American Automobile Association.

For many of these riders, then, an affordable housing unit that lacks convenient access to quality transit, and that thus requires regular access to an automobile, is not actually affordable. The federal Department of Housing and Urban Development has acknowledged this connection between affordable housing and transportation accessibility by supporting development the Location Affordability Portal which evaluates both housing and transportation costs to determine the full cost of living at a particular location. Likewise, the Federal Transit Administration's new guidelines for evaluating whether to fund projects such as the D-O LRT project take into account the availability of affordable housing around transit stations and local policies in place to preserve and generate new affordable housing.

GoTriangle Applauds Several Changes in Recent Years in QAP

We appreciate the changes that have been made to the QAP over the last few years to improve the link between affordable housing and transportation costs. Since the 2015 edition, the QAP has awarded points to projects within one-quarter-mile of transit stops that provide a minimal level of service. We are also in favor of two proposed changes to the Secondary Amenity category in the 2017 QAP draft. The first is the change in the driving distance requirement to require amenities to be closer to projects. Second, we approve of the addition of new secondary amenity categories, as that increases the chances that the presence of a transit stop will be relevant to a project's final score.

In addition, though points are still taken away from projects within a certain distance of "frequently used railroad tracks" such as a light-rail corridor, we note that the distance has been reduced from 500 feet in the 2014 QAP to 250 feet in the 2017 draft QAP.

These are important and worthwhile steps that improve the competitiveness of transit-served affordable housing projects. To continue to insure that projects score well under the QAP criteria continue to recognize the link between housing and transportation costs, we have several additional suggestions.

Continued Improvement Opportunity: Parking

The 2014 QAP provides three points to projects that lack certain specified “negative features.” Possible negative features for adaptive reuse projects include “limited parking.”

We are concerned that the restriction on projects with “limited parking” may make those projects within areas served by high-quality transit less competitive, or even dissuade developers from developing and submitting proposals. A project’s parking needs depend on its context. What is adequate parking at more suburban sites may be excessive for sites in densely developed metropolitan areas close to transit. For example, the County and City of Durham’s Unified Development Ordinance requires less parking and imposes reduced parking maximums in areas within the Compact Neighborhood Tier, which includes all the D-O LRT station areas in Durham. Projects in Durham’s Downtown Tier do not require parking.

We recommend that the QAP be amended to make explicit that projects which meet local code requirements for parking at a particular site be deemed to have adequate parking. This could include projects submitted under either existing zoning or a proposed rezoning where the rezoning request has received preliminary support by municipal staff or an elected body, or where the rezoning is consistent with the municipalities Future Land Use Map.

Continued Improvement Opportunity: Project size penalties

Section IV.E.2 of the QAP limits the size of projects. The 2014 QAP allows the agency to waive these limits for projects which are “within a transit station area as defined by the Charlotte Region Transit Station Area Joint Development Principles and Policy Guidelines.” We request that the definition of “transit station area” be broadened to include areas within the Compact Neighborhood Tier in the City and County of Durham. These are areas around stations on the proposed D-O LRT project which are targeted for high-density, urban development, and would be appropriate for projects larger than the limitations in IV.E.2.

Continued Improvement Opportunity: Proximity to “frequently used railroad tracks”

As we noted earlier, the redefinition of “incompatible use” to include only those frequently-used railroad tracks within 250 of a project, down from 500, was a significant improvement. However, there are several examples of market-rate multifamily residential developments along the Charlotte Lynx light rail line which are within 25 feet of the edge of the nearest light-rail track. See Figure 1 below.

We assume that this provision was included to guard against developments that are sited on largely inexpensive land adjacent to railroad tracks plied by freight rail lines. Light rail systems are significantly quieter and can support significant

development located well within 250 of the tracks. Therefore, we recommend that the reference to “frequently used railroad tracks” be amended to include the phrase “(not including railroad tracks used for light-rail service).”



Figure 1 (Google Street View at New Bern St, Charlotte, NC. Photo taken March 2016)

We appreciate the opportunity to comment on the 2017 QAP. We believe our recommendations will encourage the development of affordable housing projects that minimize the combined housing and transportation cost for the low-income members of our community, allowing them to maximize their opportunities. Should you have any questions, please don't hesitate to contact me. Thank you for your ongoing efforts to support affordable housing in North Carolina.

Very truly yours,

Patrick McDonough

Manager of Planning and Transit-Oriented Development
GoTriangle

pmcdonough@gotriangle.org

919.485.7455