

Chris Austin

From: Gregg Warren <Gregg@dhic.org>
Sent: Friday, September 01, 2017 10:38 AM
To: Scott Farmer; Chris Austin
Subject: Comments on 2018

Dear Scott and Chris,

DHIC offers the following comments on the first draft of the QAP:

1. We believe that there are unique redevelopment projects that may merit consideration under the redevelopment set aside and would argue to keep two projects this year and to better gauge applicant interest. If there is limited interest again this year, then the Agency can reconsider this issue in 2019.
2. We do not think that there is any rationale that justifies limiting non-profit awards to 20% of the overall allocation.
3. We support the proposed agency designated basis boost.
4. Under site suitability scoring, we ask that the agency consider dropping the criterion that rewards projects that are located within 500 feet of a building. In rapidly growing metropolitan areas, finding suitable sites is always a challenge. By eliminating this measure, we could consider sites that are in the path of development yet not fully built out. The amenities scoring factors would assure that these sites are still accessible to important shopping and other services and facilities.
5. It appears to us that the credits per unit scoring was the determining factor for many awards. Given that the average credit request is unknown until after all final applications are submitted, we remain skeptical that this is the best way to determine the most worthy projects since awards are based on a measure which essentially a random guess by applicants.
6. We have advocated in the past for the applicant bonus point provision and are pleased to see it incorporated in the draft. This provision gives the NCHFA staff a clear understanding of the priorities of the applicant.
7. We believe that the proposed increase of \$2,000 in per unit development cost limits are inadequate in metropolitan areas. Currently we have two projects under construction with costs in excess of the proposed limits for 2018 and our projects that are ready to go under construction are well above this limit. We respectively request that the limits be raised by an additional \$5,000 to \$75,000 (Chart A) and \$86,000 (Chart B).
8. The line items in On-Site Improvements are not clear with regard to the costs of structured parking. Please consider adding a line item specifically for parking structures.
9. The developer fee cap on bond deals should be increased from \$1,900,000 to at least \$2,200,000. The developer fee is an eligible basis item. A higher cap on the developer fee would allow developers to generate additional credits, and therefore, greater equity for difficult projects, even if the fee is deferred.
10. Please consider adding the Durham Co-op Market to the list of approved grocery stores. The Co-op Market is open to the public from 7am-9pm and offers a wide range of packaged, prepared, and fresh grocery items.
11. If housing is near frequent transit, parking is not necessarily needed, particularly for senior housing. Creating a more nuanced parking requirement acknowledges that some tenants will use transit in lieu of owning a car. Reducing per unit parking requirements is another incentive for developers to build near expanding transit lines. Many affordable housing project capital budgets only work economically if they don't have to build excessive parking, especially where space for surface parking is limited and underground parking is impossible or cost prohibitive. This will also open up the possibility to develop tax credit properties on smaller tracts of land.
12. Outside of the site suitability scoring section, the QAP could give additional bonus points (1-2 points) for applications for projects that are at within ½ mile of existing or planned frequent transit routes (at least 15-minute frequency at peak/rush hour). Please consider additional points if the site is near Bus Rapid Transit

corridors or commuter rail or light rail, which are larger capital investments and more permanent transit linkages

13. Exclusions under section iii make it very difficult to develop housing in urban areas and near transit, especially for infill construction. This is hindering some potential affordable housing projects that could otherwise be built in cities developing light rail or where frequent bus service will go along major roads. Specifically, a project loses points if near frequently used railroad tracks or high traffic corridor. Perhaps these should be nuanced – like exclusions if near a freight railroad tracks (carving out passenger rail) or near a high traffic corridor (carving out areas with existing or planned sidewalk infrastructure).
14. Existing continuous sidewalks should not be a requirement if on future frequent transit corridor. If a development site is on a planned frequent transit route, sidewalks should not be required since the pedestrian infrastructure is part of the future development plan. Cities will likely require developers to participate in building out the sidewalks as well as other types of infrastructure. Please consider removing that requirement if the site is in a future frequent transit corridor to expand the number of potential sites available to the development community.
15. In Appendix B, please consider other materials for monument/ID signs such as metal or alternatively disallow signs made of wood or particle board.

Thank you,

Gregg Warren

President

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