



October 30, 2017

Mr. Scott Farmer, Executive Director
North Carolina Housing Financing Agency
3508 Bush Street
Raleigh, NC 27609

Dear Scott:

Thank you for the opportunity to comment on North Carolina's 2018 Qualified Allocation Plan. We appreciate your hard work on behalf of affordable housing for North Carolina's citizens.

Mountain Housing Opportunities would like to submit the following comments.

1. Cost per unit – Construction costs have been rising steadily due to labor and material demand and have now been exacerbated by recent disasters. We suggest a per unit construction cost limit of \$85,000 for Chart A and \$95,000 for Chart B.
2. Credits per unit – The revision in the second draft creates too much downward pressure on credit requests. We respectfully request that credits per unit be eliminated as a scoring category or returned to the 2017 system. If credits per unit as a scoring category continues, we recommend using the “median” as the scoring basis rather than the “average” (mean.) The median will ensure that exactly half of the projects are above and exactly half are below and will eliminate the scoring being affected by outliers-either high or low.
3. Additional point – We support the effort to provide additional differentiation in scoring to avoid the use of tiebreakers.
4. Community space maximum – We suggest that NCHFA not create a maximum allowed floor area for community space—which is a new rule this year. Many municipalities are providing significant support for affordable housing that is effectively gap financing as credits available per project decrease. If a municipality provides significant support for a project and wants to see a larger community building, it should be permitted. Creating larger community space does not significantly increase the overall budget for a project and provides a much higher quality of life for residents.

Thanks again for the opportunity to comment, and we look forward to our continued work with the North Carolina Housing Finance Agency.

Best Regards,

A handwritten signature in black ink, appearing to read 'Cindy Visnich Weeks', written over a white background.

Cindy Visnich Weeks
Vice President & Director of Community Investment
Mountain Housing Opportunities