

Chris Austin

From: Brika Eklund <Brika.Eklund@self-help.org>
Sent: Monday, October 30, 2017 1:48 PM
To: Chris Austin
Cc: Scott Farmer
Subject: Comments from Self-Help Ventures Fund on 2018 Draft QAP

Chris,

Good afternoon. Thank you for accepting comments on the draft 2018 QAP, as well as for your Q&A session at the NC HousingWorks! Conference this past week. As Director of Real Estate at Self-Help, a nonprofit community development financial institution (CDFI) with a long-standing presence in North Carolina commercial real estate, I appreciated hearing from NCHFA and LIHTC developers both at your session and throughout the conference as we expand our LIHTC knowledge internally to find ways to further contribute to affordable housing development and preservation in the state.

Ahead of today's 5pm deadline for comments to the draft 2018 QAP, I would like to share the following comments on behalf of Self-Help's Real Estate Team in the hope that we contribute to the broader conversation:

1. **Sponsor cap.** We would suggest increasing the sponsor cap back to \$1.8M or higher as the reduction significantly inhibits developers' ability to apply for two awards in 2018. The sponsor cap should not inadvertently inhibit high-capacity LIHTC developers from delivering much-needed affordable housing in their service areas, and limiting such developers to one project could do that.
2. **Cost per unit.** With increased construction costs both from booming real estate activity and recent natural disasters (as discussed at the conference), construction costs are likely to exceed the current Chart A and Chart B limits. We recommend increasing those limits to be more in-line with what developers are seeing in the market, such as \$85,000 for Chart A and \$95,000 for Chart B.
3. **Credits per unit.** The second draft revision to a "below only" structure creates significant downward pressure on credit requests, especially as developers must guess what other developers will submit. We recommend that the scoring criteria be returned to an "above/below" % model as used in 2017, if the criteria needs to remain at all.
4. **Parking ratio.** We support the reduction in parking requirements to 1.75 spaces per 1 unit in family properties, and we would encourage NCHFA to consider further stated reductions in metro counties with no City-mandated minimum parking requirement.
5. **Best site in NC.** We encourage NCHFA to provide upfront guidance on what would qualify as the best site in North Carolina and thus be eligible for an additional point.
6. **Appendix B.** Consider allowing stacked washers and dryers in metro regions with minimum clearance requirement around the units. Stacked units can allow for efficient use of space in more dense developments where land and construction costs can be more expensive than rural regions.

Feel free to contact me with any questions or requests for clarifications.

Sincerely,
Brika Eklund

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