

Mr. 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 2019 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 (D-O LRT), which will provide high-quality fixed-guideway transit service connecting the employment centers at the University of North Carolina at Chapel Hill, 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, continue to 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 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 of 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. GoTriangle, the Town of Chapel Hill, City of Durham and the Triangle J Council of Governments will soon complete a major station area planning effort, known as the TOD Guidebook, which is funded by a \$1.7 million Transit-Oriented Development planning grant by the Federal Transit Administration (FTA). One of the overarching themes emerging from this work is the increased need for the municipalities, counties, and housing authorities to work creatively and collaboratively with a variety of partners, including the NCHFA, to leverage limited public resources in order to provide the greatest number of new and preserved affordable housing units possible. Given the nature of infill and redevelopment projects that are likely along the D-O LRT, flexibility with respect

to standards such as parking, project size, and the proximity to light rail tracks is essential.

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. According to our recent rider surveys, 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. A total of 33% of GoTriangle riders have household incomes less than \$25,000 per year. This number jumps to 46% among riders who take the bus 6-7 days per week.

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 rides 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 Durham, Raleigh and Cary's local bus service, costs only \$76.50 per month (\$34 for disabled patrons), or \$918 per year. In addition, this year GoTriangle, GoDurham, GoRaleigh, and GoCary introduced a Youth GoPass program that allows patrons aged 13-18 to ride all local and regional services at no cost. (Chapel Hill Transit is fare-free, riders under the age of 12 may ride for free on all services). By contrast, auto ownership costs \$8,500 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 Transit Administration acknowledges this connection between affordable housing and transportation accessibility. Accordingly, their guidelines for evaluating whether to fund projects, such as the D-O LRT Project, emphasize the availability of affordable housing around transit stations and local policies in place to preserve and generate new affordable housing.

GoTriangle Commends Recent QAP Changes

We appreciate the changes that have been made to the QAP over the last few years which improve the link between the cost of housing and the cost of transportation. Since the 2015 edition, the QAP has awarded points to projects within one-quarter-mile of transit stops that provide a minimum level of service. In the 2017 QAP, we supported the change to decrease driving distances to amenities for projects in larger towns and cities, as well as the introduction of new secondary amenities, as it increases the chances that the presence of a transit stop will be relevant to a project's final score.

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 QAP. Further, we support the exception in the draft 2019 QAP given for projects within ¼ mile of a light rail station.

In addition, although not in the draft 2019 QAP, we commend the NCHFA for authorizing a reduction in parking requirements for the Willard Street project in Durham, submitted by DHIC, Inc. and Self Help. It is our understanding that the project received approval to build 65 dedicated residential parking spaces for the 82 units, with additional spaces available in the evenings. Given the site’s proximity to many transportation, retail, and service options, we believe that many future residents will choose to reduce their usage and ownership of cars, allowing them the choice to forgo the expenses of owning, maintaining, and operating a vehicle. We think this project could serve as an example for parking reductions for other projects that are within ¼ mile of frequent transit services.

These are important and worthwhile steps that improve the competitiveness of transit-served affordable housing projects. In order to ensure that projects that 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 2019 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 in addition to imposing relatively lower parking maximums. Additionally, in urban areas where land is at a premium, the ability to reduce parking creates substantial savings per unit and allows for more efficient use of limited resources on urban, location-efficient sites.

Following the example of the Willard Street project, we recommend that the QAP be amended to allow the minimum parking requirement to be reduced to 0.8 dedicated residential spaces per unit if the project is within ¼ mile of existing frequent transit service or within ¼ mile of an approved light rail or bus rapid transit station. Our recommended definition for frequent transit service is as

follows: “Transit service with headways of 15 minutes or less during weekday peak hours and 30 minutes or less during the mid-day, evening, and on Saturdays. Sunday headways must be 60 minutes or less.”

Continued Improvement Opportunity: Project size penalties

Section IV.E.2 of the QAP limits the size of projects. The 2019 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 that the City and County have identified as targets for high-density, urban development, and would be appropriate for projects larger than the limitations in IV.E.2. In addition, the Durham Housing Authority as well as the City and County of Durham control a large amount of property near central Durham D-O LRT stations. Their properties present prime opportunities to increase the region’s number of affordable housing units within mixed income developments that are close to frequent, reliable transit that will serve over 100,000 existing jobs and three of the top-ten largest employers in the State.

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 as is the proposed exception for projects that are within ¼ mile of a light rail station. We assume that the “frequently used railroad tracks” provision was included to guard against developments that are sited on largely inexpensive land adjacent to freight and/or inter-city passenger railroad tracks.

Light rail systems are significantly more quiet than freight and inter-city passenger trains and can support substantial development located well within 250 feet of the tracks. Figure 1 below, shows how light rail tracks as well as bike and pedestrian connections along the tracks, can be an amenity to residential buildings. In the image, a market-rate apartment building and townhomes directly front the light rail tracks. Therefore, we recommend that the reference to “frequently used railroad tracks” be amended to include the phrase “(not including railroad tracks used exclusively for light-rail service).” This exception would apply to portions of Charlotte’s Blue Line and the D-O light rail tracks that are not adjacent to freight and inter-city railroad tracks.



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

New Improvement Opportunity: Grocery Amenity

We note that the Durham Cooperative Market, with a location at 1111 W. Chapel Hill Street Durham, NC 27701, is a full service grocery store, similar to the Weaver Street Market, which is recognized as a grocery store amenity. We recommend its inclusion in the grocery store amenity section. Its website may be viewed here: <http://durham.coop/>

We note that Sprouts, with a location at 105 W NC-54, Durham, NC 27713, is a full service grocery store. We recommend its inclusion in the grocery store amenity section. Its website may be viewed here: <https://www.sprouts.com/store/nc/durham/durham/>

We appreciate the opportunity to comment on the 2019 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.

Sincerely,

Jay Heikes

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