Chris Austin

From: Traci Dusenbury <tdusenbury@halconcompanies.com>
Sent: Friday, August 31, 2018 8:44 AM
To: Chris Austin
Subject: QAP comments

Importance: High

Chris,

I would like to submit the following comments regarding the 2019 QAP:

Small towns- consider increasing amenities radius to three miles. The proposed increase to two miles does not help enough in order for small rural towns to compete.

Or consider one of the following to further assist small rural areas in competing with projects in larger markets.

Add additional scoring criteria for towns under 5,000 population and increase to three miles or some extra consideration (bonus point?)

Reduce the size of a small town from 10,000 to 6,000 (or 5,000) and increase the amenities distance to three miles. Many rural areas are well below the 10,000 population limit.

Primary Site Amenities-Please allow a regular pharmacy (without general merchandise) to count as a Pharmacy as long as there is shopping already there. As long as the residents can purchase prescriptions and shopping is available, why do they need general merchandise at the pharmacy? Requiring pharmacies to have general merchandise hurts smaller, local pharmacies because we do not put units near them and contributes to the big box pharmacies shutting the mom and pop pharmacies out of business. This also relates to the small towns as some small towns may have a mom & pop pharmacy and a Dollar General, but not a CVS or Walgreens.

Under Secondary Amenities, Please add an additional "Service amenity" opportunity for 3 points. This way, you can count a free-standing bank and a restaurant or a restaurant and a convenience store. Some people may find this more valuable than being close to a medical facility as residents hopefully, will use the restaurant, bank and convenience store more frequently than once every 6 months-1 year.

Consider an increase to the per unit developer fee to $14,000/unit as all other costs have increased.

Regarding the maximum award to one project, please consider increasing this to $1,100,000 as larger projects have difficulty staying under $1,000,000 and there is the developer maximum cap.

Regarding the credit per unit average, please consider keeping it at 5% and 10% as I believe this worked well and there is no need to change it.

**Regarding the Market Analysis, I urge you to keep it where rents can be raised after the market analysis is received. With the NCHFA ordering the market studies, Developers must wait and rely on these in order to make critical decisions regarding the projects. With income averaging, this will be even more important. If the market study comes back and says there is no market for units that have been proposed at 80% for example, then in order to make the projects work, we may have to increase units we projected at 30%, for instance. This is critical as the purpose of a market study is to structure the rents for the project to make it successful. Developers shouldn't have to pay for 2 market studies, so we rely on this one to make these decisions.

Regarding the first tiebreaker—lowest poverty level. With the amenity requirements basically requiring sites within 1 mile of amenities and the first tiebreaker being the lowest poverty level, this is driving Developers to find sites that are much more expensive. If we can't come up with another tiebreaker to help alleviate this, please at least keep the range at 5%-10% as some communities are facing much higher land costs than others in their pool.

Thanks for your consideration.

Traci Dusenbury

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