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Mr. Chris Austin  
Director of Rental Investments  
North Carolina Housing Finance Agency  
3508 Bush Street  
Raleigh, NC 27609

Re: Comments to the First Draft of the 2019 Qualified Allocation Plan (QAP)

Dear Mr. Austin:

On behalf of Laurel Street Residential, I would like to thank you for your continued service to the North Carolina Housing Finance Agency (NCHFA) and to the state's affordable housing development industry. We also appreciate this opportunity to share comments to the first draft of the 2019 QAP.

Attached, please find a list of our comments, which we hope will only enhance the QAP as a tool.

Sincerely,

Lee M. Cochran

**Laurel Street Residential - Suggestions for Inclusion in 2019 QAP**

	QAP Section	Suggested Change
1	<b>Section IV.A.1(b)</b> Minimum Threshold	We suggest lowering the minimum threshold site score to 40.5 points instead of 45 points. Assuming that a site scores the maximum neighborhood characteristics score of 10 points and the maximum site suitability score of 12 points, then, applying the suggested scoring matrix for amenities described in Attachment #1, the minimum achievable points for amenities would be 18.5 (recall that public school and senior center points are mutually exclusive). In that case, the minimum threshold should be no higher than 40.5 points. This presents an opportunity for a quality 4% tax credit application to receive credits without disrupting the integrity of the competitive 9% process. Furthermore, NCHFA still maintains the discretion to apply 3 site negative points to any project that is deemed to be unsuitable for housing.
2	<b>Section IV.A.1 (b)(ii)</b> Amenities – Scoring Matrix	Expand the distances that allow a site to achieve points in the Primary and Secondary Amenities categories to allow developments that are within 2.5 and 3.5 miles of amenities to achieve points. We believe this approach will still reinforce the competitive nature of 9% tax credit applications because responsible developers will continue to submit applications for sites that achieve the maximum score. However, expanding the distances for amenities according to the proposed changes to the site scoring criteria will also allow a quality 4% tax credit application to achieve the minimum threshold site score without being penalized. <i>See Attachment #1 for proposed changes to site scoring criteria.</i>
3	<b>Section IV.A.1 (b)(ii)</b> Amenities – Bus/transit Stop	A binding commitment from the local transit authority to extend an existing bus route and provide an appropriately qualifying bus stop within 0.25 miles walking distance of the proposed project site prior to the project being placed in service should be awarded 6 points. Similar to the requirements for tribally appropriated funds, we believe that a binding commitment from local government should meet the requirements as defined by Section VI.B.6(b) – a letter, resolution or binding contract from a unit of government.
4	<b>Section IV.A.1 (b)(iii).</b>  Site Suitability	We believe that projects should not be penalized for developing in low-density areas. Developments within small towns or outside of municipal limits should not be required to be developed within 500 feet of a building that is currently in use for residential, commercial, educational, or governmental purposes in order to achieve the 3 points for project visibility. Please consider adding the following language to this subsection:  "Projects in Small Towns or outside of municipal limits that meet the Visibility criteria that are not within 500 feet of ANY structure are also eligible for these 3 points."

**Attachment #1 - Section IV.A.1(b)(ii) - Criteria for Site Score Evaluation**

**(ii) AMENITIES (MAXIMUM 38 POINTS)**

Other than applications with tribally-appropriated funds or near bus/transit stops (described at the end of this subsection), points will be determined according to the matrix below. For an amenity to be eligible for points, the application must include documentation required by the Agency of meeting the applicable criteria. In all cases the establishment must be open to the general public and operating as of the preliminary application deadline.

		Driving Distance in Miles			
<i>Primary Amenities (maximum 26 points)</i>		≤ 1	≤ 1.5	≤ 2.5	≤ 3.5
	<i>Grocery</i>	12 pts.	10 pts.	8 pts.	6 pts.
	<i>Shopping</i>	7 pts.	6 pts.	5 pts.	4 pts.
	<i>Pharmacy</i>	7 pts.	6 pts.	5 pts.	4 pts.
<i>Secondary Amenities (maximum 12 points)</i>		Driving Distance in Miles			
		≤ 1	≤ 1.5	≤ 2.5	≤ 3.5
	<i>Other Primary Amenity</i>	5 pts.	4 pts.	3 pts.	2 pts.
	<i>Service</i>	3 pts.	2 pts.	1 pt.	.5 pts.
	<i>Healthcare</i>	3 pts.	2 pts.	1 pt.	.5 pts.
	<i>Public Facility</i>	3 pts.	2 pts.	1 pt.	.5 pts.
	<i>Public School (Family)</i>	3 pts.	2 pts.	1 pt.	.5 pts.
	<i>Senior Center (Elderly)</i>	3 pts.	2 pts.	1 pt.	.5 pts.
	<i>Retail</i>	3 pts.	2 pts.	1 pt.	.5 pts.