

October 13th, 2023
North Carolina Housing Finance Agency
Attn: Tara Hall
3508 Bush Street
Raleigh, NC 27609
Subject: Comments for 2024 QAP

Ms. Tara Hall,

We would like to see a cap on the number of 9% awarded Projects any one development entity may have in their NCHFA portfolio (Projects awarded but not yet placed in service) without some portion of those awarded Projects actually “under construction”, and on a path to completion and placement in service.

This is to prevent any single development entity from accumulating too many awarded Projects without getting a certain number of those Projects underway and on a path towards placement in service. The start of construction is a critical and well-defined benchmark on the path to getting a development placed in service and therefor an important milestone ensuring that the Agency’s primary goal is met; getting rental units placed in service and made available to those in need. With the current ability to recycle credits, this could become an issue, and could create a backlog of undeveloped units. We realize credit recycling is necessary and needed in these difficult times with increasing costs of construction and lending; we just don’t feel that if a developer has multiple awards that they should be able to keep recycling credits for those projects, continue to accumulate additional awards, and not have some number of those funded Projects under construction. There needs to be a limit in place for all this.

We suggest that there be a cap of two awarded projects to any one development entity at any given time (in the queue so to speak), that are not under physical construction (permits pulled, financing in place, boots on the ground). In order for that entity to have a third award, or make application for a third; they must have one of those two prior awarded projects under construction by the preliminary application date for that credit cycle in order to make application.

This requirement should be applicable to all developers including non-profit entities. Focus needs to be directed to getting units placed in service regardless of developer entity structure.

Additional Comments Include:

Remove third tie-breaker, “earliest preliminary application submittal”. This will not help create better projects, and could promote compromise in project site quality. Many of our best sites have surfaced very near the preliminary application due date.

Please consider permanently suspending/removing the rule stating retaining walls and graded slopes may not be closer than 15 feet from any building. Design work is best left to those with the stamps; architects and engineers.

Consider increasing the per project award limit to \$1.4 million.

Create a system to be able to check on the status of plan review and comments from construction analysts.

We have concerns over the secondary amenity requirements and how they affect scoring. This will create a lot of difficulty in trying to find potential sites in rural areas, areas which need a fair share of affordable housing as well.

Very respectfully,



Stephen Drake
BroadCraft Construction & Development, Inc.