

August 3, 2023

Tara Hall
Manager of Rental Development
NCHFA

Comments for QAP

- Earlier release of QAP. Final QAP release in November/December that determines viability of a January pre-application is not feasible. Consider multi-year cycles for QAP updates, potentially only revisions to scoring/tiebreaker criteria every 2-3 years, or consider a significantly earlier QAP release timeline to give developers ample time (more than 2-3 months) to conduct due diligence on prospective sites.
- Do not reinstate cost caps. Create additional cost limit of \$30,000 per unit for structured parking.
- Allow projects the option to elect forward allocation of credits to prevent PIS deadline issues.
- Encourage non-profit ownership of LIHTC development by boosting the non-profit set aside above 10%. Mission-driven developers are more likely to extend and preserve affordability in LIHTC developments beyond year 30 than for profit developer/owners. Consider other alternatives employed in other states' QAPs such as awarding a bonus point for non-profit involvement in ownership (Georgia) or providing points for developers that offer an option or right-of-first-refusal to a non-profit partner (Virginia).
- Create a separate set-aside for high-demand locations prior to the geographic set-asides; or award a range of points based on existing affordable housing shortages.
- Increase allowable developer fee. Particularly important as deferred developer fees have become a more significant source for closing gaps in deals.
- With construction costs and interest rates rising, please consider increasing the per project award limit to \$1.4 million and increase the Principal cap. This will necessarily result in fewer awarded projects, but will also result in projects that are not as highly leveraged and better able to close and start on time.
- Additionally, consider not counting rehabilitation credit allocations in the Principal cap. This would allow developers to focus on preservation of affordable housing stock as a priority while continuing to build new units.
- Permanently suspend prospective retaining wall/graded slope rule. Too vague – needs more clarity on intent and input from engineers/architects.
- Combine the Shopping and Retail categories to broaden the Shopping category and allow for a more qualitative assessment of shopping establishments not on current QAP list. Also account for the prevalence of online/Amazon type of shopping by potentially crediting projects with Shopping points if they include safe storage for these types of packages when delivered.
- Consider allow uncapped site scoring or increase the maximum points in this category so that applications can exceed the current site score maximum. This would rank projects with more amenities above those that currently can only achieve the maximum site score.

- Please consider adding Goodwill (GCF) stores to Shopping as they offer a wide variety of goods, including clothing, furniture, home products, etc.
- Provide additional points if the project is located in a Transit-Oriented Development overlay or similar priority area.
- Award points for Land Cost line item of less than \$5,000 for purchase or ground lease of land.
- Eliminate the need for appraisals for donated and leased land at application.
- Provide a range of points based on poverty rate of the project's census tract with more points available to projects with a lower poverty rate.

Comments for Appendix B

- Requiring 30-year minimum warranty on TPO roofing material is expensive.
- Instead of requiring a Gazebo for senior projects, can you offer the option of a **Gazebo OR a covered porch**? Finding an appropriate space for a Gazebo is difficult in some urban, in-fill sites and if the point of the requirement is to offer a covered amenity space that offers fresh air, a porch provides that.
- Eliminate the requirement that all family properties to have a playground on-site; some urban locations are in close walking distance to public parks for example.
- Allow developers to provide free WiFi in the Multi-Purpose Room in lieu of a resident computer center with a minimum of 2 computers.
- Allow building mounted signs as an alternative to monument signs. This is often done in practice at projects on tight sites, but not explicitly endorsed by the QAP.
- Reduce parking ratio requirements. Allow project-specific parking needs to be determined by developer and municipality. Alternatively, allow compact spaces to count towards parking ratio, and allow reduction in parking ratio for developments served by public transportation and connected to surrounding amenities by sidewalks.
- Eliminate pantry closet/cabinet requirement, especially in 1-bedroom units. These can result in awkward kitchen layouts when overlaid with all other NCHFA and code requirements.
- Eliminate or reduce minimum kitchen countertop lengths, especially for 1-bedroom units. Resulting unit layouts have excessively large kitchens.
- Consider eliminating water heater minimum sizes and the new proposed rule that would prohibit locating water heaters under air handlers, or making studio, efficiency, 1-BR, and 2-BR units exempt from this requirement. The incremental changes over the last several years have made unit layout increasingly difficult. These rules conflict with market rate multifamily MEP engineering and construction industry standard practice.
- Allow some exceptions to the prohibition on exterior switchback ramps. Appendix B Section III.E.3.

General/other comments

- More value placed on preservation and acknowledgement for Principals who maintain long-term affordability, post- Year 15.
- Create a system to be able to check on the status of plan review and comments from construction analysts.

Thank you for the listening session and please reach out to us if you have any questions.