

2023 QAP First Draft Comments

Submitted by Fred Mills Jr & Bobby Funk

Removal of Walkscore as the 2nd tiebreaker & point opportunity

We are opposed to the addition of Walk Score as a site score point opportunity as well as the use of Walk Score as a tiebreaker as drafted in the 2023 QAP. This application deeply disadvantages rural communities from opportunities for funding as there are simply fewer amenities which contribute to Walk Score in non-urban communities. The practical effect of these criteria is to reduce the field of viable development sites for developers to consider and likely push developers to select worse development sites for the sake of trying to achieve Walk Score points. This has the opposite effect of expanding the driving distance to amenities, a change which has given developers the chance to better identify the best sites for multifamily development in a community. These criteria will push developers to compete for land that may be challenging for housing as well as being priced for higher cost commercial land uses. Additionally, we are concerned about the potential disparate impact that Walk Score could have on African-American citizens. With Walk Scores naturally being higher in urban areas versus rural, the continued inclusion of Walk Score in the QAP could have the effect of clustering LIHTC projects in certain areas in the manner discouraged by the U.S. Supreme Court in *Texas Department of Housing and Community Affairs v The Inclusive Communities Project* (2015).

Suggested new 2nd Tiebreaker

As a replacement to the Walk score, we would recommend the addition of a metric related to development cost efficiency. We recommend lowest total credit and state subsidy requested per unit. This would be calculated by taking the total credit request, multiplying it by 10, adding any other state funding source (WHLP & RPP), then dividing that total request by the number of units being proposed. This metric would help differentiate between projects making efficient use of funding sources administered by NCHFA as well as reward projects that seek other non-NCHFA funding sources.

Example:

Total credit request: \$1,000,000

RPP Request: \$800,000

WHLP Request: \$1,200,000

Total Units: 72

$((1,000,000 * 10) + 800,000 + 1,200,000) / 72 = \$166,667$ in state subsidy per unit

Suggested new 1st Tie Breaker:

Cost Burdened Renters per 5-year Units Created

A first tiebreaker which takes both recent unit production and housing needs of a community into account would be a wholistic metric to both distribute units geographically from year to year while also being sensitive to communities with acute housing affordability challenges. We would suggest the metric of “Cost burdened renters per unit created”. The data for this analysis is located in American Community Survey (ACS) tables are DP04_0114E and DP04_0015E in the Selected Housing Characteristics summary table. The metric would take county level ACS data on the number of rental households spending more than 30% of income on housing and divide that by the number of units created in the county over the past five years. The higher the number, the greater the housing need in context to the number of units created recently. Additionally, this metric acknowledges communities that have historically not received many allocations but tempers the results considering overall housing need. For counties with zero units created in the past five years the Cost Burdened Renters per units created shall be the total number of cost burdened renters. This would make counties with zero created units over the past 5 years the de facto top priority while still being able to differentiate those counties with the highest housing affordability challenges.

A suggested new appendix is attached to the bottom of this letter with each County’s metric using 2022’s appendix L for the estimate of units created. If this metric is adopted as a new 1st tiebreaker, the latest 5-year units created count should be used to create the metric.

Design Appendix B Comments

II. Building and Unit Design Provisions

C. Interior Design and Materials

23. All Type A handicap units must be **proportionately** distributed to all **covered** buildings and on all accessible floor levels.

24. Delete- This seems like an unnecessary addition of cost.

III. Mechanical, Site and Insulation Provisions

A. Plumbing Provisions

18. Agree provided the intent is to restrict access to property management/maintenance and not access for resident access

E. Sitework and Landscaping

10. Retaining walls and graded slopes may not be closer than 25 feet from any building, as the language is currently proposed, would have significant consequences to overall site design, density and cost. Furthermore, ascertaining this knowledge, with any reliable degree of certainty by the date of full application submittal, would basically require a full civil design and permitting of the site. I completely understand that utilizing retaining walls requires careful design and execution, but I don't feel like a such a sweeping blanket rule is the best form of regulation. To preserve what I believe is the intent of the proposed language I would suggest the following language. "Any constructed retaining walls with a height of 4' or more measured from adjacent finished grades that is closer than 25' to a building or other vertical structure will require documentation of an engineered design for receipt of approval to begin construction from NCHFA and documentation that said wall was constructed in accordance with the engineered design for receipt of permission to occupy the residential buildings." Additionally, I would propose the following language. "Any slope greater than 3:1 for which either the top or toe of the slope is within 25' of a building or other vertical structure will require the submittal of a written plan for the construction, stabilization, and maintenance of said slope."

VIII. Qualified Allocation Plan

4. Last sentence change to read "All Type A units must be proportionately distributed to all covered buildings and on all accessible floor levels."

Question related to Full-Service Pharmacies

Is it the Agency's position to not prioritize funding of projects in communities lacking a full-service pharmacy? We are aware of small towns with a demonstrated housing need but lack a full-service pharmacy. These rural towns generally have limited-service pharmacies that are not located in hospitals but don't meet the requirement of selling general merchandise. For that reason, we have been unable to proceed with submittals assuming they would not capture the critical maximum possible primary amenity score.

Appendix: Cost Burdened Renters per 5-year Units Created

County	Rental Households spending greater than 30% of income on housing (2020 ACS 5-Year Estimate)	2022 Appendix L – 5-year units created	Cost Burdened Renters Per 5-year Units Created	Zero Units Created
Alamance County	9700	160	60.6	
Alexander County	920	40	23.0	
Alleghany County	444	0	444.0	*
Anson County	1414	24	58.9	
Ashe County	751	0	751.0	*
Avery County	598	0	598.0	*
Beaufort County	2353	0	2353.0	*
Bertie County	915	0	915.0	*
Bladen County	1415	0	1415.0	*
Brunswick County	4910	264	18.6	
Buncombe County	18133	386	47.0	
Burke County	3114	186	16.7	
Cabarrus County	7988	350	22.8	
Caldwell County	3212	248	13.0	
Camden County	284	0	284.0	*
Carteret County	3376	156	21.6	
Caswell County	1043	0	1043.0	*
Catawba County	6008	346	17.4	
Chatham County	2827	164	17.2	
Cherokee County	997	56	17.8	
Chowan County	797	38	21.0	
Clay County	424	0	424.0	*
Cleveland County	4819	130	37.1	
Columbus County	2542	60	42.4	
Craven County	5972	484	12.3	
Cumberland County	29090	536	54.3	
Currituck County	669	0	669.0	*
Dare County	1799	0	1799.0	*
Davidson County	8125	52	156.3	
Davie County	1187	66	18.0	
Duplin County	2351	60	39.2	
Durham County	26657	205	130.0	

County	Rental Households spending greater than 30% of income on housing (2020 ACS 5-Year Estimate)	2022 Appendix L – 5-year units created	Cost Burdened Renters Per 5-year Units Created	Zero Units Created
Edgecombe County	2982	64	46.6	
Forsyth County	24655	653	37.8	
Franklin County	2406	0	2406.0	*
Gaston County	12225	442	27.7	
Gates County	339	0	339.0	*
Graham County	153	0	153.0	*
Granville County	2315	60	38.6	
Greene County	834	0	834.0	*
Guilford County	39077	616	63.4	
Halifax County	3996	50	79.9	
Harnett County	6056	80	75.7	
Haywood County	3160	54	58.5	
Henderson County	5478	78	70.2	
Hertford County	1351	0	1351.0	*
Hoke County	2644	0	2644.0	*
Hyde County	251	0	251.0	*
Iredell County	7125	376	18.9	
Jackson County	2429	0	2429.0	*
Johnston County	8307	268	31.0	
Jones County	512	0	512.0	*
Lee County	3038	152	20.0	
Lenoir County	4168	252	16.5	
Lincoln County	3367	0	3367.0	*
Macon County	1688	0	1688.0	*
Madison County	777	0	777.0	*
Martin County	1387	0	1387.0	*
McDowell County	1376	60	22.9	
Mecklenburg County	79950	1063	75.2	
Mitchell County	395	0	395.0	*
Montgomery County	897	0	897.0	*
Moore County	3443	0	3443.0	*
Nash County	5487	156	35.2	
New Hanover County	20028	378	53.0	
Northampton County	1059	30	35.3	
Onslow County	13300	232	57.3	

County	Rental Households spending greater than 30% of income on housing (2020 ACS 5-Year Estimate)	2022 Appendix L – 5-year units created	Cost Burdened Renters Per 5-year Units Created	Zero Units Created
Orange County	9198	48	191.6	
Pamlico County	394	0	394.0	*
Pasquotank County	2258	0	2258.0	*
Pender County	2007	0	2007.0	*
Perquimans County	641	0	641.0	*
Person County	1795	84	21.4	
Pitt County	15321	460	33.3	
Polk County	713	70	10.2	
Randolph County	6212	50	124.2	
Richmond County	2548	0	2548.0	*
Robeson County	5897	384	15.4	
Rockingham County	4611	94	49.1	
Rowan County	5844	236	24.8	
Rutherford County	3242	0	3242.0	*
Sampson County	2528	0	2528.0	*
Scotland County	2304	0	2304.0	*
Stanly County	2027	0	2027.0	*
Stokes County	1727	80	21.6	
Surry County	2948	66	44.7	
Swain County	473	0	473.0	*
Transylvania County	1315	0	1315.0	*
Tyrrell County	148	0	148.0	*
Union County	4942	72	68.6	
Vance County	2870	152	18.9	
Wake County	62151	762	81.6	
Warren County	869	0	869.0	*
Washington County	798	0	798.0	*
Watauga County	4746	0	4746.0	*
Wayne County	7504	451	16.6	
Wilkes County	2966	0	2966.0	*
Wilson County	5478	144	38.0	
Yadkin County	1676	0	1676.0	*
Yancey County	627	0	627.0	*