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Ms. Hall,

Thank you and NCHFA staff for your continued commitment to the development of quality affordable rental housing across North Carolina and to the betterment of the QAP in striving to serve this goal.

In pursuit of a QAP that better serves both our communities and development partners, Mountain Housing Opportunities, Mosaic Development Group, DHIC, Western NC Housing Partnership, and CASA NC would like to formally submit the following comments we find most crucial to an improved 2024 QAP:

- **Elimination of the rule stating retaining walls and graded slopes may not be closer than 15 feet from any building in Appendix B Section II.E.10.**

As written, this rule disqualifies or makes infeasible many otherwise suitable sites in an environment wherein land is an increasingly scarce resource. Moreover, an overt ban on walls within 15 feet lacks nuance in distinguishing lower landscaping type walls from larger structural walls and lacks nuance in considering that retaining walls, like any building technology, can be built correctly or incorrectly.

We request elimination of this rule, or at the very least the provision of more clarity on an acceptable path to be granted exemptions to the rule by NCHFA.

- **Eliminate construction cost caps cited in Section IV.C**

Construction prices remain costly and the cost caps NCHFA has instituted are artificially low. While efficient use of the credit is important, it is important to not hinder the ability to fully source deals and to have cost caps rooted in the realities of the construction market.

- **Adjust the Amenities pointing method in Section IV. A.1.b, particularly the Shopping category.**

The emphasis on big box retail in the shopping category works in antithesis to finding sites in proximity to the listed secondary amenities and to finding sites in quality locations.

Acceptable alternatives may include:

1. Moving shopping to the secondary amenity category and moving proximity to multiple currently listed secondary amenities to the primary category or
  2. Expanding the list of acceptable establishments included under shopping
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- Boost the Nonprofit set-aside in Section II. D. 1

Increasingly, conversions to market rate are occurring at tax credit properties with expiring affordability periods. As more properties age out of affordability periods, this issue will compound. Nonprofits are mission-driven and seek to preserve affordability at higher rates than for profits, a concept backed by national studies.

- Edit parking minimum requirements listed in Appendix B Section IV. F. 1 and only require that projects adhere to the parking ratio required by the municipality.

Land for such large parking minimums and cost of excess parking is a large barrier to successful developments. National studies showing how severely affordable developments are over-parked has led municipalities to substantially lower parking requirements. ([https://shopworksarc.com/wp-content/uploads/2021/02/2021\\_Parking\\_Study.pdf](https://shopworksarc.com/wp-content/uploads/2021/02/2021_Parking_Study.pdf)).

As Nonprofit developers working toward the shared goal of more and better affordable housing in North Carolina, we have collaborated on the points above and urge your consideration of the issues addressed.

Thank you very much again for your partnership, for your consideration, and for your service in meeting our State's housing crisis.

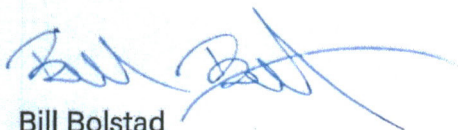
Sincerely,



Geoffrey Barton  
President & CEO  
Mountain Housing Opportunities



Joy Strassel  
Executive Director  
Western NC Housing Partnership



Bill Bolstad  
Executive Director  
Mosaic Development Group



Jessica Brandes  
Senior Director of Real Estate Development  
CASA NC



Natalie Britt  
Senior Vice President, Real Estate Development  
DHIC

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