To: Chris Austin – NCHFA

From: Richard Angino

Date: October 1, 2019

Re: Comment on Second Draft of the 2020 NCHFA QAP

The most recent draft of the QAP added back the tie breaker as follows "(a) First Tiebreaker: The project in the census tract with the lowest percentage of families below the poverty rate (see Appendix H for listing of poverty rates by census tract)" I suggest that it should be removed before the QAP is finalized based on the following issues:

1. If the goal is to put affordable housing in the hottest "high opportunity" neighborhoods, Winston Salem is an example of where placing tax credits into properties located in census tracts with the lowest poverty rates doesn't work. A majority of our new high-end apartments are located in the "Innovation Corridor" section of downtown with **over half a billion dollars of funds invested** in this area. There has been close to **2,000 new units in the last five years** built in this census tract with rents ranging from $1,200 to $2,800. It is **walkable to thousands of jobs**, as well as, **walkable to the city's central bus hub to thousands of other jobs** in the region. The city is pushing hard to make sure some affordable housing is included in this neighborhood growth since the current apartments are only affordable to folks making 140% of the area median income. Seems like a great place to use tax credits, but the **census tract's poverty rate is 44%**.
2. I understand the Texas case issue, but steering properties towards low poverty rate census tracts by tripping the Federal fair housing rules is not the proper way to address the concern. The federal fair housing rules have not changed and this is still redlining as it has been explained to me by several folks who are very familiar with the red lining rules in federal fair housing regulations.

With the above in mind, we don't have the Texas issue in North Carolina since the QAP was already steering the credits into "High Opportunity" neighborhoods since the short list of NCHFA approved grocery stores are only located in higher income areas. When was the last time that Trader Joes, Whole Foods, Publix or Fresh Market were located in a location which is not consider a hot growth place to live? If NCHFA's goal is to keep the new tax credit properties out of food deserts, the market has already done this since many of these grocers have closed their existing locations in what they consider "Less Profitable" locations.

If NCHFA truly wants new tax credit properties to be built in "High Opportunity" neighborhoods, I would suggest that you remove the rule that requires properties to be near the following shopping which is considered "low income" shopping:

Big Lots	Kmart	Target
Dollar General	Maxway	Super Target
Dollar Tree	Ollie's Bargain Outlet	Walmart
Family Dollar	Roses	Walmart Supercenter
Fred's Super Dollar	Roses Express	

Right now this list of approved Shopping Amenities doesn't fit our tenant demographics which are working folks with access to a car and making between $18,000 to $46,000. Our tenants are generally not folks who have no option but to shop at dollar stores, but the QAP requires developers to find properties that are within one mile of these low-end shopping options. Our tenants shop at Belks, TJ Max, CostCo and Amazon just like everyone else.