

## **DHIC & CMHP Comments on 2021 NCHFA QAP First Draft**

- *Disaster Recovery* – Keep either the 12.5% additional set aside OR the Cumberland County provisions, but not both.
- *Principal Limits* – Limit of no more than 2 new construction awards should only apply to 9% projects.
- *Completion date* – Waive the additional allocation fee and 2021 penalty for 2018 projects that cannot complete construction by December 31, 2020 due to COVID-19 related delays. Penalties for not completing 9% on time should not prohibit applying for 4% deal in the following year.
- *No more than 5 preliminary application rule* – This rule should not apply to portfolio rehabilitation bond deals or bond deals that are serving different populations (family & senior) but being developed as one project, on same time line, etc.
- *Site scoring* – The change on page 13 to appears to be a typo and should read “one and one quarter mile” instead of “one quarter mile.”
  - o Please add DGX/Dollar General to list of “Shopping” establishments
- *Max Project Development Costs* – Considering the impacts of COVID 19 on supply chain and workforce and commodities such as lumber, the increase in Charts A & B should be greater than \$2,000/unit.
- *Olmstead* – Specify that 1br rule does not apply to 4% rehab deals.
- *Tiebreaker* – Change Line 64 to Line 59 (basis before basis boost)
  - o This rule creates a disincentive for taking a basis boost
  - o This rule also creates a disincentive for more expensive metro, infill projects (an area that is one of the highest need areas).
  - o Make the Second Tiebreaker the First Tiebreaker, but make it the number of units created as a percentage of County population.
- Align the site improvements schedule in RTC with a construction contract schedule of values

## **Comments on QAP in general & possible ways to change scoring & avoid tie-breakers**

- Have a separate set-aside for non-profits and housing authorities apart from the geographic set-asides.
- Implement regional or metro/non-metro cost limits. Provide a separate cost limit for projects with structured parking.
- Determine per square foot cost limits based on historical cost date.
- Provide more options to differentiate score. Possible scoring criteria could include:
  - o Readiness – points for having local approval of site plan
  - o Designation – points for being in priority areas (Revitalization Area, Opportunity Zone, Redevelopment area) with extra points if funding is committed based on that.
  - o Funding – points for funding commitments, land donation, fee waivers or other subsidy to reduce overall credit request.
  - o Tax Exemption – points for real estate tax exemption

- Need-based points:
  - Varying point levels for different poverty rates
  - Negative points for projects in areas with little/no increase in rent-burdened population
  - Points for projects in areas with increasing rent-burdened populations
  - Amenities/Finishes/Design – points for things like amount of brick/stone, submetering water, WiFi, bath fans with humidistat, dehumidifiers, USB ports, LED lighting, balconies, etc.
  - Give chance for differentiation in design points.
  - Energy standards – points for achieving greater energy standards than Energy Star