

**JAMES W. ARMENTROUT  
ATTORNEY AT LAW  
P. O. BOX 10  
BETHANIA, NC 27010  
Phone: (336) 922-4000  
Fax: (336) 922-1762**

August 22, 2020

NC Housing Finance Agency  
Attn: Rental Investment  
3508 Bush Street  
Raleigh, NC 27609

Re: Draft 2021 QAP for LIHTC Program

Dear Sir or Madam:

As a member of a nonprofit group trying to improve the living circumstances in a particular neighborhood of Winston-Salem that so needs affordable housing on parcels that for many years were a community nuisance of criminal activity and neighborhood disturbance, I and our group have come to be frustrated by what we consider the out-of-proportion weight that the census tract with the lowest poverty rate level tiebreaker plays in the tax credit awarding. This tax credit process is complex and technical, and I readily admit significant ignorance of the total process and its many facets. But I understand the very important goals and mission of the NCHFA and accept that the process intends to satisfy fairly those goals and its mission.

I have been totally supportive of the policy and belief that sees diverse neighborhoods with all races and income levels as being a huge positive for communities. I think it is an important goal and one that individuals should strive for in their own PERSONAL living decisions. However, I can also now see that there are circumstances that beg for action in lower income census tracts where residents in that neighborhood have taken it upon themselves to try upgrading where they live. To deny to these citizens the ability to improve their neighborhoods because there is another, and government preferred, methodology of establishing affordable housing in their greater community flies in the face, I strongly believe, of the practical concerns and conditions that folks seeking affordable housing must navigate:

Where is my work located relative to the suburbs?

I have no transportation: how do I get to work?

I need public transportation that is convenient and affordable. Do those high-income level suburbs have that?

What about my family roots that I am so proud of and that I want to honor and strengthen?

How convenient are my long-established doctors' offices, barbers/hairdressers, laundry, favorite restaurants, family, friends, churches, groceries, drugstores to my home or apartment?

Do I know anyone in this suburban neighborhood? Where is my support system located?

Are my kids going to attend schools with their friends? Are their friends easily available to them?

Is my home or apartment convenient to my bank, credit union or offices where I often prefer to do my business in person?

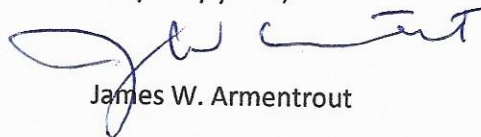
While many folks in our greater community, with personal transportation at hand, can easily solve any distancing problems for these important aspects of everyday life, many in affordable housing cannot. So, does it make sense to move them out into a very impractical set of circumstances when they could choose to stay in the same neighborhood in updated and upgraded affordable housing? Are the folks we move really wanting to move away from their comfort level?

Under the present methodology of tiebreaker priorities, I have no suggestion as to the best data to be determinative of choosing between applications for projects that are deemed to be of equal value and merit in the process, i.e., the "perfect scorers." But the elimination of the very real and strongly encouraged self-help aspect of neighborhood improvement in affordable housing in high poverty neighborhoods is, to my way of thinking, an unintended consequence of the use of the poverty level census tract tiebreaker and does not seem to be the appropriate criterium that should be determinative of the ultimate winner of an award.

Inasmuch as I am a newcomer to this process, I am not "burdened" by the legislative and economic history of this whole process, nor educated as to how to game the system. So, I can envision a "grading" process to determine the award winners. I could see a situation where the 5 or 6 or 7 "perfect" scorers in a particular area in a given year could then be evaluated against each other, perhaps on a point system, using the 6 tiebreakers (perhaps tweaked to be applicable and point determinative or substituting other tiebreakers that speak to the ultimate community housing needs) as the criteria for awarding points: closest to the ultimate data point in tiebreaker #1 gets 1 point and the next closest 2 points and so on. Then move on to tiebreaker #2 and repeat the process of points and then so on for each of the other 4 tiebreakers as I understand how many tiebreakers there are in the present process. Add the total points for each application and the lowest score wins! And the weight of any one tiebreaker is no more than it should be relative to the whole process. And the apparent fairness to all applicants might just be recognized and the weight of each tiebreaker will be equalized.

I suspect my viewpoint will be looked at as naïve' but I think there is the need to take a look at how this whole final determination process works. If the goal is to provide affordable housing for those in need, their needs should be a top priority, not just the roofs over their heads but the overall goal of providing them with housing that they find enjoyable, convenient to their lives and where they are proud to raise their families. To that end, the first tiebreaker should be scrutinized very carefully. It is in my opinion getting in the way of the ultimate expectations of the great majority of the intended beneficiaries (I am assuming the beneficiaries are the residents and not the developers!)

Very truly yours,



James W. Armentrout