



September 15, 2020

North Carolina Housing Finance Agency
Attn: Chris Austin
3508 Bush Street
Raleigh, NC 27609

Subject: 2021 QAP 1st draft comments

Chris,

We applaud NCHFA for updating energy efficiency standards in the 1st Draft 2021 QAP and would request these modifications remain in the final document. By requiring the ENERGY STAR Multifamily New Construction program for energy efficiency standards, NCHFA and developers are utilizing a nationally recognized and vetted program. Most importantly, affordable housing residents will benefit from increased energy efficiency through cost savings, better indoor air quality and improved comfort.

Additionally, we respectfully submit the following comments regarding the 2021 QAP 1st draft:

Section II.E.1.a – We ask that the principal limit of 2 new construction awards only apply to 9% awards.

Section II.G.2. – We ask that you eliminate the proposed language: “Repeated use of this provision by a Principal may result in the Principal being considered not in good standing with the Agency.” The existing penalties as stipulated in this section are already substantial for returning tax credits for a new allocation.

Section II.G.2. – We ask that you consider an exception that would allow principals of projects returning credits for reallocation to submit application(s) for 4% tax credits in the subsequent tax credit allocation year.

Section III.B.5. – We ask that you consider eliminating the additional \$300 per unit additional monitoring fee for a project utilizing income averaging.

Section III.C.5 – We ask that you clarify that this new rule only applies to preliminary applications for 9% tax credits.

Section IV.A.1. (b)ii. – There appears to be a typo on page 13 – it should read “between **one and** one quarter mile and one and three quarter miles will receive...” (missing text added in **bold**)

Section IV. A.1.(b)ii. – We propose adding Earth Fare back to the list of approved groceries. While it closed temporarily, Earth Fare was recently reopened under new ownership whose immediate plans include relaunching eight Earth Fare grocery stores.

Section IV. A.1.(b)ii. – We recommend replacing the specific listing of “Fresh Air Galaxy Food Centers” with the more general “Galaxy Food Stores” on the list of qualifying grocery stores. This would allow for other affiliates of this chain of independent grocers to qualify, such as Frisbee’s Galaxy Food Store in Old Fort, NC.

Section IV. A.1.(b)ii. – Please consider establishing alternative minimum criteria for a grocery to qualify if not listed in the QAP (i.e. minimum store square footage, hours of operation, offerings of fresh produce, dairy, meat, etc).

Section IV. A.1.(b)ii. – We suggest adding Home Depot and Lowes to the list of qualifying shopping establishments.

Section IV.C.1.a. – We appreciate the increase in maximum project development costs in the 2nd draft of 2020 QAP, to \$82,000 for Chart A and \$93,000 for Chart B. However, we still feel that this does not adequately address higher cost development areas in our state, especially in consideration of recent construction material cost increases due to tariffs and COVID. We would propose adding provision of structured parking as a qualification to utilize Chart B. We also propose either a separate Chart A and B for Metro areas or an across the board increase to \$87,000 for Chart A and \$98,000 for Chart B.

Section VI.A.8 – The Smoke-Free Housing requirement does not explicitly address E-cigarettes and vaping. Consider clarifying “smoking” to include vaping and e-cigarettes.

Draft Appendix B Comments

Section II.D.4 and II.E.11 – Consider eliminating the requirement for call-for-aid station in bedrooms and bathrooms of Type A units. Even if Type A tenants are properly instructed that these devices only signal a strobe alarm outside their unit, many falsely believe that the pull cord will automatically notify emergency first responders or an “on-call” site manager. Neighbors also are often unfamiliar with the pull-cords since they do not have them in their units. These create a nuisance via accidental pulls by children and pets. Worse, they can be a liability insofar as tenants erroneously believe that pull cords are a replacement for dialing 911.

Section II.F.4. – We appreciate the addition of flexibility to provide heat-limiting range burners in lieu of fire suppression canisters.

Section III.B.5 – Requiring unit entry door lights to be switched could result in over-lit corridors in double-loaded corridor style buildings. Consider requiring switched exterior lighting only when the unit entry door is an exterior door.

Section III.E.6. – Why eliminate the prohibition on burying construction waste on site?

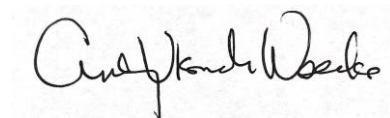
Section V.F.1 and 2 – The minimum of 1.75 parking spaces per unit for family developments and 1 per unit for elderly is significantly higher than national best practices for affordable multifamily. We would recommend reduction to 1.3 for family and .75 for elderly, or .75 parking space per unit for family and elderly if an on-site loading zone is provided near the building entrance and nearby off-site parking is available.

Section V.F.3 – The process for gaining prior Agency approval for a reduced parking ratio has become confusing. Who determines whether a site (rather than a local guideline) limits parking to less than the Agency requires? Site constraints often come into play when assessing available area for parking, but clearer guidance on how the Agency evaluates requested parking ratio reductions would be helpful. Particularly in metro areas, minimum parking requirements can dramatically drive up construction cost.

Section V.F.4 – Please clarify that notwithstanding any stricter applicable federal or state accessibility standards, the Agency will require at least one handicap parking space for each designated Type A unit, plus one to accommodate visitors to an on-site leasing office.

Thank you for your many years of partnership and for your consideration of these recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Cindy Visnich Weeks". The signature is fluid and cursive, with the first name "Cindy" being the most prominent.

Cindy Visnich Weeks
Vice President, Community Rental Investments
Mountain Housing Opportunities