

Please go back to “credit per unit” tie breaker.

- The proposed tie breakers are less dangerous than last year, but have little to do with producing the best housing for our residents of North Carolina.
- The lowest credits per unit is not a race to the bottom. I support the tie breaker of credits per unit since the race to the bottom concerns have already addressed by the QAP's after the 2016 debacle which the following changes:
 - 1) Limits were added to the pricing of credits,
 - 2) Minimum construction costs were added,
 - 3) Threshold requires reasonable financing assumptions,
 - 4) Requiring no more than 25% of the developer fee to be differed.

These QAP items do a great job since they all roll up into the sources and uses where the application needs to show less than 25% differed developer fee. If you apply those changes to many of the 2016 stuck deals, many of them would have worked.

- Having applicants show local funding as the tie breaker opens up the application round to more places people can game the system. It also concentrates the allocations into the wealthiest MSA's which are already getting the lion share of the credits.
- Giving the credits to the applications submitted earlier opens NCHFA once again to people cheating the system and has nothing to do with building great properties.
- Increase the Credit per property so 84 unit applications financially work so we have the economies of scale to produce more much needed affordable units.

- Building Costs
 - Allow more choices of building products – tubs, water heaters, etc.
 - Most of the QAP's limited choices of products have one company that makes them so they have a monopoly which forces us to pay more for these products than market rate developments.
 - Please remove the slope and retaining wall restrictions
 - This adds to site purchase and design cost by reducing number of units and/or requiring bigger land at \$150,000 per acre.
- It appears the NCHFA construction folks are overworked and have too much to do to keep up with the construction timelines.
 - Suggestion is to allow the Construction Folks to rely on:
 - Licensed professionals determining the correct designs:
 - Certified Energy Star professionals
 - Licensed Architects
 - Licensed Civil Engineers
 - Licensed Structural Engineers
 - City and County building professionals

- Allow us to use 40 gallon water heaters.
- The apartment industry as a whole uses standard 40 gallon water heaters,
- As NCHFA has pointed out the actual “usable” water is 38 gallons in a 40 gallon water heater,
- Therefore NCHFA requires upsizing to provide minimum of 40 “usable” gallons of water.
- This forces the purchase of 50 gal water heaters,
 - Results to property:
 - Bigger water heater cost \$100 per unit,
 - Bigger water heater footprint leads to new QAP rules not allowing stacking water heater and HVAC which adds 9 additional sq ft.
 - 9 square feet adds additional cost of \$150/sq ft = \$1,350 per unit,
 - Total increase of \$1,450 x 84 units = \$120,000
 - Results to Tenant:
 - Bigger water heater has 25% more water to heat,
 - Water heating the largest tenant utility cost,
 - Tenant electricity for water heating increased by 25%.

- Items to have better “Green” Results:
 - Reduction of water heater sizes,
 - Allow for creative stormwater systems,
 - Allow heating and cooling with Mini-Splits,
 - Reducing the size of the units,
 - Allow for smaller kitchens similar to market rate units,
 - Reduction in the use of electricity
 - Fresh air – use passive verses active.
 - Reduce the size of the units so there is less area to heat and cool.
 - Printing of NCHFA plans
 - Suggestion to allow submission of PDF plans.
 - Upload PDF to NCHFA as part of the application.
 - Allow uploading PDF’s to NCHFA’s local printer.
 - Local printer prints and delivers plans when needed.
 - Charge applicants printing fee to cover this cost.