

Draft 2023 Qualified Allocation Plan Public Hearing Comment Summary

September 28, 2022

Held virtually and in-person via Microsoft Teams Meeting

Comments are listed in the order made. This document is not a transcript but rather a summary of the speakers' main points as noted by NCHFA staff. Not all comments are listed. Please contact Tara Hall with questions about your remarks (tshall@nchfa.com).

Michael Rodgers (DHIC)

Restated written comments provided by DHIC which are published on NCHFA website

Remove Walk Score as a scoring criterion

Create a similar matrix to drivable amenities incorporating smaller distances of ¼ mi and ½ mi to better serve walkability

Increase cost limits to \$155K per unit

Create additional cost limit of \$30K per unit for structured parking

Projects with permit and entitlement challenges with municipalities should be allowed the option to elect forward allocation of credits to prevent PIS deadline issues

Jaymar Joseph (Greensboro Housing Authority)

Restated written comments provided by Greensboro Housing Authority which are published on NCHFA website

Amend section II(B)(2)(a), "...may make such adjustment(s) to allow for a tax credit award to redevelopment projects that are unable to qualify for an award in any geographic set-aside."

Amend section II(B)(2)(b)(v), "Is part of the RAD Program and other repositioning programs related under HUD."

For Redevelopment projects, Walk Score should be exempt and the Agency will award two points to these projects

Richard Angino (Third Wave Housing)

Remove Walk Score-issues with information not based on government driven data and the possibility of changes to scores by others and unknown factors. If the idea is distance to amenities, score the measured distance in the local community based on the Agency's system. The Walk Score can also bring an unfairness to non-metro centric neighborhoods.

Create limitations for Neighborhood Choice Implementation (CNI) and not allow an unlimited amount of credits. Based on new language that allows HUD Neighborhood Choice Implementation (CNI) not having to compete with other projects in the metro region but only needs to meet threshold. Rents don't have to be reduced or meet any point driven components and credits not capped per unit. Results can take away units in non-metro regions.

Agree with Mark Morgan credits per unit as a tiebreaker add more benefits in generating more units. Review compliance guidelines for rents and expenses such as increasing rents by no more than \$25 which is below 2.5% increase in the metro. Publish unwritten rules of underwriting and monitoring of properties.

Jennifer Lampman (Wallick Asset Management LLC)

Agree with Richard Angino comments regarding Walk Score changes and inconsistency in data. Tiebreaker substitutions-distance to amenities (whichever is closest), use of lowest capture rate, lift the cap of total points that can be earned over the current max points, increase developer fee by tying it to a percentage of total costs to allow it to move with inflation. Allow more deferred developer fee to be used as a funding source.

Joseph Kass (NHE, Inc.)

Tiebreaker suggestions that focus on the quality standard of product:
Use census tract poverty data (previously Appendix H) or use as a point criterion
Credits per unit
Lowest average income can be moved to 1st or 2nd tiebreaker

Geoffrey Barton (Mountain Housing Opportunities)

Recommend the Agency hold off implementation of the proposed retaining wall and graded slopes proximity to buildings for one year as it dramatically limits where developers can build. There should be consultations with engineers and architects to discuss ways to achieve the goal of long term building structures and safety of occupants while balancing the ability to build desirable sites.

Traci Dusenbury (Halcon Properties)

Agree with Richard Angino and Jennifer Lampman comments regarding removing Walk Score. Suggest a point to projects not located in census tracts the year before or as a tie breaker.

Keep existing Choice Neighborhood Implementation set-aside-importance to leverage HUD funds and credits are limited to \$1M in 2022 QAP

Mark Morgan (MC Morgan & Associates)

Walk Score is not able to be reproduced-suggest moving down to 4th or 5th tie-breaker

Include cost control measures and encourage efficient use of the credit. For example, lowest credit per unit by putting value in the credit even in circumstances of under-funded projects

David Levy (Affordable Housing Management)

Agree with previous comments regarding Walk Score and oppose to be used as point category or tiebreaker. Methodology is difficult to determine. With distance requirement to amenity and points available for being on a bus line, there's no need for the Walk Score.

Make census tract with lowest poverty rate the second tiebreaker-encourage diversity and inclusion and be in step with HUD's disparate impact standard. Also suggest considering development closest to primary amenities as second tiebreaker.

Adjust parking requirement to defer to local municipality requirements.

Laundry room requirement for properties with W/D hook-ups-increase to 30 units per machine.

Cost per unit-agree \$155K per unit or lift the cap per unit as with 2022 cycle.

Applicant Bonus point- allow developers to choose how to apply the two points; fairness issue for small developers and to pick the more favorable project.

Increase total development costs for rehabilitation projects to \$175K per unit.

Publish internal Agency costs caps.

Rent-up Reserves requirements should not be removed.

Bobby Funk (Mills Construction)

First tiebreakers-suggest a concept to determine housing needs. The context is to use cost burden renter data in a county instead of units created over a 5 year period. Use information obtained from the American Community Survey. This concept doesn't hurt counties that are not seeing unit production at levels as other counties but also doesn't penalize counties with the greatest housing need.

Suggested tiebreaker-create a metric related to the efficient use of the credit. Suggested lowest total credit and state resources requested per unit as an example.

Restated written comments provided by Mills Construction which are published on NCHFA website.