



September 6, 2012

Rental Investment Group
North Carolina Housing Finance Agency
3508 Bush Street
Raleigh, NC 27609

Re: Public Comment-2013 Qualified Allocation Plan (QAP)

Dear NCHFA:

The City of Asheville Affordable Housing Advisory Committee and the Asheville Regional Housing Consortium Board, which is representative of Transylvania, Madison, Buncombe, and Henderson Counties, wishes to address the following concerns prior to issuance of the first draft of the 2013 QAP. It is our position that the sections referenced below are not presently compatible with local and regional planning priorities in Western North Carolina, and that the guidelines as written fail to support our local goals of long-term sustainable development.

1. The 20% cap on awards to non-profit organizations under Section II.D.2 adversely affects qualified developers throughout the state. In Asheville, our non-profit development organizations have outperformed the for-profit sector in the production of LIHTC projects. We would argue that all qualified applicants should receive an equal opportunity for funding.

2. We thank-you for your support of the Eagle-Market Place development! We think that Site Evaluation guidelines put in place last year have helped significantly in making urban in-fill projects more competitive. We remain concerned, however, that urban transit-oriented development, and/or infill development is still at a competitive disadvantage under the current Site-Evaluation guidelines established in Section IV.A.1. Although buildings and improvements in the same vicinity as the subject property may be blighted or in need of substantial rehab, it is our position that new affordable housing developments will prove to be a catalyst for future investment and a stimulus for future economic growth. This is especially true in the urban core. It is not realistic to presume that surrounding land use will always be residential in character, and the current scoring model unduly penalizes proposed developments that are located in dense mixed-use areas of the city.

We also suggest that not all in-fill opportunities will be located in areas currently targeted by an existing revitalization or strategic plan. These sites may still meet local development goals related to density, in-fill, access to transit, and economic

development. We ask that local priorities- as evidenced by local financial support- also be prioritized in the QAP.

3. The site evaluation criteria noted in Section IV.A.1 (a), (b) makes no reference to the proximity of the proposed site to transit, jobs or services. We are concerned that this omission supports the funding of projects that will, in the long term, be less sustainable. At a minimum, points *in the metro region* should be awarded to projects within ¼ mile of a bus line, light rail and/or within walking distance of major employers (e.g. 300+ employees). The amenities section in IV.A.1.(b)(ii) is very restrictive and fails to recognize the benefit provided by organized tailgate markets, small local grocers, food coops, or other neighborhood businesses that would reduce the need for additional commutes (e.g. elementary schools, hair salons, dry cleaners, postal centers, convenience stores, daycare centers, family physicians, etc.). We understand that the QAP is written for communities of all sizes and populations; however, Smart Growth principals should not be ignored simply on the basis of uniformity.

Additionally, we provide the following comments:


1. The Asheville Regional Housing Consortium would ask that NCHFA reconsider the proposed restriction placed on previously funded counties in Section II.F.1 (b). It is our belief that excluding smaller counties such as Henderson or Transylvania, could negatively impact our ability to provide much needed support for low income families. This recommendation is made on the basis that it precludes the poorest counties, which are also the smallest counties, from competing for LIHTC on an annual basis. At a minimum, we would suggest that funding awarded in 2012 for a senior project should not exclude a county from submitting an application in 2013 for a family project. The community need for both demographics is well documented.

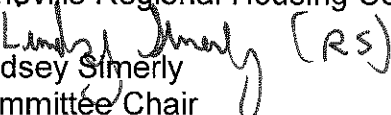
2. We would argue that additional local leverage in the form of future tax benefits and non-monetary incentives should be considered under Section IV.B.2. Given the significant cost to the City and the financial benefit to the developer in the early operation of the project, we would ask that consideration be given to projects that receive local tax incentives, in addition to funds allocated for hard construction costs. This support greatly reduces risk in the early years of operation when insufficient reserves, slow lease-up, and/or other proforma adjustments can create cash flow problems. We would also suggest that non-monetary incentives such as density bonuses, conditional zoning, and sustainability bonuses provided by a local municipality could be given consideration in the scoring of this section.

3. We would ask that consideration be given in Appendix B.V.F to reducing the parking requirement for one-bedroom and efficiency units from two parking spaces per unit to one parking space per-unit for family units. The proposed parking reduction would eliminate some of the engineering challenges on smaller infill lots with minimal impact on the tenants.

We thank you for this opportunity to comment on the 2013 QAP and look forward to partnering in the coming year. Thank you for your past support.

Sincerely,

 (RS)
Councilman Jan Davis
Chairman
Asheville Regional Housing Consortium

 (RS)
Lindsey Simerly
Committee Chair
City of Asheville Affordable Housing Advisory Committee

C: Jeff Staudinger, City of Asheville Community Development Director
File