

October 28, 2013

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

To Whom It May Concern:

Thank you for the opportunity to comment on the Draft 2014 Qualified Allocation Plan for the State of North Carolina. Triangle Transit is the regional public transportation authority for the Research Triangle region of North Carolina. We operate regional and express bus services that connect Raleigh, Durham and Chapel Hill with each other and with other area municipalities. In addition, for the City of Durham we manage Durham Area Transit Authority (DATA) which provides bus service throughout the City and County of Durham.

As part of our mission to provide transportation alternatives for our area's residents, we work together with local governments and the Metropolitan Planning Organizations to help coordinate their future land-use planning with transportation and transit planning. With their support, we are developing the Durham-Orange Light-Rail Transit system (D-O LRT) which will provide high-quality fixed-guideway transit service connecting the employment centers at the University of North Carolina, Duke University, downtown Durham, and North Carolina Central University with residential neighborhoods containing a mix of income levels.

As part of our planning process for the D-O LRT, we are helping local municipalities figure out how best to ensure that there is adequate affordable housing located close to rail stations. Proximity to high-quality transit provides financial benefits most keenly felt by lower-income residents. High-quality transit can help reduce commuting costs, allowing residents to substitute auto trips with transit trips. For those with very low incomes who may be unable to afford a car, high-quality transit makes available a large number of jobs and social services which would otherwise be out of reach.

The federal Department of Housing and Urban Development has acknowledged this connection between affordable housing and transportation accessibility, funding the Center for Neighborhood Technology's Housing + Transportation Affordability Index which evaluates both housing and transportation costs to determine the full cost of living at a particular location.¹ Likewise, the Federal Transit Administration's new guidelines for evaluating whether to fund projects such as the D-O LRT take

¹http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2011/HUDNo.11-180



into account the availability of affordable housing around transit stations and local policies in place to preserve and generate new affordable housing as metrics.

The comprehensive plans in both Durham and Orange Counties prioritize infill development and development in areas served by high-quality transit. The City of Durham has introduced form-based zoning to areas around several of the proposed D-O LRT stops, permitting the highest intensity of development closest to the transit stations, and is planning to implement similar changes at other station sites. In addition, voters in both counties have approved referenda implementing a half-cent sales tax dedicated to transit service. This funding will help pay for the D-O LRT project as well as an expansion of local and regional bus services, including possible bus-rapid transit (BRT) service. As a result, both counties will have more high-quality transit options that are well suited for income-constrained households.

In support of these efforts, in March Triangle Transit hosted a symposium with local transit and affordable housing experts to discuss the housing and transportation link and to consider ways to increase the affordable housing stock near transit station areas. We continue to work with the City and County of Durham, the Town of Chapel Hill and the Triangle J Council of Governments on coordinating our transit planning with the municipalities' efforts on affordable housing.

Unfortunately, we believe the NCHFA QAP, including both the 2013 version and the First Draft of the 2014 version, penalizes affordable housing projects proposed at sites with access to high-quality public transit. By contrast, Qualified Allocation Programs for several other jurisdictions, including Colorado, the District of Columbia, Massachusetts, Minnesota, Oregon, and Texas, give priority to projects in transit service areas. For example, Minnesota awards points depending on the proximity to transit and the quality of the transit service.² These policies increase the usefulness of affordable housing by encouraging development in locations where transportation costs are also low.

We respectfully suggest that the 2014 QAP be revised to include preference for projects that are proximate to high-quality transit. Other states' efforts serve as useful models for changes to North Carolina's allocation process. We recognize that the NCHFA allocates grants throughout the state, including urban and rural areas that do not currently have substantial transit service. Therefore, these additional criteria could be applied only to further distinguish projects in counties or regions with qualifying transit service, without penalizing projects elsewhere.

We make the following specific recommendations. (All cites are to the First Draft 2014 QAP.)

1. Revise the Site Evaluation section to provide a maximum of 10 points for proximity to transit, as follows:

- Award 10 points for projects within ½ mile of an existing or proposed LRT, streetcar, or high-quality BRT station, such as the stations near the Charlotte LYNX Blue Line and Blue Line Extension, the

² http://www.mnhousing.gov/idc/groups/multifamily/documents/document/mhfa_013619.pdf

Charlotte CityLYNX Gold Line, or those specified in the Locally Preferred Alternative (LPA) for the D-O LRT Project approved by the Durham-Chapel Hill Metropolitan Planning Organization.

- Award 7 points for projects within ¼ mile walking distance, and 5 points for projects within ½ mile walking distance, of a commuter rail station or bus stop along a route that provides frequent service throughout the day, such as DATA's new Frequent Service Network that provides 15-minute service throughout much of the day on high-demand routes.
- Award 2 points for projects with ½ mile walking distance of all other bus routes with service with no less than 30-minute frequency during peak commuting hours and with weekend service.

2. Eliminate the penalty for projects close to frequently used railroad tracks or high traffic corridors (section IV.B.1(iii))

The draft 2014 QAP, like the final 2013 QAP, provides six points to projects that are more than 500 feet from certain incompatible uses including "frequently used railroad tracks" and "high traffic corridor". However, these types of transportation corridors often enable high-frequency and high-capacity transit. For example, the D-O LRT is planned to run alongside the existing freight rail tracks in downtown Durham. This provision would make it more difficult to do joint development projects that integrate affordable housing adjacent to a D-O LRT station. (Arguably, the entire D-O LRT route could qualify as a "frequently used railroad track.") Likewise, high traffic corridors often also provide frequent transit service. Given that so many proposals garner perfect scores during the evaluation process, these restrictions may eliminate from contention those projects located closest to the highest-quality transit.

We therefore recommend that these criteria be eliminated. In the alternative, we suggest that projects within one-half mile of a transit station be exempted from these penalties if high-quality transit service is provided along or adjacent to the railroad tracks or high traffic corridor at issue.

3. Eliminate the penalty for adaptive reuse projects within transit station areas that have limited parking (section IV.B.1(iii))

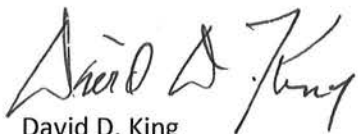
The draft 2014 QAP, like the final 2013 QAP, provides three points to projects that lack certain specified "negative features." Possible negative features for adaptive reuse projects include "limited parking." The accessibility improvements that high-quality transit offers reduce the need for parking; in fact, what is adequate parking at more suburban sites is excessive for sites in densely developed metropolitan areas close to transit. Where appropriate, reducing space for parking in urban settings not only trims the costs associated with providing that parking, but also opens up sought after land for development, generating tax revenue for municipalities or allowing for valuable community services such as affordable housing. Moreover, in urban settings it is often more efficient to provide parking in shared structures or other off-site arrangements, perhaps with the cost of parking unbundled from the cost for the residence. Therefore, in reflection of the reduced parking requirements that many cities have already instituted in their urban cores, we recommend that adaptive reuse projects within transit station areas not be penalized for limited parking availability

4. Add transit station areas along the D-O LRT project to the exemption for unit mix and project size penalties.

Section IV.E of the draft 2014 QAP penalizes most projects that include market-rate units, and limits the size of others. The draft 2014 QAP allows the agency to waive these penalties for projects which are "within a transit station area as defined by the Charlotte Region Transit Station Area Joint Development Principles and Policy Guidelines." We request that the definition of "transit station area" be broadened to include those station areas designated for increased intensity of development by any municipality included in a high-quality transit plan such as any projects receiving five or more points in Recommendation 1.

We appreciate the opportunity to comment on the 2014 draft QAP. We believe our recommendations will encourage the development of affordable housing projects that minimize the combined housing and transportation cost for the low-income members of our community, allowing them to maximize their opportunities. Should you have any questions, please don't hesitate to contact me or Patrick McDonough, our Manager of Planning and Transit-Oriented Development, at 919-485-7455 or pmcdonough@triangletransit.org. Thank you for all you do to support affordable housing in North Carolina.

Very truly yours,

A handwritten signature in black ink, appearing to read "David D. King". The signature is fluid and cursive, with a large initial "D" and "K".

David D. King
General Manager, Triangle Transit