



August 16, 2024

North Carolina Housing Finance Agency  
 Attn: Scott Farmer, Tara Hall, and Russ Griffin  
 3508 Bush Street  
 Raleigh, NC 27609

**RE: Comments for First Draft of 2025 NCHFA QAP & Draft of Appendix B**

Dear Scott, Tara, and Russ,

On behalf of DHIC, Inc. (DHIC), we are pleased to submit the following comments as you prepare the first draft of the 2025 Qualified Allocation Plan (QAP). We appreciate our many years of partnership with the NCHFA in producing and preserving affordable housing for North Carolinians and hope that these comments will assist you in the difficult task of fairly allocating the limited pool of Low-Income Housing Tax Credits (LIHTCs). DHIC respectfully submits the following suggested changes for your consideration:

**QAP**

Section	Change	Reason
II.D.1	<b>Increase the non-profit set aside to 20% and the HOME funds set aside to 20%</b>	Mission-driven non-profits are more likely to preserve affordability in the long-term than for-profit developers (DHIC has never sold a property or removed affordability from a property in 50 years). This long-term commitment means that non-profits are more likely to continue NCHFA's affordability mission once affordability restrictions expire.  Alternatively, points for a being a non-profit sponsor could be added to QAP scoring.
II.E.1	<b>Increase the Principal Cap to \$2,600,000</b>	This would allow a sponsor the potential to receive two full allocation awards in a single cycle. Having the Principal cap so far below two maximum project awards makes it difficult to apply for more than one project in any cycle and limits the pool of projects that NCHFA has to choose from, at least when it comes to non-profit Principals.  Consider not counting rehabilitation credit allocations in the Principal cap. This would allow developers to focus on preservation of affordable housing stock as a priority while continuing to build new units.
IV.A.1(b)(ii) Amenities	<b>Add "A bus/transit stop qualifies for 4 points, not to exceed the total for subsection (ii), if 1) all of the above criteria are met except for a covered waiting</b>	The frequency of bus service is critical. Many low-income families and seniors rely on public transportation to access employment, food, medical care, and other services. The frequency of the buses is more relevant for

	<b>area and 2) buses serve the stop at least 27 times between the hours of 9am-6pm, Monday through Friday.”</b>	those residents who are dependent on public transportation than whether the stop is covered. This proposed change introduces bus frequency as more than a threshold component; 27 stops requires that a bus stop have an average of one bus/20 minutes from 9am to 6pm. As NCHFA seeks to achieve deeper targeting through increased 30% units, access to frequently-occurring transit will become critically important.
IV.A.1(b)(ii) Amenities	<b>Add Goodwill / GCF Stores in the Shopping establishment table</b>	Goodwill/GCF provide a diverse range of goods, and provide a different product (clothes, furnishings) in comparison to other Shopping establishments listed in the QAP, which significantly overlap with Grocery and Pharmacy categories. A site with proximity to a Food Lion, Goodwill and CVS is better suited to provide potential tenants with a range of needed goods than a Food Lion, Dollar Tree, and CVS.
IV.A.1(b)(ii) Amenities	<b>The change needed depends on the intention of NCHFA.</b>	Clarify what a “non-alternative” public school means. We are unsure of whether charter schools or magnet schools are included as public schools in this definition, as they are publicly funded.
IV.A.1(b)(ii) Amenities	<b>Allow non-chain grocery stores to qualify as a Grocery as defined by the QAP.</b>	Chronic disinvestment in communities of color have resulted in fewer amenities, such as grocery stores, in these neighborhoods. Often, these neighborhoods are served by local grocery stores that also have specific food and sundries that are unavailable in traditional markets. By expanding the Grocery category beyond chain stores, like the Pharmacy category, the Agency ensures that tax credit equity is not unintentionally diverted from these disinvested communities.
IV.C.1	<b>Remove this section.</b>	The costs caps in this section are artificially low. Cost inflation has made staying under these cost caps close to impossible in almost any situation, especially when developing in a complicated or urban area.

Appendix B

Section	Change	Reason
V.A Required Site Amenities	<b>Add “or Screened Porch” after “Gazebo” in the table listing the three Required Site Amenities for Senior projects</b>	Screened porches provide equivalent outdoor space as gazebo structures, and are 1) often closer to a resident’s unit, 2) more easily located on an accessible route, and 3) usable during precipitation events. After accounting for the building footprint and parking requirements, many small sites do not have acreage for a separated gazebo, and are

		penalized when they can provide equivalent space in the building.
III.E.4, Sitework and Landscaping	<b>No change</b>	We do not have issue with the language in this section, but it is inconsistent with the Construction Field Guide. Please clarify in the Construction Field guide that only switchbacks are prohibited to primary building entrances.