

November 24, 2021

North Carolina Housing Finance Agency

Attn: Tara Hall and Scott Farmer

3508 Bush Street

Raleigh, NC 27609

RE: 2nd draft 2022 QAP Comments

Thank you for the opportunity to provide comments on the second draft of the 2022 QAP. Based on our review, we ask for consideration of the following:

Page 8: Principal and Project Award Limits: Project Limit:

- We appreciate the Agency understanding the economic pressures on construction costs and increasing the maximum project development costs per unit to \$95,000. To support this increase, we encourage consideration of also increasing the maximum per project award to \$1,400,000 to accommodate the financing needs associated with the increase in construction costs.

Page 16: Walk Score

Page 25: Second Tiebreaker

- This was a creative solution to disincentivizing the “race to the bottom” affects of the lowest tax credits per unit tiebreaker. One unintended consequence however of incentivizing a walk score with points is a competitive up-bidding on land in high walk score areas. In the 2021 QAP, South Carolina had a such tight constraints on specific areas that developers were paying 2-3 times the cost of land to secure a “winning” site. This has the opposite effect of encouraging efficiencies in the program (this was positively resolved in the drafting of the 2022 QAP).
- We recommend that the agency consider keeping the Walk Score tiebreaker but removing the 1- and 2-point tier structure for winning projects. This change maintains a very generic Walk Score competition that is first filtered through the traditional point system and it softens to incentives of driving too much competition towards “high scoring” sites for points.

Thank you for the opportunity to support the residents of North Carolina. We appreciate your time and consideration on the topics above and we are looking forward to working with you on a successful 2022 application cycle!

Best,



Jennifer Lampman

Vice President of Development

Wallick Asset Management LLC