



2939 Breezewood Avenue
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P.O. Box 87770
Fayetteville, NC 28304

October 30, 2015

Mr. Scott Farmer
Mr. Chris Austin
North Carolina Housing Finance Agency
3508 Bush Street
Raleigh, NC 27609

Reference: QAP 2016

Gentlemen:

Congratulation on the presentation at the Developer's Workshop during the North Carolina Affordable Housing Conference. The sessions were very informative as to the changes that are being considered.

We understand and appreciate The Agency's challenge to provide a QAP that is fair and meets the needs of both metropolitan and rural areas of our state. Changes that are made should not penalize those areas that do not have as many services close to a site as others.

We support the change in increasing the Primary Amenities from two to three, grocery, shopping and pharmacy as these are the services that the majority of the tenants will use on a regular basis. We recommend that the pharmacy should meet the requirements of being "full line," meaning that it offers other products such and health and beauty aids, and other miscellaneous items other than just prescriptions.



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From a convenience standpoint, we recommend that two of the three services be allowed to be counted if they are located within one building as was the case in the 2015 QAP. With many Wal-Mart Neighborhood stores being opened, it is logical to assume that tenants would shop there for both grocery and pharmacy needs. We agree the grocery, shopping and pharmacies are necessary and should be provided in a convenient location regardless of how many are provided in one building.

Site selection is just one component of the application process and not necessarily, the most important. Therefore, we also recommend the Amenities retain the cap of 27 points. This cap enables sites in both small and large cities to compete equally.

Finally, as has been mentioned by many developers, prior rezoning decisions, option agreements, etc. have already been made or are in the process of being finalized. Changes in site selection should not be made with less than 10 weeks from the Primary Application submittal date. If possible, these proposed changes should be announced early in the year. Any major change in the criteria could be made for 2017, not 2016. Many developers have unfunded viable deals from 2015 and have plans to resubmit in 2016. Changing the site score calculation could have a detrimental effect on these sites and applications.

Sincerely,

A handwritten signature in blue ink that reads "Jim B. Smith".

Jim Smith
President
United Developers, Inc.