State: NORTH CAROLINA (QAP 2014)	North Carolina Housing Finance Agency
Measure	**Evidence**
HOUSING LOCATION: Site and Neighborhood Standards	
A1. **Mandatory restrictions** prohibiting increases in racial and economic (or low-income) concentration	*For Rehabilitation and East, Central, and West Regions*: No county will be awarded more than 1 project under the rehabilitation set-aside. No county will be awarded more than one project under the new construction set aside. *For Metro Region*: The initial maximum award(s) for a county will be its percent share of the Metro region based on population unless exceeding this amount is necessary to complete a project request. If any tax credits remain, the Agency will make awards to the next highest scoring application(s). A county may receive one additional award, even if in excess of its share (p. 7). New construction 9% Tax Credit projects may not exceed 120 units (p. 17). [General Requirement] Projects cannot be in areas of minority and low-income concentration (measured by comparing the percentage of minority and low-income households in the site's census tract with the community overall). The Agency may make an exception for projects in economically distressed areas which have community revitalization plans with public funds committed to support the effort (p. 23) [Also applies to A8]. For rehabilitation projects and in every other instance of tenant displacement, including temporary, the Applicant must supply with the full application a plan describing how displaced persons will be relocated, including a description of the costs of relocation. The owner is responsible for all relocation expenses, which must be included in the project's development budget (p. 23).
A2. **Scoring** that discourages racial and economic concentration.	No.
A3. **Mandatory requirements** for development in high-opportunity areas	No.
A4a. **Scoring** that encourages development in high-income areas.	No.
A4b. **Scoring** that encourages development in high opportunity areas.	Up to 27 points for projects located in close proximity to grocery store and/or shopping/pharmacy. Highest point values given for amenity locations <1 mile driving distance to project. Intermediate point values given for amenities located <2 and <3 miles of project. No points given for amenities located >3 miles from project (p. 11)
A5. **Scoring** or **requirements** that preference siting near high-quality schools.	No.
A6. **Scoring** that	Up to 18 points if structures within a ½ mile of the project

discourages development in distressed neighborhoods.[1]	are well maintained or the site qualifies as a Redevelopment Project; 9 points if structures within a ½ mile of the project are not well maintained and there are visible signs of deterioration; 0 points if structures within a ½ mile are Blighted or have physical security modifications (e.g. barbed wire fencing or bars on windows) (p. 11). [Good provision except that the exemption for rehab projects could be problematic in terms of not de-incentivizing rehab in distressed areas.] 6 points for projects not located within a ½ mile of incompatible uses (airports, chemical/hazardous materials, industrial/agricultural activities, commercial junk or salvage yards, landfills, sources of excessive noise, wastewater treatment facility) and within 500 feet of adult entertainment establishment, electrical utility substation, distribution facility, factory, frequently used railroad tracks, high traffic corridor, jail/prison, swamp, power transmission lines. 3 points for projects where there are no negative features, design challenges, physical barriers, or other unusual and problematic circumstances that would impede project construction or adversely affect future tenants (p. 12).
A7. **Scoring** or **requirements** that preference siting near mass transit.	No.
A8. **Focus** on and operationalization of a neighborhood revitalization plan.	Exceptions may be made for developments located in areas of minority and low-income concentration for projects in economically distressed areas which have community revitalization plans with public funds committed to support the effort (p. 23). [See also A1.]
B1. Local participation in site selection is limited to statutory minimum.[2]	No.
HOUSING ACCESS: Affirmative Marketing, Priority Groups	
C1. Mandatory requirements ensuring affirmative marketing.	No.
C2. Scoring that incentivizes affirmative marketing.	No.
C3. Scoring that incentives language access and marketing to non-English speakers.	No.
D1. Scoring that promotes Section 8 voucher access in high-opportunity areas.	No.
D2. Requirements for monitoring Section 8 voucher access *in high-*	As part of annual compliance monitoring, an extended low-income housing commitment as described in was in effect, including the requirement under Section that an owner

1 Evidence of the inverse: preference for development in distressed neighborhoods (by overemphasizing QCT/DDA preference, preference for existing subsidized housing in distressed neighborhoods, preferences for low-income matched financing, etc.) should also be noted.

2 Evidence of the inverse: preferences or requirements for local participation should also be noted.

opportunity areas.	cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 (App. F, p. 2).
F1. Incentives for larger family units.	[Tie-breaker 2] For projects that can serve tenant populations with children. Projects will qualify for this designation if at least 25% of the units are 3+ bedrooms. This tiebreaker will only apply where the market study shows a clear demand for this population (p. 19)
F2. Incentives targeting families/families with children	No.
G1. Scoring that promotes units for lowest-income households *(outside high-poverty areas).*	Up to 5 points for projects that reserve a percentage of units for deep income targeting. Point allocations and percentages based on county income designation (p. 14). *High-income counties*: 5 points if ≥25% of units reserved for HHs earning ≤30% AMI, 2 points if ≥50% of units reserved for HHs earning ≤40% AMI. *Moderate-income counties*: 5 points if ≥25% of units reserved for HHs earning ≤40% AMI, 2 points if ≥50% of units reserved for HHs earning ≤50% AMI. *Low-income counties*: 5 points if ≥40% of units reserved for HHs earning ≤50% AMI. All projects must have at least 24 qualified low-income units (p. 17).
REPORTING REQUIREMENTS	
H1. Racial/demographic reporting requirements.	No.

OVERALL ASSESSMENT

TOTAL POINTS POSSIBLE: XX (Scoring systems is such that points can be gained or lost.)

- *Separation of state into high/moderate/low income counties with point values based on this (as opposed to just urban/rural is innovative).*

Notes:

Set-asides: Rehabilitation (10%), new construction by geographic region (West – 16%, Central – 24%, Metro – 37%, East – 23%), USDA Rural Development, Non-profit (10%) and projects involving Community Housing Development Organizations (15%) (p. 5-6).

Each county dsignated as High, Moderate or Low Income. Five criteria were used for making this determination: (a) county median income; (b) poverty rate; (c) percent of population in rural areas; (d) regional growth patterns;(e) N.C. Department of Commerce tier (one, two or three) (p. 8).

As part of annual compliance monitoring, if a low-income unit in the building became vacant during the year, that reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income (App. F. p. 2).

OTHER CATEGORIES	
O1. Scoring that promotes units for persons with disabilities.	5% of all units in new construction projects must meet the accessibility standards by the NC Agency**.** These Units Are In Addition To Mobility Impaired Units Required By Federal And State Law. If laws or codes do not require mobility

	impaired units for a project, a total of 10% of the units must be fully accessible (p. 19). All projects are required to target 10% of the total units to persons with disabilities or homeless populations. Owners must demonstrate a partnership with a local lead agency and submit a Targeting Plan. Targeting Plans must include: (a) a description of how the project will meet the needs of the targeted tenants including access to supportive services, transportation, proximity to community amenities, etc., (b) A description of the experience of the local lead agency and their capacity to provide access to supportive services, and to maintain relationships with the management agent and community service providers for the duration of the compliance period, (c) a MOU between the developer(s), management agent and the lead local agency; (d) certification that participation in supportive services will not be a condition of tenancy, (e) agreement that for a period of 90 days after certificate of occupancy, the required number of units for persons with disabilities will be held vacant other than for such population(s), (f) agreement to maintain a separate waiting list for persons with disabilities and prioritizing these individuals for any units that may become vacant after the initial rent-up period, up to the required number of units, (g) agreement to affirmatively market to persons with disabilities, (h) agreement to include a section on reasonable accommodation in property management's application for tenancy, (i) agreement to accept Section 8 vouchers or certificates (or other rental assistance) as allowable income as part of property management income requirement guidelines for eligible tenants and not require total income for persons with rental assistance beyond that which is reasonably available to persons with disabilities currently receiving SSI and SSDI benefits, (j) a description of how the project will make the targeted units affordable to persons with extremely low incomes (p. 18).
O2. Scoring that promotes units for special needs populations.	See targeting for homeless populations (as outlined in O1).
O3. Scoring to promote home ownership.	[Tie-breaker 3] Tenant Ownership: Projects that are intended for eventual tenant ownership. Such projects must utilize a detached single family site plan and building design and have a business plan describing how the project will convert to tenant ownership at the end of the 30- year compliance period (p. 19).
O4. Provisions affirmatively furthering fair housing laws.	As part of annual compliance monitoring, all units in the project were for use by the general public, including the requirement that no finding of discrimination under the Fair Housing Act occurred for the project (meaning an adverse final decision by HUD, a substantially equivalent state or local fair housing agency or federal court) (App F. p. 2).