Tara Hall

From:	Joseph Schwenker <joseph.schwenker@chpc2.org>
Sent:	Wednesday, May 28, 2025 1:47 PM
To:	Tara Hall; Daphne Baker; Erica Hopkins; Lindsay Rosenfeld
Cc:	Andy Davenport
Subject:	EXTERNAL: 2026 QAP

Thanks all for the opportunity to talk about the 2026 QAP today. Some of CHP's comments:

1. Keep the Credit Recycle provision. We are experiencing increased time to obtain planning and ultimately building permit approvals in many of the communities we work in. Often municipalities have much more detailed and lengthy review processes in place. These can add significant time even when the developer and the design team are fully engaged. This protracted timing often necessitates the option to extend the PIS deadline.
2. Adjust cost caps upward. Every developer, market rate or affordable, is facing increasing pricing pressure. While the cost increases were often deemed "transitory" in the post COVID environment the increases are here to stay. Tarif impacts and immigration enforcement also present potential cost risks. Increasing land costs not only impact bottom line but also require that we spend funds to install underground storm water facilities in order to get the density we need.
3. Allow Soft Cost Contingency. Soft costs are also increasing. Timing delays often require reports to be updated for an additional fee. More sub-consultants are now often required such as waterproofing consultant, accessibility consultant, permit expeditor etc., all adding another set of fees. While a hard contingency line item is allowed, so to should a soft cost contingency be allowed.
4. Additional credits. As noted in #3 above costs are increasing, due to these unforeseen cost increases the ability to get additional credits to fill the gap is often the only option.
5. There are not enough soft funds.
6. Keep the USDA set aside. These properties are often 40+ years old and face typical functional obsolescence that require significant capital investment. The only viable option to recapitalize is through the LIHTC program and this allocation addresses a specific need in the market.
7. Allow variances to design requirements. For example, the 1.75 stalls per unit is a blanket requirement that should be flexible. For example, in Chapel Hill we could not meet the requirement due to topography while in Davidson we needed to have a certain amount of pervious surface which we could not achieve based on the requirement. Fortunately, in both cases we received a waiver to allow us to move forward.
8. Monitor tax bill. The current version allows a 30% rural boost for OZ and LIHTC. Impacts from this legislation should be accounted for in the new QAP.
9. Bus Shelter. While we recognize the importance of the proximity to public transportation, the 5 points for a covered bus shelter seems to over-weight this amenity.
10. Draft QAP Timing. Given all of the changes coming out of DC we understand that the current situation is fluid. However, the earlier developers can look at a draft (understanding that this document at this point is a draft) we can target the correct opportunities that align with your policy objectives.
11. Disaster Funds. In the past areas impacted by weather events received an extra allocation of tax credits. We commend your efforts to lobby for an increase in credits in the wake of Helene as a precedence for this approach has been set.

Andy might have additional comments.
We appreciate the opportunity to provide feedback, feel free to reach out if we can help in any other way.
Regards,
Joe

Joseph Schwenker
Senior Development Officer II
Community Housing Partners Corporation
448 Depot Street NE
Christiansburg | VA | 24073
C | 414.759.8088

joseph.schwenker@chpc2.org
www.communityhousingpartners.org
Facebook | Twitter | Instagram | LinkedIn