

Via Email

October 10, 2025

North Carolina Housing Finance Agency
3508 Bush Street
Raleigh, North Carolina 27609

Attn: Ms. Tara Hall

RE: 2026 Qualified Allocation Plan

Dear Ms. Hall:

The City of Charlotte appreciates the opportunity to comment on the draft 2026 Qualified Allocation Plan (QAP). As a key partner in advancing affordable housing, the City recognizes the QAP's important role in determining project feasibility and location. We commend NCHFA's stewardship of the LIHTC program and offer the following recommendation(s) to strengthen the 2026 QAP's support for high-quality, equitable, and financially viable developments statewide.

The City is concerned that the proposed **\$280,000 total development cost (TDC) cap** would significantly limit the ability to produce affordable housing in urban areas such as Charlotte, where construction and land costs have escalated sharply. Current market conditions, including rising material costs, labor shortages, and the increasing need for structured parking and sustainable building features, routinely drive total development costs above this threshold—even for efficiently designed, cost-conscious projects.

Charlotte's recent experience illustrates this challenge: between January 1, 2025, and October 7, 2025, the total development cost for projects considered for gap financing averaged \$315,000 per unit. In our most expensive markets, this number routinely exceeds \$350,000 per unit and can eclipse \$400,000.

In conversations with colleagues in Raleigh, similar concerns have emerged: adopting the proposed cap would likely make most LIHTC developments in both of our cities infeasible. A uniform statewide cost cap would disproportionately impact high-cost markets, reducing regional equity and constraining the geographic diversity of LIHTC investments.

We appreciate NCHFA's continued commitment to equitable housing investment and welcome the opportunity to collaborate on refining these provisions.

Thank you for your consideration.

Sincerely,



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