Tara Hall

From: Laura Nicholson <ldn@connellybuilders.com>
Sent: Thursday, October 9, 2025 8:30 AM
To: Tara Hall
Cc: T Kevin Connelly; William W Chamblin; Field Goodlett; James Norman
Subject: EXTERNAL: NC Housing DRAFT 2026 QAP Comments - Connelly Development

Thank you for the opportunity to provide comments on the DRAFT 2026 QAP. Please accept the below comments for requested changes:

DRAFT #1 QAP, Pages 8-9:
The per-project award limit needs to be increased to at least $1.5 million per project. If increased, please also increase the principal award limit so that a developer can be awarded two (2) developments. With the limitation of being able to obtain a significant amount of other soft funding from a municipality and the fact that WHLP funds will likely not be available it is hard to make developments work financially in moderate to lower income counties. If we find a way for a development to work financially, which includes deferring 50% of the developer fee up front, in one of these areas the total units for the development will be limited to 48 units or less. Raising the limit would help offset the loss of WHLP funds and other soft funding and allow for larger, more efficient developments to be built.

If the Agency is not agreeable to all developments having a $1.5 million per project allowance, then please consider a credit cap per development by area, for example $1.4 million in high income areas, $1.5 million in moderate areas and $1.6 million in low-income areas.

DRAFT #1 QAP, Page 19:
The $280,000 cap on replacement costs is too restrictive especially if land is included as part of the replacement cost. On a current 48-unit development the total replacement cost is $316,000 per unit, on a 56-unit development we are at $296,000, and on an 84-unit development with no land cost we are at $247,000 per unit. Obviously, the amount of land costs in a development changes this replacement cost number so we would suggest that land cost not be included in the replacement cost number. We also suggest, that between $300,000 - $320,000 per unit would be a better number to use especially if land costs are not going to be removed from the replacement cost number.

DRAFT QAP #1, Page 34:
In the Post Award Processes and Requirements section it states that owners must have approval from the Agency prior to starting construction, including sitework. Based on conversations with staff at the NC Housing conference the current turnaround time for having a plan review completed by NC Housing staff is taking 4 months to complete. With the deadlines needing to be met for the IRS and NC Housing this turnaround time can be detrimental to a developer being able to stay on track with project completion. If there are issues raised as part of the plan review that must be addressed prior to the developer being allowed to start construction this delays the project even more. Can additional staff or a third-party plan reviewer be added so that the plan review time can be significantly shortened so as not to cause delays?

Thanks,

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