



Mr. Scott Farmer  
Ms. Sandy Harris  
Ms. Tara Hall  
NCHFA  
3508 Bush Street  
Raleigh, NC 27609

Dear Scott, Sandy and Tara:

Thank you for requesting input on the 2026 QAP. My comments concerning the 2026 QAP are as follows below:

In **Section II D.E.2 & 3. In 2.** Please increase the credit cap to \$1.8 million for projects in all pools, and in **3.** Please allow up to a 30% basis boost to get to the necessary amount to make the projects work without WHLP. You can keep the overall principal cap at \$2.6 million. I believe this significant increase is necessary even in the Metro counties because after conversations with the City of Raleigh and other cities, their funds are more limited for 2026 and they can fund fewer bond and 9% projects, making the increased credit amount critical. The costs are much higher in those areas. The projects simply do not work without WHLP in low- and- moderate income counties, nor without WHLP and a significant amount of funds from the local governments, which as I've discovered, may not be available this coming year. I have run numbers in the various pools and the safest bet is to allow up to \$1.8 and the Agency underwriters can assess the need for the funds during underwriting.

If you can increase the credit cap per project above and allow up to a 30% boost as needed above, then in **Section VI. B. 5.** You will not need to remove the last sentence. Simply change the last sentence to "Deferment of more than thirty-five percent (35%) of the total developer fee will result in a deduction of 1 point" because we do not want developers to start deferring 50% of their fees and getting into non-feasible situations just to win awards. I appreciate increasing the Developer Fee in **Section VI.B.7**, but it will not help, if we have to defer 50% of it to make a deal work. This will have a very negative impact. This is not sustainable for developers, especially small developers, like me, who have been working hard to provide affordable housing in NC for years.

In **Section IV. C. 1. (b)** I support increasing Total Replacement Costs to \$350,000 per unit or to whatever the average is of submitted projects in 2025, including bond projects.

In **Section IVA(b) (ii) Amenities**- In order to open up more sites that work and that are less expensive, please allow the following:

- a bus stop that is .5 miles to count as 2 pts, one that is .25 to be 3 pts and one that is .25 and covered to count as 6 pts.

- allow **Secondary Amenities** to total 17 points instead of 20 points, or add an additional “Service” category and keep it at 20 points so that a restaurant, bank, and convenience store can count, since those are amenities that would be also be used on a daily basis instead of periodically, such as a government-operated community center, library/park, and medical offices.

In **Section IVA(b)(iii) Site Suitability**-Eliminate the 3 points regarding a project being visible to potential tenants using normal traffic patterns as with the internet and directional apps, this is not an issue for marketing and lease-up purposes. This may be an antiquated requirement that is eliminating perfectly good sites that are close to amenities but not on high traffic corridors.

Thank you for allowing Developers to refresh credits without penalty. However, in **Section II. G. 2.** could you somehow allow refreshing credits as a standard practice? It would be helpful, if Developers may request a credit refresh prior to November 1<sup>st</sup> and projects can close between August and November without waiting for this language in the QAP, so that Investors feel more comfortable with closing during this time period.

If you would like to see or discuss specific proformas I have run for different areas, I would be glad to send them to you and to discuss. Thank you for being a great partner and as always, for listening to and taking into consideration comments from the developer community.

Thanks,

*Traci*

Traci Dusenbury Tate  
Halcon Companies, LLC/Halcon Development, LLC  
[traci@halconcompanies.com](mailto:traci@halconcompanies.com)  
(919) 741-9328/(804)376-7674