

Tara Hall

From: Dave Urban <durban@invictusdev.com>
Sent: Monday, October 13, 2025 4:44 PM
To: Tara Hall
Subject: EXTERNAL: 2026 QAP Comments

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Tara,

Thank you for the informative Developers Workshop session at the NC Housing conference. I wanted to provide you with a couple of comments regarding the 2026 QAP from Invictus Development:

Total Replacement Costs – The initial draft of the QAP has a total replacement cost of \$280,000 per unit. In our preliminary budgets, as well as discussions with several general contractors regarding projected construction costs, we don't feel that this cap will allow for projects to be feasible. We are still not seeing any significant reduction in material costs and labor is becoming more scarce and therefore more expensive. This is in addition to the ongoing high cost of finding a project site that meets the scoring criteria. When a suitable site is found, the ability to negotiate a lower price is diminished due to the need to hold the site through the application and award process.

Project Credit Limit – We would echo what many other NC developers have recommended, which would be to increase the maximum award for a project from \$1.3 mil to \$1.5 mil. The aforementioned material and labor costs remain at elevated levels and therefore difficult to make these projects pencil at the lower credit cap.

Thank you for your consideration.

David J. Urban

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