

October 10, 2025

North Carolina Housing Finance Agency
Attn: Tara Hall, Scott Farmer, Sandy Harris
3508 Bush Street
Raleigh, NC 27609

RE: 2026 QAP Draft comments

Thank you for all that you do to support affordable housing and the developer community of North Carolina. I am writing to share Self-Help's comments on the draft 2026 QAP. We appreciate the opportunity to provide this input and are grateful that NCHFA takes public comments seriously and has made an increasing number of positive changes to the QAP in recent years.

We offer for your consideration the following suggestions on the 2026 QAP:

TIMING

- We would like to request an earlier release of the annual QAP to give applicants more than 1-2 months to assess that year's adjusted criteria against possible development sites. If it's not possible to get a final QAP out earlier, maybe consider multi-year cycles or committing to things like key scoring criteria updates only every 2 years.

SCORING

- We would like to see a scoring system that better distinguishes among applications, as a system in which almost every project gets a near-perfect score does not go far enough to distinguish great developments from good ones. We hope NCHFA will consider substantial changes to the scoring system this QAP or soon after that further differentiate projects, starting at the site scoring stage, while allowing for urban sites to better compete with suburban greenfield garden style apartments even if the site score is not perfect. We recognize the need to minimize subjective criteria, so possible additional scoring criteria could include items like:
 - Greater emphasis on the provision of resident services and resident outcomes, with higher points going to applicant groups who can show strong partnerships for service provision and a track record for residents remaining stably housed and achieving things like the jump to homeownership. Greater emphasis on targeting highest needs, with higher points going to projects willing to target groups with greater housing needs, homeless populations, those with disabilities, Veterans, etc.
 - Points for strong multi-modal transportation options, like extra points for bus/train stops with at least 30-minute service, onsite bike-sharing services, etc. Frequency of bus service can be more important for transit users than whether the stop is covered.
 - Points or tie-breakers for developments in downtown areas (particularly in non-metro counties) that site residents in the heart of their communities, near transportation, public and social services, and locally owned grocery and shopping.
 - Green standards – points for binding commitment to third-party green certifications beyond Energy Star.
 - Negative points for projects in areas with little/no recent increase in rent-burdened population and/or positive points for projects in areas with increasing rent-burdened populations.

- Disinvestment in lower-wealth communities often means fewer state or national retailers including grocery stores, and downgrading communities for this lack further diverts investment away from places that need it. Please consider expanding to allow non-chain grocery stores in the Grocery category, and eliminating the Shopping category as a primary amenity for scoring or expanding what counts under this category, especially thrift stores. Stores like Goodwill offer price-accessible shopping options, and small, rural downtowns often include stores that can include access to the kinds of goods we believe the category is trying to assess.
- Expand what counts as a second primary amenity as this can limit rural applications. Possibilities include licensed childcare providers, community and technical colleges, or as an example from other states, community assets like a traditional town square, post-office, or weekly farmer's market (Kansas).
- Please consider shifting to drive time instead of distance in the rural amenity section. Especially in Western NC, drive distances can differ from time and rural residents primarily access daily needs by car (roughly three-quarters of rural workers drive alone to work, transit use is near zero, and carless households are far less common than in urban areas).
<https://www.ugpti.org/resources/reports/downloads/dp-330.pdf>
 - For example: Grocery ≤10 min; Pharmacy ≤12; Primary Care or Critical-Access Hospital ≤15; K-12 school ≤15; Park/Trailhead ≤15.
 - Possible proof method: Accept a standard drive-time map (Google Maps, ESRI, or NCDOT) showing the site's 10–15 minute drive area with amenity addresses/screenshots attached.
- Please consider adjusting the draft language that replaced high traffic corridor, particularly the language on all 55 MPH roads. We understand the need to keep housing investments from being adjacent to highways and high noise roads but depending on development patterns, more rural areas may have an otherwise excellent site where a 55 MPH road doesn't represent a safety, noise, or air quality issue.

PRINCIPALS

- Please clarify whether the principal limit of no more than two new construction projects applies solely to 9% deals, along with the completion date requirement. If it does not the state can get more 4% bond deals under construction. If needed, a higher, or separate limit should apply to 4% bond deals.
- Please consider increasing the non-profit set-aside to 20%, since all else being equal nonprofit organizations are more likely based on their missions to provide extended affordability periods after LIHTC requirements expire and operate projects as affordable indefinitely or for their full lifecycles. Our anecdotal observation is that, especially in recent years, more for-profit developers are flipping their LIHTC projects to market rate when compliance periods end. Consider alternatives employed in other states' QAPs such as awarding a bonus point for non-profit involvement in ownership (Georgia) or providing points for developers that offer an option or right-of-first-refusal to a non-profit partner (Virginia).

COST AND CONTINGENCY CAPS

- Please consider increasing the maximum allowed per unit costs for lines 5 and 6 of Chart A and B to \$135,000 and \$150,000 per unit respectively. Please also consider increasing the cap on total replacement cost to \$340,000 per unit, as averages from the 2025 awards were well over the proposed \$280,000 per unit cap. We believe this applies across geographies. Metro areas generally have higher

construction costs for regulatory and market reasons regardless of whether a project is Chart B eligible and historic, adaptive reuse projects often have significant unknown remediation and replacement needs at stage of an application. In more rural communities, especially in Western NC, projects contain fewer units and miss mid-rise economies of scale. In many small towns, missing-middle formats can be more feasible to deliver given site constraints (townhomes, duplexes, quads) and carry more exterior wall/roof/foundation per unit, duplicated stairs, and longer utility/sitework per unit.

- Another option is increasing the maximum allowed contingency (perhaps to 10% on new construction) and/or allowing greater construction escalation to be held in project budgets would help alleviate post-award budget issues.

OTHER

- Increasing the distance allowed between parcels on scattered site projects would create more viable locations, particularly for projects to reach the unit scale to make 4% financially feasible and increase the number of units produced.
- Consider population growth in allocating credits across regions, as the current approach ignores major demographic trends. This includes significant growth in NC metro areas, as well as certain NC small towns which have seen growth despite their County's overall population staying stable or falling.
- For section 2(b), particularly subsection iv, it seems that our State's more rural communities are less likely to have the resources to access the Redevelop Designation benefits as they are more likely to: 1. Lack the capacity to do specific area planning or initiate projects, and 2. Feel like they can't afford to donate land, waive SDCs or impact fees, or make a \$250k grant.
- In Section IV.C.2(b) regarding RPP payments, it would be helpful to include clarifying language around how these payments are set or adjusted throughout the life of the loan. This would be helpful clarification for any other project lenders trying to underwrite earlier in project cycles.

APPENDIX B

- Provide a separate cost per unit limit for projects with (necessary) structured parking in downtown/urban areas where such parking is appropriate.
- Eliminate minimum parking requirements and let project-specific parking needs be determined by the local government. Alternatively, allow compact spaces to count towards the ratio, and provide automatic reductions to parking ratios for urban sites and sites with frequent public transit, as well as for developments with a unit mix emphasizing smaller bedroom counts where fewer cars per unit are likely.

Thank you for your consideration,

Sincerely,

Daniel Bullock
Real Estate Senior Project Manager
Self-Help

Cc:
Dan Levine,
Director of Real Estate
Self-Help