Solstice Partners, LLC

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October 10, 2025

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

Dear Scott, Tara, and Sandy,

Thank you for the opportunity to submit comments for the 2026 QAP. Solstice Partners would like to share the following comments for your consideration.

Total Replacement Cost
We echo the concern expressed by many of our colleagues regarding the total replacement cost cap included in the first draft of the 2026 QAP. Our draft proformas for 2026 projects exceed the proposed $280,000 TRC per unit cap, even in non-metro areas. This number is too low given the variability in tap/system development fees and land costs across the state.

Project Credit Limit
We would like to see an increase in the maximum award for a project from $1.3M to $1.5M. The $1.3M limit restrains project size and causes inefficiency in operating expenses. Feasible project size has been significantly reduced with current construction costs, and will shrink further without WHLP funding.

Credit Recycling
The opportunity to return and receive new credits is extremely helpful. We ask that NCHFA offer commitment letters for credit recycling for investor reassurance when closings don't align with the request for credit return window (11/1-12/31).

Site Suitability Clarification
Please clarify if low-traffic airports, airfields and jetports are excluded from the airport designation in site suitability scoring.

Thank you,
Solstice Partners