

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

RE: Comments on the First Draft of the 2026 QAP

Dear NCHFA Team,

On behalf of Wallick Communities, we appreciate the opportunity to provide comments on the first draft of the 2026 Qualified Allocation Plan (QAP). Our feedback is outlined below for your consideration.

1. Increased Credit Cap per Project

Given the continued escalation in construction and land costs, combined with sustained high interest rates, the current \$1.3 million credit cap presents significant challenges to the financial feasibility of larger developments. This limitation often results in projects that are unable to fully utilize available basis, reducing overall efficiency.

In prior years, developers have mitigated this constraint by proposing smaller-scale projects. However, under the revised second tiebreaker—favoring developments with a higher number of units—the existing cap may inadvertently place additional strain on limited state soft funding resources and encourage cost-reduction measures that could compromise long-term project viability.

We respectfully recommend increasing the per-project credit cap to \$1.5 million. Alternatively, NCHFA might consider adopting a tiered credit cap structure, similar to South Carolina Housing’s approach, with varying caps based on county income levels (low-, moderate-, and high-income counties).

2. Increased Total Replacement Cost Limits

When considered alongside the existing Chart A and Chart B hard cost limits, the total replacement cost restriction effectively limits the amount developers can allocate toward land acquisition. This poses a particular challenge in higher-cost markets, especially within larger municipalities, where affordable housing is often most urgently needed.

To better align with current market conditions and ensure continued access to viable development sites, we recommend increasing the total replacement cost limit from \$280,000 per unit to \$310,000 per unit.

We appreciate NCHFA’s continued commitment to facilitating the development of high-quality affordable housing across the state and thank you for considering these recommendations as part of the 2026 QAP revision process.

Sincerely,
Jake Gill

A handwritten signature in black ink that reads "Jake Gill". The signature is written in a cursive, flowing style.

Vice President of Development

Wallick Communities