the NRP group

November 17, 2025

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

RE: Comments on the First Draft of the 2026 QAP

Dear Mr. Farmer and Ms. Harris,

On behalf of the NRP Group, we thank the North Carolina Housing Finance Agency for the opportunity to provide comments on the first draft of the 2026 Qualified Allocation Plan (QAP). We have the following recommendations in order of priority:

1. **Increase Maximum Award Per Deal**

The existing $1.3M maximum tax credit award per project is a significant impediment to overall project feasibility, particularly for larger projects. Due to a significant escalation of both construction and land costs since the pandemic, as well as a persistently high-interest rate environment, total development costs for LIHTC developments have soared in recent years. Limiting the award per project to $1.3M typically results in projects that are not able to fully utilize available basis, leading to larger "gaps" in sources.

NRP currently operates in 19 markets throughout the United States. In markets such as North Carolina where credit caps are lower than comparable peer states, NRP has observed that such a limitation often results in the construction of lower quality housing that deteriorates more quickly during the compliance period. This in turn negatively impacts both the perception and livability of deals financed with Low Income Housing Tax Credits in this state.

NRP respectfully requests increasing the credit cap per project to $1.8M. This would result in fewer projects receiving tax credit awards but the deals that are awarded would be more feasible and of higher construction quality.

2. Application and Award Schedule

The application and award schedule for the first round of LIHTC projects in the state of North Carolina is the lengthiest of any state that NRP currently works in. For a typical 9% or 4% project, the developer submits a pre-application in January, a full application in May, with notification of award in August. This schedule obligates developers to negotiate Purchase and Sales Agreements that are typically much longer in duration than is considered "market", especially in "Metro" regions where developers are frequently competing with non-LIHTC developers for the same sites. The end result is that Developers typically have to increase the purchase price above the Seller's asking guidance or take on significant amounts of added risk with large, non-refundable deposits.

NRP respectfully requests that the Agency consider reducing the overall application duration. States such as Ohio and Tennessee have reduced their application through award cycles to February to May and mid-April to July, respectively, by ceasing Agency in person site visits. We believe that Google Maps and other tools could provide the Agency with a similar level of comfort that a neighborhood amenity exists without the added drive time. By reducing the overall application timeline, the Agency would open up a larger pool of quality sites to the development community at large.

3. Increase Total Replacement Costs

The NRP Group is concerned that the total replacement cost cap of $280,000 per unit, regardless of deal size or geographic location, will be a significant impediment to overall project feasibility. This cap incentivizes developers to build lower quality housing and places more limits on a developer's ability to source better sites, particularly in High Income designated areas. Based upon current market conditions, we believe the total replacement cost cap should be increased to $310,000 per unit.

We appreciate NCHFA's continued dedication to supporting the building of high quality affordable housing across the state of North Carolina. Thank you for considering our recommendations.

Respectfully,

Jason Mochizuki

Jason Mochizuki
Vice President of Development
The NRP Group
14819 Ballantyne Village Way, Suite 1040
Charlotte, NC 28277
jmochizuki@nrpgroup.com