To: North Carolina Housing Finance Agency
Attn: Tara Merideth, Manager of Rental Development
From: Jamie Andrews, Housing Officer, Chatham County
Date: 12 October 2026
Re: 2027 First Draft Qualified Allocation Plan

Thank you for the opportunity to submit comments regarding the Qualified Allocation Plan for 2027 Low-Income Housing Tax Credit awards. In my role as Housing Officer, I work closely with prospective LIHTC projects and other housing preservation and development efforts in Chatham County. We have an interest in supporting LIHTC accessibility for rural counties and counties with the unique housing challenges faced by Chatham County. We also work to implement policy and program goals related to affordable housing supply, including finding ways to reduce barriers, improve support for new housing opportunities affordable to Chatham residents, and partner with agencies and organization on aligned efforts. These comments are based on these interests.

Population Considerations

Migration data published by the IRS shows that Chatham is experiencing substantial outmigration of lower-income residents, even if this outmigration is more than replaced by in-migration of higher-income new residents from other counties and especially other states. This reflects a housing challenge not considered in the QAP and its focus on existing low-income renters. As in-migration increases costs, for both new and existing housing, specific infusions of new, lower-cost housing, of the type supported by LIHTC, only become more important. Including recognition of this demographic shift would better assess the challenges faced by Chatham County residents and those who work here but cannot afford existing housing. This could come either through study of population growth figures for counties, which in turn increases need for new housing construction, or through study of income characteristics of out-migrants, which demonstrates unaffordability of existing housing.

Partner Funding and Support

Present standards do not adequately value community and partner support for new housing supply. These partnerships matter and have a positive impact, and help to recognize the types of support beyond those available in our urban cores, such as public housing referrals, which are recognized in the draft QAP. The following changes or considerations would rectify this:

1. **Instate the tiebreaker proposed in a 2026 draft QAP as IV.F.7.b:** "The project with the highest percentage of non-Agency awarded and non-related party funding (excluding federal equity and bank loans) as a percentage of total replacement costs at time of full application submission. The total non-Agency awards must exceed $50,000." As a local government seeking to support housing supply, this makes our contributions in the form of soft financing matter much more directly.

2. **Recognize other community partnerships and referral processes.** Section I.A of the 2027 draft references "willingness to solicit referrals from public housing waiting lists" as a selection criterion. Lacking public housing, Chatham County and many rural peers are constitutionally disadvantaged compared to peers with public housing, despite having organized and effective partnerships focused on housing stability with a track record of referring households in need of lower-cost housing to prospective property managers, including existing LIHTC developments. Recognition of MOUs or other agreements between prospective developers and existing housing referral agencies, particularly Continuums of Care or other community-based housing service agencies, would rectify this issue. This recognition would also encourage LIHTC developers to proactively build relationships with existing community organizations.

Sustainability

Conservation and environmental consciousness remain a priority in Chatham County and become more relevant given changing climate patterns across our state. NCHFA should take seriously any recommendations from professional bodies related to energy efficiency, weatherization, material standards, emission or waste mitigation, or other conservation-related recommendations.

Rent Escalation

As a major partner for Housing Authorities and other partners subsidizing rent, LIHTC awardees should be enjoined through the application and award process from excessive rent escalation, especially with respect to Housing Choice Vouchers and other subsidies. Lack of standards in this realm has caused substantial strain on the Chatham County Housing Authority and responsible limits on rent escalation under any circumstances, with respect for the needs of developers and property managers, could help to avoid future challenges.

Credit and Allowance Limits

With consideration for input from partners a development experts, NCHFA should consider ongoing reevaluation of credit limits per project, limits per unit, unit limits, and limits on other funds such as RPP and WHLP, to accommodate more modern needs in the development space. Given the erosion of credit value under present economic and tax circumstances, responsive evolution will help to make selected viable projects more viable and reduce burdens on outside funding partners, allowing nonprofits and local governments to remain competitive in the support they provide.

Unit Limits in Rural Areas

Assessing urbanity at the county-by-county level overlooks geographic diversity within a given county. Even in more rural counties, tax credits should support new units in more concentrated areas. Permitting more units based on more specific geographies, such as the census tract level, would encourage density where density already occurs and align development with the amenity access already *de facto* required in the QAP.

Diversify Shopping and Grocery Standards

Enumerated lists as provided in the QAP prioritize large chains with little community investment over independent establishments with more community investment and benefit. Creating and permitting standards for individual grocers and shopping centers to be certified would create greater opportunities for recognition of local entrepreneurs, co-operatives, farmers associations, and communities speaking languages other than English.