THE CITY OF ASHEVILLE

City of Asheville
City Manager's Office
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October 16, 2026

North Carolina Housing Finance Agency
Attn: Tara Meredith
3508 Bush Street
Raleigh, NC 27609

Subject: 2027 Qualified Allocation Plan Comments

Dear Ms. Meredith,

On behalf of the City of Asheville, I am writing to provide comments on the 2027 Draft Qualified Allocation Plan.

1. Construction Award Eligibility

   Our community was severely affected by TS Helene two years ago, and we continue to work on our recovery. The draft 2027 QAP allocates additional credits to the West Region in recognition of the continued recovery in those counties affected by Helene. As Asheville and Buncombe County are part of the Metro region, they will not benefit from these additional credits. We respectfully request that the language from the 2026 QAP be reinstated to support housing recovery efforts in our community.

   "If necessary, the Agency will adjust the awards under the Plan to ensure the overall allocation results in no less than one award for Buncombe County in the Metro region. The initial maximum under II(F)(1)(b) will not apply to Buncombe County should that county be eligible for a second new construction award."

   Given the scale of the disaster and the impact to Buncombe County, an extension of this provision seems quite appropriate.

2. IV.C.1.(b) Total Replacement Costs must not exceed $350,000 per unit, excluding land costs.

   At this time, projects in Asheville are very near, but not exceeding, this cost cap. In the coming year, with interest rate increases and other rising costs, we anticipate that projects will exceed this cost-per-unit cap in the 2027 cycle. We especially anticipate this happening with more urban projects where parking decks are required. We have consulted with our colleagues in other large municipalities, who have expressed similar concerns. We ask that you increase the maximum development cap to ensure otherwise qualified projects in the state's larger municipalities are not automatically prohibited from securing a tax credit award.

We very much appreciate NCHFA's continued partnership in bringing affordable housing to residents of both Asheville and Buncombe County and welcome the opportunity to suggest refinements to the QAP.

Sincerely,

Dakisha R. Wesley
City Manager