Tara Meredith

From: Traci Dusenbury <traci@halconcompanies.com>
Sent: Friday, October 16, 2026 8:10 PM
To: RentalHelp
Subject: EXTERNAL: QAP 2027 Comments

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Below are my comments on the First Draft of the 2027 QAP:

Thank you for increasing the developer fee by $2,000/unit. However, all of that and up to 50% of the fee will have to go into the sources of the project, if we cannot get an increase in the amount of credits per project. With interest rates higher, costs going up and trying to build the most units possible for the 2nd tiebreaker, there will have to be large deferrals. Please consider increasing the $1.5 million credit cap per project to up to $1.6 million in credits for 64-83 units and to $1.65 million in credits per project for 84-96 units and $1.7 million in credits for 97 to 120 units or something similar. I realize less projects will be funded, but they will be more financially feasible and will have less issues in the long run.

Also, I would encourage you to increase the total principal cap to $3 million because it is difficult getting multiple sites under contract and knowing more than likely you are going to have to try to carry over all but 1, which is getting increasingly more difficult to do, especially for small developers, many whom are dedicated only to NC.

I would encourage you to allow up to 2 credit refreshes per project, if circumstances warrant it on a case-by-case basis. Please allow the first one to be automatic if requested instead of us waiting for the QAP to come out and having the Investors worry about this, for the projects that need them. The second one could be based on other circumstances that may warrant it. Please continue to not make these to count against developers in the following round.

Regarding the allocation fee, can you please consider only increasing by $.01? Going up by from $.96 to $.98 increases by $19,000 for $9,500,000 in eligible basis, while other costs are also going up.

I am firmly against making a tiebreaker to give projects to folks who have not had projects funded in the State over the past 1,2 or 3 years like someone mentioned, because there are many developers who only work in NC and do not have the luxury of getting projects funded in 6 or 7 different states. We count on getting a project or projects funded in NC every year. I wouldn't want this to work in the favor of folks who are new to the State and large companies who are working in multiple states while pushing out the long-time NC developers. I would, however, entertain the idea of making the 3rd tiebreaker going to the Developer who is not already getting another project funded in the 2027 round (this would be based on unit count initially), maybe add a caveat--unless this Developer has 2 or more projects in any State, 9% and 4%, that have not closed construction by the full application. Then making the 4th tiebreaker "The project with the lowest average income targeting as of the full application." Then making the 5th tiebreaker go to "The Developer who has developed at least 3 projects in NC in the past 6 years, and who applied, but did not get a 9% funded in NC the previous round." OR "The Developer who applied, but did

not get a 9% funded in NC in the previous round and does not have 2 or more funded projects, bond and/or 9% in any state, that have not closed construction by full application."

Regarding rehabilitation projects, if you can take the acquisition costs out of the $190,000/unit cap, I would strongly encourage that to make rehabilitation projects feasible. Also, if you are considering limiting the amount of a rent increase for rehab projects, please also consider limiting rehabilitation requirements to offset the lower rents. The main thing we need to figure out is how nonprofits and long-time developers in NC can keep their developments and not be forced to sell their developments to out-of-state or larger companies in order to get them rehabilitated. Many developments just do not have the cash flow for the yearly maintenance necessary with increased insurance costs and increased taxes, and management costs being so much higher, as well as with the Investor fees the Investors are now charging.

Please keep the secondary amenity site score maximum the same at 20 pts, but please add in another "Service" line item for 3 pts so that there is an option for another service in place of another line item category and more flexibility for points to open up to more sites that may not be within 2 miles of a school or library for instance, and so that more than one bank, restaurant or convenience store can count in place of another category. You can require that it's a different type of service if you do not want 2 banks for instance.

Please consider allowing a parking waiver request prior to the full application instead of prior to the preliminary application only. Since many Sellers will not allow their sites to go under contract until November/December, there is sometimes not enough time to comprehensively figure out site design and parking needs prior to the preliminary application. There are also holidays in there and Planning staff and Engineering staff and preliminary TRC meetings, for instance, are not as readily accessible until late January.

Regarding parking, please also consider dropping the parking requirement from 1.75 spaces per family unit to 1.5 per unit.

Please do not require sprinkler drawings in with the plans before NCHFA will review them and please don't require fully approved plans prior to initial review. If we submit plans to NCHFA after they have been through one review with the local government this would be better as we could still make changes that NCHFA might require upon the next submittal to the local government. Also, by the time we get final plans if we then have to wait for NCHFA's review, this could hold up closing and this could cost us on the front end and the back end. We need to be able to submit the initial set and then maybe submit the final with a list of any changes since the last submittal so that the review process can be more aligned with the local government review process. I don't know the exact answer but I feel like there has to be a way to do this simultaneously so that there is a congruent outcome.

As always, thank you for your willingness to hear our thoughts and for your consideration,

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