October 14, 2026

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

RE: 2027 QAP Draft comments

Thank you for all that you do to support affordable housing and the developer community of North Carolina. I am writing to share Self-Help's comments on the draft 2027 QAP. We appreciate the opportunity to provide this input and are grateful that NCHFA takes public comments seriously and has continued to make improvements to the QAP in recent years.

We offer for your consideration the following suggestions on the draft QAP:

SCORING

- Second Tiebreaker. While we understand the reasoning, we believe the second tiebreaker prioritizing number of units will create a race to the bottom to win awards by sacrificing immediate quality and long-term durability of projects, as well as de-prioritizing the provision of services that support good resident outcomes. It will also incentivize developers to push costs down in their submitted estimates to win an award and those unrealistic estimates could mean fewer deals closing on time, or without additional subsidy.
    - Please consider reinstating the tie breaker that prioritized projects that brought in other funds. This was also a good way to spread scarce NCHFA resources without asking developers to compromise on cost accuracy and build quality and durability.

- Greater Differentiation. We would like to see a scoring system that better distinguishes among applications, as a system in which almost every project gets a near-perfect score does not go far enough to distinguish great developments from good ones. We hope NCHFA will consider substantial changes to the scoring system of this QAP or soon afterwards that can further differentiate projects, starting at the site scoring stage, while allowing for urban sites to better compete with suburban greenfield garden style apartments even if the site score is not perfect. We recognize the need to minimize subjective criteria, so possible additional scoring criteria could include items like:
    - Greater emphasis on the provision of resident services and resident outcomes, with higher points going to applicant groups who can show strong partnerships for service provision and a track record for residents remaining stably housed and achieving things like the jump to homeownership.
    - Greater emphasis on targeting highest needs, with higher points going to projects willing to target groups with greater housing needs, including Veterans, homeless populations, those with disabilities, etc.
    - Points for strong multi-modal transportation options, like extra points for bus/train stops with at least 30-minute service, on-site bike-sharing services, etc. Frequency of bus service can be more important for transit users than whether the stop is covered.

    - Points or tiebreakers for developments in downtown areas (particularly in non-metro counties) that site residents in the heart of their communities, near transportation, public and social services, and locally owned grocery and shopping.
    - Green standards – points for binding commitment to third-party green certifications beyond Energy Star.

- Grocery and Shopping. Please consider expanding to allow non-chain grocery stores in the Grocery category, adding DG Market to the list of approved groceries for its presence in rural parts of North Carolina, and eliminating the Shopping category as a primary amenity for scoring or expanding what counts under this category as it is quite limited.

- Second Primary Amenity. Please consider expanding what counts as a second primary amenity as this can limit rural applications. Possibilities include licensed childcare providers, community and technical colleges, or as an example from other states, community assets like a traditional town square, post-office, or weekly farmer's market (Kansas).

- Site Suitability. Please consider adjusting the draft language that replaced high traffic corridor, particularly the language on all 55 MPH roads. We understand the need to keep housing investments from being adjacent to highways and high noise roads but depending on development patterns, more rural areas may have an otherwise excellent site where a 55 MPH county road doesn't represent a safety, noise, or air quality issue. Please clarify frequently used railroad tracks. The presence of tracks through the center of many cities and towns of all sizes can otherwise preclude what would excellent sites in amenity-dense areas.

SET ASIDES

- Please consider increasing the non-profit set-aside to 20%. The data is clear nationally that nonprofit owners of affordable housing are far less likely to sell properties and allow them to become market rate. Alternatively, consider options employed in other states' QAPs such as providing points for developers that offer an option or right-of-first-refusal to a non-profit partner (Virginia).

COST AND CONTINGENCY CAPS

- Please consider increasing the maximum allowed per unit costs for lines 5 and 6 of Chart A and B.

TIMING

- We would like to request an earlier release of the annual QAP to give applicants more than 1-2 months to assess that year's adjusted criteria against possible development sites. If it's not possible to get a final QAP out earlier, maybe consider multi-year cycles or committing to things like key scoring criteria updates only every 2 years.

OTHER

- Increasing the distance allowed between parcels on scattered site projects would create more viable locations, particularly for projects to reach the unit scale to make 4% financially feasible and increase the number of units produced.
- Consider population growth in allocating credits across regions, as the current approach ignores major demographic trends. This includes significant growth in NC metro areas, as well as certain NC small towns that have seen growth despite their County's overall population staying stable or falling.
- For section 2(b), particularly subsection iv, it seems that our state's more rural communities are less likely to have the resources to access the Redevelop Designation benefits as they are more likely to: 1. Lack the capacity to do specific area planning or initiate projects, and 2. Feel like they can't afford to donate land, waive SDCs or impact fees, or make a $250,000 grant.
- In Section IV.C.2(b) regarding RPP payments, it would be helpful to include clarifying language around how these payments are set or adjusted throughout the life of the loan. This would be helpful clarification for any other project lenders trying to underwrite earlier in project cycles.

APPENDIX B

- Provide a separate cost per unit limit for projects with (necessary) structured parking in downtown/urban areas where such parking is appropriate.
- Follow the lead of the recent state law to eliminate or reduce minimum parking requirements. , or provide automatic reductions to parking ratios for urban sites and sites with frequent public transit, as well as for developments with a unit mix emphasizing smaller bedroom counts where fewer cars per unit are likely.
- Reassess requirements for specific telephone, cable, and internet hardwired connection hardware in units as this is now done largely with wireless options.

Thank you for your consideration,

Sincerely,

Daniel Bullock
Real Estate Senior Project Manager
Self-Help

CC:
Dan Levine,
Director of Real Estate
Self-Help