



Comments for 2025 NC QAP

Thank you for this opportunity to submit public comments for the draft 2025 NC QAP.

1. **Driving Distance Scoring** – We support the increase in points for driving distances to amenities in this previous cycle. The increased points for driving distances helps avoid tiebreakers. High scoring sites reflect areas with a lot of quality amenities which benefits the future residents and long term value of LIHTC properties.
 - Please keep the increased maximum points for driving distances to amenities in the 2025 QAP.
2. **Line 5 Construction Costs** – Line 5 is currently capped at \$130,000 per unit, which we believe is set too low and needs to be increased. Our most recent construction contracts and pricing we've received from multiple GCs on recent developments shows that the Line 5 number is closer to \$145,000 or \$150,000 as a floor and closer to \$160,000 as a maximum ceiling. We would note that it is typical for larger 4% TEB developments to have lower line 5 costs on a per unit basis due to the economies of scale. And family developments tend to be less expensive than senior developments. In an effort to collect the most recent data, our team recommends using the 10% test project updates. NCHFA could request the most recent AIA construction pay app to confirm the Line 5 amounts.
 - Recommend increasing Line 5 from \$130,000 to \$155,000.
3. **Annual Tax Credit Maximum** – The per project limit is currently \$1,300,000. This cap on annual credits is pressuring applications to apply with lower unit counts. The lower unit count affects the economies of scale in construction pricing and long term property management operations.
 - We advocate for increasing the annual tax credit to \$1.5 million per development.
4. **RPP Limits** – We support increasing the per unit amount in HIGH Income counties. HIGH Income counties are currently set at \$15,000 RPP per unit.
 - Recommend increasing RPP per unit to \$20,000 in HIGH Income Counties.
5. **WHLP Limits** - Increase the amount of WHLP per development in HIGH income counties, which is currently capped at \$500,000 for HIGH income counties. Yes, HIGH income counties sometimes have soft dollars to offer, but they also have higher land cost, generally higher local design standards, and remaining developable sites have design challenges. HIGH income county WHLP allocations are set dramatically lower than MODERATE and LOW income WHLP allocations.
 - Recommend increasing WHLP in HIGH income counties to \$750,000.