



September 27, 2024

Tara Hall
Manager of Rental Development
North Carolina Housing Finance Agency
3508 Bush St.
Raleigh, NC 27609

RE: 2025 QAP 1st Draft Comments,

Ms. Hall,

On behalf of Woda Cooper Companies, Inc., we are pleased to submit the following comments on the 1st draft of the 2025 North Carolina Qualified Allocation Plan (QAP).

- 1. Section II(E)1(a) – Principal Limit** – The principal limit has been \$2,000,000 in annual credits since the 2021 QAP. During the ensuing 4 years, construction costs have drastically escalated, increasing the quantity of credits needed to finance a deal. NCHFA has recognized that by increasing the per development limit to \$1,300,000. Concurrent with this, Woda Cooper recommends increasing the principal limit to \$2,600,000 to allow developers to receive two deals at the maximum size. The current \$2,000,000 limit incentivizes developers to focus on their largest deal at the expense of smaller, but equally essential, developments. Raising the principal limit to allow two deals is also consistent with what has been implemented recently in Georgia’s 2024-2025 QAP and is proposed to be implemented in South Carolina’s draft 2025 QAP.
- 2. Section III(A) – Application and Award Schedule** – Woda Cooper applauds NCHFA for maintaining year-over-year consistency with its application schedule. Keeping due dates constant allows developers to know how long site control will need to be maintained. They are therefore able to most effectively negotiate with land sellers and keep acquisition costs to a minimum. Woda Cooper also appreciates NCHFA consistently providing prompt and clear responses to any questions which arise throughout the application process.
- 3. Section VI(B) – Underwriting Cost Standards** – During its review of full applications, NCHFA reviews developments against a few cost standards which are not listed in the QAP. These include, but are not limited to, limitations on Furnishings & Equipment, Title & Recording, and Attorney fees. We suggest NCHFA publish these limitations publicly either in the QAP or in an underwriting standards document. This will help ensure developers submit applications in accordance with NCHFA’s expectations.

- 4. Section VI(B)13 – Section 8 Project-Based Rental Assistance** – Currently, developments are not able to underwrite to approved project-based voucher (PBV) payment standards if they exceed the LIHTC limitations. This reduces anticipated income and therefore the amount of amortizing debt a development is able to support and increases the amount of agency resources requested. Requiring developers to provide a 15-year or 20-year AHAP contract prior to closing will assuage agency concerns about the long-term viability of obtaining these rents. This underwriting policy change will allow more developments to be financially feasible and accordingly increase affordable housing production without the use of additional scarce agency resources.

We appreciate the opportunity to provide feedback and look forward to future development of essential affordable housing.

Sincerely,

Garrett LeDonne

Garrett LeDonne
Woda Cooper Companies, Inc.

Cc: Scott Famer, NCHFA
David Cooper, Jr., Woda Cooper Companies, Inc.
Denis Blackburne, Woda Cooper Companies, Inc.
Clay Cooper, Woda Cooper Companies, Inc.

