

## Tara Hall

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**From:** Stephen Brock <stephen@brockvi.com>  
**Sent:** Wednesday, October 9, 2024 9:55 AM  
**To:** RentalHelp; Tara Hall  
**Subject:** EXTERNAL: 2025 QAP Comments

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Below are my comments for the 2<sup>nd</sup> Draft of the 2025 QAP. Thank you!

- No new energy efficiency programs – they add cost, time and more entities taking money out of the deal (too many as is). NCHFA should just continue to require significant energy efficient features/standards on an *a la carte* basis.
- Allocation Fee is exorbitant. Each year the rate and the basis it's calculated from both increase – it's a double dip every year. Just 2-3 years ago, it was in the \$75-85K range for 72+ units...now \$145K range for 48 units. **It is now clearly harming the deal and hence tenants.**
- Eliminate cost cap - permanently. Credit cap and everything else is plenty. Candidly, in the specific case of cost caps, it doesn't change the price reality at all. Hurricanes will surely make pricing on supplies and labor volatile, unpredictable, and high. If cap must be kept, \$130,000 is likely too low.
- Pharmacy requirement of having general merchandise is arbitrary and has been killing A LOT of good sites for many years. The "Shopping" amenity covers this. General merchandise is secondary to their very purpose — a pharmacy should just be pharmacy.
- QAP timing – the application-award cycle is fine but finalization of the QAP one month before apps are due is, again, disruptive and in some cases costly. Developers tie up sites and if a site becomes uncompetitive due to the final QAP draft then much time, money, and goodwill is wasted.
- Maximum Deferred Developer Fee at Full App (for negative points) should be reduced to 10%. A deal with 25% Deferred Developer Fee is not fully baked and, if funded, is more likely to have long term problems.

Regards,

Stephen Brock  
Brock Ventures, Inc.