

Tara Hall

From: Stephen Brock <stephen@brockvi.com>
Sent: Wednesday, September 28, 2022 8:23 PM
To: Tara Hall
Subject: 2023 QAP Comments

Ms Hall:

Please accept these comments as suggestions for the 2023 QAP.

Zoning – award points to sites zoned prior to PreApp. This will capture sites that more organically came to be multifamily entitled versus last second rezoning sites. Municipality staff and elected officials spend a great deal of time on zoning approvals that are sometimes contentious and then are not funded. This only undermines goodwill for our industry long term. And it will reduce application volume saving vast amounts of time and money for NCHFA, architects, GCs, developers, and municipalities.

Allocation Fee – The allocation fee has become exorbitant and must stop increasing every year. In fact, it should be cut. In 2008, it was 0.6% ...in the 15 years since, the fee % alone has increased 50% to 0.9%. At the same time, dev cost and thus basis of projects upon which it is calculated increase each year which by itself should be enough to cover inflation. Increasing the fee % each year is thus a double dip. The fee % really shouldn't move. On top of all that, bond volume is up creating even more fees.

Developer Fee – developer fee should be increased. The increase in 2022 was helpful but it was not in proportion to the risk of current cost levels. And at the same time, the cost of doing business for developers only increases while the ability to win a deal in a given year (bonus points, no WHLP, etc) has never been lower thus increasing chances of missing a year.

Deferred Developer Fee – should be cut to maximum of 10% at Full App. Funded deals do not need to start off on the wrong foot (25%), especially in this environment. NCHFA and other financing partners need to fund the deals they want and developers need to do better as well (I'm guilty too). A deal starting off with 25% -- again, especially in this environment – is perhaps not a fully baked deal.

Bonus Points – I support the ability for a developer to submit 2 points to a single deal or split to 2 deals.

Submitted respectfully,

Stephen Brock
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