

June 10, 2021

The South Carolina State Housing Finance and Development Authority
300-C Outlet Pointe Boulevard
Columbia, SC 29210

RE: 2022 Housing Tax Credit Roundtable

Thank you for the opportunity to comment/provide questions for the upcoming 2022 QAP draft. Based on our experience leading up to the 2020 and 2021 application rounds, we offer the following:

Topics of appreciation:

- **Preliminary/Full Applications:** Thank you for creating the two round application system. It reduces costs and allows developers the opportunity to save time/money/resources on applications that truly have an opportunity for funding.
- **Cost to Apply:** Thank you for reducing the cost to apply. This is in the form of the two rounds but also the changed requirements of due diligence. South Carolina is still among the highest for cost of applications, but we appreciate the attention this received between the 2020 and 2021 application rounds.

Topics of advocacy/change

- **Disqualifying Features:** We would like to advocate for clear language on negative/disqualifying site features. The language is “The Authority may disqualify” which creates ambiguity and with the high cost to apply, some highly desirable sites (based on POI, jobs, transportation, topography, utilities, etc.) were passed on even if the agency would have supported the development based on these highly desirable features.
 - Example 1: small individually owned commercial junkyards may be much smaller than the agency intended or are adequately buffered in sight and sound within 200 or 250 feet, but the site may or may not be disqualified despite these protections and considerations.
 - Example 2: many railroads are infrequently used and do not cause excessive noise/vibration, but the 1,000-foot limitation may or may not disqualify a highly desirable site by agency standards/consideration. 1,000 feet is also a considerable distance for railroad sound buffering. For example, a 500-foot limitation with a tree buffer may be just as effective for an infrequently traveled rail line. It is agreed that sound studies are helpful to the agency, however, very costly by a significant amount at the risk of not being awarded. Perhaps new boundary benchmarks may help.
 - Example 3: boundary lines may be significantly buffered by excess land or other grander topographical features. A shorter building to building distance may be a good way to avoid highly restrictive definitions that may or may not disqualify a well-buffered and desirable development location.

- **Opportunity Zones/QCT/DDA Scoring:** For ease of scoring, combining opportunity zone points with QCT points (i.e., either both 5 or both 2 points) may be effective and we would suggest adding DDAs. The 2022 Federal Budget is considering the expansion of the LIHTC program with specific focus on DDAs. Additionally, Opportunity zones have had less economic benefit to LIHTC/affordable housing developers than originally intended.
- **Group Unit Count Restrictions:** The unit count, cost of construction, and economies of scale in the development of sites in Group B counties is economically restrictive at 48 units. Perhaps it might be considered to allow for more units in areas where a market study supports additional housing for the community.
- **Rural Counties:** Provide a greater opportunity for rural counties to win awards. POI standards may not provide any competitive opportunities for new developments in rural counties.
- **POI Scoring Bands:** We would suggest tighter bands in the Very High, High, Moderate, Low, and Very Low POI scores. This would at least apply to Very High and High bands. The census tracts between Very High and High are not substantially different from one block to the next. Perhaps a five-point difference would allow for a highly desirable site in a High tract to be competitive with a lesser desirable site in a Very High tract. Furthermore, moderately sized cities with affordable housing needs and city/country housing programs are too severely penalized for having High instead of Very High census tracts.

We appreciate your time and consideration on the topics above and we are looking forward to working with you on a successful 2022 application cycle!

Best,



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