## Wilbourne, Kim 6-9083

**From:** Randy Clack [redacted]
**Sent:** Tuesday, August 23, 2022 9:32 AM
**To:** TaxCreditQuestions
**Cc:** Jamie Kerr
**Subject:** [External] 2023 Draft QAP Comments | AMCS

SC Housing Team,

We appreciate your hard work in putting together the draft 2023 QAP. Please see below for a few comments from AMCS.

Thanks!

- Page 7, Section G **Required Development Experience**
  - AMCS recommends re-examination of the increase in required successful developments from 2 in 10 years in SC to 4 and from 4 in other states to 8. This increase is almost punitive to smaller developers, housing authorities, and non-profits who may not have had the capacity to compete at a level of an award every other year. Please consider retaining the previous requirements.

- Page 18, Section B **Award Limitations**
  - With consideration of the above point, removing the Junior Developer option is punitive to smaller developers as they most likely will not be able to meet the above requirements and in addition development firms who do meet the above requirements will not have any incentive to partner with smaller firms likely leaving them out of future competitions. We recommend either lowering the experience requirements to previous levels or retaining the Junior Developer incentive.

- Page 12, Section P **Maximum Developer Fees**
  - AMCS recommends increasing the maximum developer fees to be in line with peer states. The submission of a full application has become a significant investment with costs often exceeding $100,000 for the required studies and plans all at risk of not receiving an award. We would like to see the potential developer fee cap increased to account for the upfront risk investment of the development firm.

- Page 11, Section O **Rehabilitation**
  - Please remove or add an exception for subsidy contracts to the statement "Rents for households under lease as of award may not increase more than 3% in the next two renewals". Many rehabilitation projects entail some form of federal subsidy "wrapping" the units to meet the rents often set by HUD themselves and any increase after rehab will be set by HUD and will be out of our control. It is unreasonable to expect a developer to tell HUD they cannot increase the rents on their own subsidy contracts.

- Page 18, Section B **Award Limitation**
  - We recommend not decreasing the county award cap from two to one. With the POI potentially being eliminated about the incentive for State Tax Credits driving development to rural areas applications and awards will naturally spread themselves out of the high population area counties.

- Page 22, Section D **Size Requirements**

    - We recommend removing the unit cap on rehabilitation projects. By implementing a 90 unit cap for group A counties and 60 unit cap for group B counties the QAP is all but boxing out any future partnerships with Housing Authorities from the 9% round.

- Page 22, Section D **Size Requirements**
    - Please confirm whether market rate units can be included in an application.

- Page 23, Section A **Distance to Amenities**
    - Please clarify if a single standing amenity can satisfy multiple categories. I.e. could a single Wal-Mart, Target, etc. meet all of the requirements for primary amenities?
    - Please provide a definition for services in secondary amenities

- Page 29, Section I **Supportive Housing**
    - We recommend increasing the AMI level from 20% to 30%. 20% AMI is a threshold that moves the needle from "Affordable Housing" to "Specialty Supportive Housing" and those types of developments cannot and should not be run by the average property management company without significant funds allocated to a services coordinator which would further strain the property from an income and expenses level.

Randy Clack | Vice President of Development
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