

From: [Caleigh Miller](#)
To: [TaxCreditQuestions](#)
Cc: [Rob Coats](#)
Subject: [External] 2023 Draft QAP Comments
Date: Monday, September 26, 2022 3:47:24 PM

To Whom It May Concern:

Please find comments below for the current version of the 2023 draft QAP. We appreciate the opportunity to comment. Thank you.

- Appendix C1 – 9% LIHTC
 - IV. New Construction Scoring Criteria –
 - C. Affordability
 - Item 3. "5 points to any application where no member of the Development Team has had an ownership interest in any property that requested a qualified contract unless the owner can prove that the property was sold or transferred by the member to the owner requesting the qualified contract before September 18, 2019; or the member was contractually obligated to request the qualified contract prior to September 18, 2019, as verified by an independent third party and the Authority's review of the applicable documentation."
 - This provision retroactively punishes a Developer or Owner who by right had the ability to request a qualified contract or sold a property to another party who then requested a qualified contract. Additionally this would punish a Developer or Owner if they purchased a property from another party and then requested a qualified contract regardless of location and timing. Punishing a Developer or Owner for an action that they were by right provided under Section 42 when originally structuring a deal is unfair and unevenly effects Developers / Owners who have been involved in the LIHTC industry the longest and have the most experience. Also, this provision seems to overreach into the rules and policies of other states agencies. For example, if a Developer or Owner has requested a QC for a property in another state where they are legally allowed to, they would then be punished in South Carolina in 2023. This should not be the case.
- Appendix C2 – Tax Exempt Bonds
 - II. Criteria
 - B. Requirements
 - 8. Developer Fee – We would like to propose that the language added regarding "a cumulative amount of \$25,000 per unit for first 50 units, \$20,000 per unit for units 51-100, and \$15,000 per unit for any units more than 100" be removed. The limitation of \$5M or 15% of TDC less land, consulting, developer fees and overhead, and reserves is sufficient as-is.
- General Comment –

We would like to request that SC Housing keep the approach to Section E. Maximum LIHTC's Per Unit that it did in 2022 and not post a maximum amount of LIHTC's per unit. As the agency is aware, construction costs have skyrocketed in the last 12-24 months and there is no way to predict where costs may be 18 months from now when 2023 projects will be starting construction.

PLEASE NOTE NEW ADDRESS



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