From: <u>Hunter Snellings</u>
To: <u>TaxCreditQuestions</u>

Cc: Amie Cofini; Tanya Eastwood

Subject: [External] 2025 QAP Draft Comments - Harmony Housing Affordable Development Inc.

Date: Tuesday, September 24, 2024 4:22:43 PM

Ms. Wilbourne - Harmony Housing Affordable Development (HHAD) would like to thank SC Housing for the opportunity to respond to the latest draft of the 2025 Qualified Allocation Plan and Appendices. Please find the following comments for consideration:

QAP Section III.A.6.f. Utility Allowance Schedule: HHAD would like to acknowledge and extend its appreciation to SC Housing for allowing the use of Engineered Energy Consumption Models as an accepted for of Utility Allowance Schedule. This methodology recognizes the enhancements from a substantial rehab or new construction that is often not reflected in the local PHA utility cost analysis.

QAP Section IV.D.3. Geotechnical Soil Report: HHAD would also like to thank SC Housing for lifting the requirement that the Geotechnical Report be submitted at full application.

QAP Section IV.G.1. Required Management Experience: HHAD requests that management plans be due to the Agency at PIS application, instead of at initial closing. While the management agent is typically selected prior to initial closing, the specific management plan can change over the 12-18 months of construction/rehab before the lease up plan is implemented.

Appendix B Development Design Criteria Section III.B.1: HHAD appreciates SC Housing increasing maximum unit square footages on two through four-bedroom unit types. Appendix B Development Design Criteria Section III.C.7: Please consider amending the parking requirements for urban and senior housing developments as they are currently too restrictive considering the population served. A suggested alternative is to default to the City/County parking requirements if less restrictive.

Appendix B Development Design Criteria Section III.O.6: Please allow the use of duct board instead of hard duct for the mechanical systems (in the plenum). Duct board is more economical, less noisy, and more energy efficient.

<u>Appendix C1 9% LIHTC Section II.A.1. New Construction Scoring Criteria</u>: HHAD requests that SC Housing accept current Google Maps (or equivalent) photographs of amenities in lieu of original photos.

Appendix C1 9% LIHTC Section I.B.1 Award Limitations: The \$1,750,000 maximum LIHTC award is too restrictive for New Construction deals. Based on current construction costs and interest rate environment, HHAD requests a \$2M maximum award and perhaps a marginally higher limit for the three main metro areas/counties (Greenville, Columbia, and Charleston). Leaving eligible basis out of the financing simply encourages developers to "race to the bottom" in cost, which often results in housing that is not sustainable for the long term.

Appendix C2 4% LIHTC Section II.B.8 Application and Award Limitations: The one New Construction award limit per county will hurt the larger metro counties. HHAD requests lifting the per county limit on 4% deals awarded given the non-competitive nature of these credits.

Sincerely,

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