

2026 QAP Updates

January 27, 2026

Clarification:

Appendix C-1 Section III(A)(1): For purposes this subsection, hair salons, barber shops, nail salons and post offices are not acceptable retail amenities.

APPENDIX C1 - 9% LIHTC

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I. APPLICATION AND AWARD LIMITATIONS

A. Applications

Unless otherwise specified, all QAP and Appendix references to “application” refer to the full application. A member of a Development Team (as defined herein) may not be associated with or submit more than four (4) full applications or five (5) preliminary applications.

To be considered in the competitive round, all applications must be submitted by the required due dates as specified in the LIHTC Program Schedule.

B. Award Limitations

1. The Authority will not award more than two (2) applications to any member of a Development Team. Additionally, the Authority will not award more than the following in federal LIHTCs to any one (1) application:
 - Urban - \$1,450,000
 - Suburban - \$1,350,000
 - Rural - \$1,250,000
 - PHA – the maximum amount is determined by the county of the project

For purposes of the maximums in this section, the Authority will determine whether a person or entity not listed in an application is a member of the Development Team for the proposed project based on relationships between the parties in previously awarded projects and other common interests. Standard fee for service contract relationships (such as accountants or attorneys) will not be considered.

2. The Authority will award up to two (2) new construction applications per county in Urban counties and one (1) new construction application per county in Suburban and Rural counties. Urban counties receiving two (2) awards will be limited to one (1) award in the next year’s application cycle.
3. If the selection criteria would result in exceeding these amounts across set-asides, the Authority will make awards in the following order General New Construction, Rehabilitation, and High Demand New Construction. The Authority may exceed these limits in the event of inadequate demand among eligible applications which would prevent fully awarding the state’s available resources.
4. An application will be ineligible for an award of 9% LIHTCs if
 - it requests the state LIHTC, and
 - the Authority does not have enough available.

In that event, the award will go to the next highest-ranking financially feasible application in the set-aside.

II. APPLICATION GROUPINGS, SET-ASIDES AND REQUIREMENTS

A. County Groups

For purposes of this QAP, counties fall into one of two groups:

1. **Urban:** Aiken, Anderson, Beaufort, Berkeley, Charleston, Dorchester, Greenville, Horry, Lancaster, Lexington, Richland, Spartanburg, and York
2. **Suburban:** Cherokee, Chesterfield, Darlington, Florence, Georgetown, Greenwood, Kershaw, Laurens, Newberry, Oconee, Orangeburg, Pickens, and Sumter
3. **Rural:** Abbeville, Allendale, Bamberg, Barnwell, Calhoun, Chester, Clarendon, Colleton, Dillon, Edgefield, Fairfield, Hampton, Jasper, Lee, Marlboro, Marion, McCormick, Saluda, Union, and Williamsburg

B. Set-Asides

The Authority will place Applications for 9% LIHTCs in one of the set-asides described in subsections (1), (2), (3), (4) or (5) below. The percentages are of 9% LIHTCs available to the state in 2026 after making award(s) under subsection (B)(5).

The Authority will award LIHTCs starting with eligible applications earning the selection criteria ranking within each of the set-asides and continuing in descending order through the last application that can be fully funded within the range of LIHTC available in each of the set-asides.

1. URBAN NEW CONSTRUCTION (35-40%)

New construction projects located in an Urban county.

2. REHABILITATION (15 – 20%)

Rehabilitation projects. The Authority will award up to \$600,000 to one eligible RD project in this set-aside.

For purposes of the 9% program, “Rehabilitation” means a project where all of the units are in one or more currently existing residential building(s). Applications including any of the following will be considered “New Construction”:

- adaptive re-use;
- redevelopment of entirely vacant residential buildings; and/or
- proposals to increase and/or substantially re-configure residential units.

3. SUBURBAN NEW CONSTRUCTION (25-30%)

New construction projects located in a Suburban county.

4. RURAL NEW CONSTRUCTION (5 - 10%)

New Construction projects located in a Rural county.

5. PUBLIC HOUSING AUTHORITY (ONE AWARD)

The Authority will make an award to applications involving the demolition and new construction to replace existing public housing. A local public housing authority (or a related entity) must be listed as a general partner or managing member of the ownership entity. This award will not count towards per county limit.

C. Nonprofit Set-Aside

If necessary, the Authority may adjust the allocations of awards of the state's federal tax credit ceiling under the QAP to award projects involving tax-exempt organizations (nonprofits). The Authority may adjust such awards to allow up to approximately ten percent (10%) of the state's federal tax credit ceiling being awarded to such projects. In its sole discretion, the Authority may also choose to roll forward up to approximately ten percent (10%) of the state's federal tax credit ceiling.

1. Eligible nonprofit organizations must meet the following criteria:
 - a. is a tax-exempt organization under Section 501(c)(3) or 501(c)(4) of the Code;
 - b. has three (3) full-time staff whose responsibilities include the development of housing;
 - c. is qualified to do business in the State of South Carolina, as evidenced by having a status of "Good Standing" with the South Carolina Secretary of State's Office;
 - d. has among its exempt purposes the development of low-income housing; and
 - e. complies with the requirements for material participation contained in the Code, including but not limited to a narrative statement, certified by a resolution of the nonprofit's Board of Directors, describing the nonprofit's plan for material participation during the development and compliance period and participation must be continuous and ongoing throughout the compliance period.
2. The nonprofit organization or the wholly owned single-asset entity subsidiary must own (directly or through the partnership) at least 51% interest in the general partner (GP) or managing member (MM) of the Owner entity in accordance with current laws and IRS regulations throughout the development's compliance period.
3. The nonprofit GP or MM may be an association or alliance of eligible nonprofit organization(s) and a for-profit organization(s).
4. Fees paid to third-party development consultants, evidenced by the cost certification, must not exceed \$35,000. The consultant fee must be for legitimate and necessary consulting services.
5. Only the nonprofit GP or MM has the authority to exercise substantial and ongoing continuous control over the application submission process and over the subsequently produced development. All functions and responsibilities normally performed or undertaken by a GP or MM must be performed by the nonprofit.

D. Size Requirements

New construction developments in any county may not consist of fewer than 40 affordable units and new construction developments may not consist of more than the following affordable units based on its county grouping:

- Urban Counties: **80** units
- Suburban and Rural Counties: **60** units

III. NEW CONSTRUCTION SCORING CRITERIA

A. Proximity to Amenities and Jobs; Rural Area

1. DISTANCE TO AMENITIES

Max - 70 points	Urban New Construction			
	Driving Distance in Miles			
Primary Amenities	≤1	≤1.5	≤2	≤3
Grocery	10	8	6	4
Shopping	7	6	5	4
Pharmacy	7	6	5	4
Retail	6	5	4	3
Healthcare	4	3	2	1
Public Facility	4	3	2	1

Max - 70 points	Suburban New Construction			
	Driving Distance in Miles			
Primary Amenities	≤2	≤2.5	≤3	≤4
Grocery	10	8	6	4
Shopping	7	6	5	4
Pharmacy	7	6	5	4
Retail	6	5	4	3
Healthcare	4	3	2	1
Public Facility	4	4	2	1

Max - 70 points	Rural New Construction			
	Driving Distance in Miles			
Primary Amenities	≤3	≤3.5	≤4	≤5
Grocery	10	8	6	4
Shopping	7	6	5	4
Pharmacy	7	6	5	4
Retail	6	5	4	3
Healthcare	4	3	2	1
Public Facility	4	3	2	1

Full Service Grocery – have a minimum size of 12,000 square feet and operate with regular business hours offering a full range and variety of foods, cleaning products and paper products. Variety of foods must include: 1.) meats, poultry and fish; 2.) breads and cereals; 3.) fresh vegetables and fruits; and 4.) dairy products.

Shopping – a big box store, shopping plaza, mall, retail strip, walkable downtown shopping district or convenience neighborhood center containing multiple stores stocked with many varieties of goods including all of the following: 1.) clothing; 2.) housewares; 3.) cleaning products; 4.) general over the counter medicine or first aid products; and 5.) personal hygiene. Clothing must contain tops, bottoms, undergarments and shoes for men, women and children. A walkable downtown shopping district must be pedestrian friendly and the distance between the qualifying establishments cannot exceed a total of .3 miles.

Pharmacy – does not include specialty pharmacies or drug services; or pharmacies or drug stores only available for patients of a designated medical practice or facility.

Healthcare – hospital, urgent care, general/family practice or clinic offering patient services. Does not include medical specialists or a local health department without a clinic.

Public Facility –

- community center with scheduled activities operated by local government;
- public park owned and maintained by local government containing, at a minimum, playground equipment and/or walking/bike trails and listed on a map, website or other official means (greenway or trailhead does not qualify);
- library operated by the local government and open a minimum of five days a week.

Retail – any grocery or shopping as defined above; any strip shopping center with a minimum of 4 operating retail or food service establishments; or any general merchandise establishment. An establishment used for points in another category will not be eligible for points in the Retail category. Vape, ABC and adult stores do not qualify.

All establishments must be open to the general public and operating as of the preliminary application deadline with no announced closing prior to the notification of the final point scores.

A maximum of two (2) amenities per category can be used.

The driving distance will be the mileage as calculated by Google Maps and must be a drivable route as of the preliminary application deadline. The drivable route must be shown in satellite view map format along with written directions. A photo of each amenity must also be provided (Google or internet photos are not acceptable). The measurement will be at any point of the site's road frontage to or from the amenity entrance and the same point on the site's road frontage will be used for all measurements. Driveway, access easements, and other distances in excess of 500 feet between the nearest residential building of the proposed project and road shown on Google Maps will be included in the driving distance.

A single establishment may qualify for points under a maximum of two categories.

2. PUBLIC TRANSPORTATION

1 point for being located within .3 miles walking distance of a bus/transit stop meeting the following:

- in service as of the preliminary application date,
- at a fixed location, and
- served by a public transportation system six (6) days a week, including for ten (10) consecutive hours on weekdays.

3. AREA EMPLOYMENT

Up to 10 points based on the number of jobs paying between \$1,251 and \$3,333 per month in a two-mile radius for Urban counties, five-mile radius for Suburban counties and ten-mile radius for Rural counties, as displayed on the U.S. Census Bureau's OnTheMap tool for the Longitudinal Employment Household Dynamics database. The Authority will use the most current year available as of the preliminary application deadline.

Applications will earn points as follows:

- 10 points for at least 5,000 jobs.
- 8 points for 4,000 to 4,999 jobs.
- 6 points for 3,000 to 3,999 jobs.
- 4 points for 2,000 to 2,999 jobs.
- 2 points for 1,000 to 1,999 jobs.

4 USDA RURAL

5 points for being located entirely within rural areas as defined by USDA (using the link below) as of the preliminary application deadline:

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp&NavKey=property@12>

B. Land Donation or Ground Lease

5 points if a local government, school district or entity who received the property from a local government owns the proposed project real estate as of the preliminary application deadline and the application shows no more than either \$5,000 in the cost line-items for land and buildings or \$100 per year for a ground lease. The local government, school district or entity who received the property from a local government must have owned the real estate since at least July 31, 2025 and not have purchased or received any portion from a Principal or a related party.

C. Affordability

Applications will earn 10 points based on an agreeing to comply with the applicable limits in the matrix below. In order to receive points, the application must reflect one set-aside election (average income or “original” minimum set-aside (i.e. 40% at 60% or 20% at 50%)) and meet the criteria below for the selected set-aside.

- For average income, the percent shown is the average AMI among the units’ designations.
- For an original minimum set-aside (40% at 60% or 20% at 50%), at least 20% of the units must be affordable to and occupied by households at the AMI shown.

County Income Level	MINIMUM SET-ASIDE ELECTION	
	Average Income	Original
High	54%	30%
Moderate	56%	40%
Low	58%	50%

The county income levels are as follows:

- High- Beaufort; Berkeley; Charleston; Dorchester; Greenville; Lancaster; Lexington; Richland; York

- Moderate- Aiken; Anderson; Calhoun; Chester; Darlington; Edgefield; Fairfield; Florence; Georgetown; Horry; Kershaw; Oconee; Pickens, Spartanburg; Saluda; Sumter; Union
- Low- all others

Any units targeted to 20% AMI for purposes of the Supportive Housing criteria may also count towards the requirements of this section. If a reduction in rents or extension of affordability period results in the development becoming financially unfeasible, the Authority may modify elections during underwriting. The Application will not receive points as originally requested.

2. 10 points if the application includes a notarized letter signed by the proposed owner of the property affirming a knowing and voluntary waiver of the right to request a qualified contract from the Authority for the duration of the extended use period.

D. Affordable Housing Shortage

1. 10 points to a project that is located in a county that did not receive a new construction 9% LIHTC award in the previous fifteen funding cycles
2. 7 points to a project that is located in a county that did not receive a new construction 9% LIHTC award in the previous ten funding cycles
3. 5 points to a project that is located in a county that did not receive a new construction 9% LIHTC award in the previous five funding cycles; or
4. 3 points to a project that is located in a county that did not receive a new construction 9% LIHTC award in the previous three funding cycles

E. Sustainable Building

Applications will earn 5 points for committing to meet green and energy efficiency sustainable building requirements for one of the following sustainable building certifications:

- Enterprise's Enterprise Green Communities certification program (following Enterprise Green Communities protocol under the guidance of an Enterprise Qualified TA provider)
- US Green Building Council's LEED for Homes certification program
- Home Innovation Research Lab's National Green Building Standard, meeting Bronze level or higher;
- Southface Energy Institute and Greater Atlanta Home Builders Association's EarthCraft certification programs, based on development type
- High Performance Building Council of the BIA of Central SC, Certified High Performance (CHiP) HOME Program

The application must include a certification from a responsible green and/or energy professional affiliated with the certifying party selected that the project will meet such requirements.

F. Leveraging

1. Applications may earn up to 6 points for documented support from a source listed below.
2. Only the following sources of support qualify for the additional points:
 - a. HOME or Community Development Block Grant (CDBG) funds;
 - b. established local government housing development program

- c. public foundation funds from an affiliate of a local government or health care institution;
- d. the documented cost of infrastructure improvements or amenities funded in full by a governmental entity that are located on or shares a property line border to the project site that will serve the tenants and which will be constructed after application submission and completed prior to the development placing in service; and/or;
- e. other support approved by the Authority in response to a request submitted at least 30 days in advance of the application deadline.

Funding or financial support

- may be appropriated directly by a public entity and/or awarded by a non-profit organization financially supported by a local government, such as a local housing trust fund;
 - must be from an independent third party not affiliated with any member of the Development Team (the Authority will determine affiliations based on relationships between the parties in previously awarded projects and other common interests).
3. The application must list the source(s) as a loan(s) (other than (2)(d)) and include an executed commitment letter reflecting a term of at least twenty (20) years and an interest rate less than or equal to the long-term applicable federal rate (compounded monthly) in effect for the month prior to the full application deadline as shown on <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/2023-applicable-federal-rates>

For subsection (2)(d), the application must include a signed letter from the local government (or other public entity) itemizing the waived fees and an affirmation that these fees would have been charged in the absence of the arrangement.

4. Applications will earn points based on the total amount or value of support committed per low-income unit (excluding an employee/manager's unit):
- 6 points for at least \$10,000
 - 5 points for between \$8,000 and \$9,999
 - 4 points for between \$5,500 and \$7,999
 - 3 points for between \$3,500 and \$5,499
 - 2 points for between \$2,000 and \$3,499
 - 1 point for between \$1,000 and \$1,999

G. Other Credits

5 points for qualifying and utilizing any of the following:

- Historic Tax Credit (Federal)
- Certified Historic Structure Credit (SC)
- Textiles Rehabilitation Credit (SC)
- Abandoned Building Revitalization Credit (SC)
- Brownfields Cleanup Credit (SC)

H. Supportive Housing

5 points for agreeing to target ten percent (10%) of the total units to persons with disabilities and either

- designating such units as affordable to and occupied by tenants with incomes up to 30% AMI and rent capped at 20%, or

- securing a commitment of federal project-based rent assistance (converting vouchers).

Households with only a disability source of income (such as Supplemental Security Income) will be eligible for the 30% AMI units. Conversion of the disability source of income to permanent Social Security Retirement Income is acceptable.

The purpose of this provision is for households referred from a state-coordinated system to live in LIHTC properties. All parties involved (owners, managers, compliance staff) should make interpretations which promote such a result whenever possible and reasonable.

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One or more service providers, as coordinated by state authorities, will refer households. For a period of sixty (60) days after the initial rent-up period begins the owner will establish a preferential leasing opportunity for referrals and thereafter will maintain a separate waiting list.

IV. TIE BREAKER CRITERIA

The Authority will use following the factors in the order listed to break a tie for new construction applications.

- A. An application would be all of the Development Team's only award while the tying application(s) would be all of the Development Team's second or third.
- B. The application in the county with the least 9% LIHTC awards in the previous three funding cycles.
- C. The application with the highest amount of funding per unit eligible for points under Section III(F).
- D. The development is located in area that has a concerted community revitalization plan (CRP). The plan must be included in the application submission. The plan must meet the criteria below:
 1. Within 10 years of the preliminary application deadline, a local government formally adopted a plan to revitalize a defined geographic area containing the proposed site;
 2. The local government certifies that no Principal initiated the CRP being adopted (other than a public housing authority);
 3. Completing the development proposed in the application would contribute to one or more if the CRP's stated goals; and
The local government has made or is committed to making specific investments in non-housing infrastructure, amenities, or services beyond the proposed development.
- E. Projects providing for tenant ownership at the end of the initial fifteen (15) year compliance period. The application must include a conversion plan including all homebuyer counseling programs to be provided along with the financial procedure that will be used to transfer the rental units into homeownership.
- F. If projects remain tied after all above tie breakers have been applied, the Authority will utilize a lottery.

V. EVALUATION OF REHABILITATION APPLICATIONS

The Authority will evaluate rehabilitation applications comparatively based on the following criteria.

- A. Preventing of the conversion of units to market rate and/or the loss of government housing resources, specifically properties:
- 10 points for developments which the owner is eligible to request a qualified contract currently;
 - 10 points for developments with a federal or rural development project-based assistance contract on at least 90% of the units reflecting a remaining term of less than three (3) years;
 - 5 points for developments which the owner is eligible to request a qualified contract within the next two (2) years; or
 - 5 points for developments with a federal or rural development project-based assistance contract on less than 90% of the units reflecting a remaining term of less than three (3) years.
- B. The extent of physical distress, particularly with major systems, accessibility, and/or life, health and safety features, as informed by the Physical Needs Assessment and determined by the Authority. Failure to properly maintain the buildings will not enhance an application's likelihood of award if a member of the current owner's organizational structure or a related party will remain part of the new ownership.
- 1 point for each of the following systems being replaced (max. 2 points) – roof, HVAC, flooring, windows, hot water heaters, tubs/showers, kitchen cabinets and countertops, ranges and refrigerators.
- C. Up to 3 points for developments placing in service in the time periods below:
- 1 point for developments in years 21 – 25
 - 2 points for developments in years 26 – 30
 - 3 points for developments in years 31+
- This time is determined by the most recent placed in service date.
- D. 1 point if the development is located within an area covered by a Concerted Community Revitalization Plan. The plan must meet the criteria below:
1. Within 10 year of the preliminary application deadline, a local government formally adopted a plan to revitalize a defined geographic area containing the proposed site;
 2. The local government certifies that no Principal initiated the CRP being adopted (other than a public housing authority);
 3. Completing the development proposed in the application would contribute to one or more if the CRP's stated goals; and
 4. The local government has made or is committed to making specific investments in non-housing infrastructure, amenities, or services beyond the proposed development.
- E. If applications remain tied based on the above criteria, the Authority will utilize the distance to amenities points listed in Section III(A)(1) as the tie breaker.