



SC HOUSING

Financing Housing. Building SC.

2026 HOUSING TAX CREDIT

QUALIFIED ALLOCATION PLAN (QAP) WORKSHOP

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Charles Singleton, Development Underwriter

Kelley Bradshaw, Junior Development Underwriter

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Agenda

Morning Session

SC Energy Office

Agency Updates, Underwriting Reminders
Qualified Allocation Plan Draft (QAP) Review,
Comments and Suggestions

Lunch

12:00 p.m.-1:00 p.m.

Afternoon Session

QAP Review, Comments and Suggestions

Multifamily Development

Agency Updates

- Secure File Exchange
- Construction Inspection Forms
- 2026 QAP Timeline
- 2026 9% Application Timeline
- South Carolina Affordable Housing Summit
 - April 15th – 16th
 - Columbia Convention Center



Underwriting Reminders

Common Underwriting Mistakes

- **Tab 1** – Reusing Initial Application as Placed-In-Service Application - PIS Apps coming in with Dates from 2021/2022
- **Tab 1** – Not selecting State Tax Credits when requesting State Tax Credits
- **Tab 3** – Marking “Y” for USDA Eligible when it’s not, vice versa
- **Tab 4** – Incorrect Utility Allowance amounts for Lowrise Apt (2-4 units) vs. Larger Apt Bldg. (5+ units)
- **Tab 6** – Not Itemizing “Other” in Detail of Other Income section

Common Underwriting Mistakes

- **Tab 6** – Different Utility Allowance amounts on Tab 6 vs Tab 4
- **Tab 7** – Using 5% Vacancy without providing justification
- **Tab 7** – Using the incorrect Compliance Fees
- **Tab 7-A** – Not itemizing “Other” incomes
- **Tab 9** – Total acquisition costs exceeding the appraised value (could affect basis and expected credits at PIS)
- **Tab 9** – Not itemizing “Other” expenses

Common Underwriting Mistakes

- **Tab 10** – Please review the “Cost Summary”. This section shows if the application falls within our QAP guidelines.
- **Tab 11** – List the annual Tax Credit Amounts in this section, not the total equity.
- **Tab 12** – Shows the calculated DCR. QAP requires a DCR between 1.15 – 1.45; however, it can be greater than 1.45 **IF** Cash Flow/Unit is less than \$1,100/unit



Application Changes and Updates

Application Changes – Tab 3

Added “Search Here” link for the USDA website to determine if your project is in a USDA Eligible area.

Site:

Development located within city limits?	Y/N	<input type="text"/>
USDA Eligible Area?	Search Here	Y/N <input type="text"/>
Located in a Flood Plain?	Y/N	<input type="text"/>
Listed on National Register of Historic Places?	Y/N	<input type="text"/>
Located in an Opportunity Zone?	Y/N	<input type="text"/>
Located in a Qualified Census Tract?	Y/N	<input type="text"/>
Located in a Difficult Development Area?	Y/N	<input type="text"/>
Is the site zoned for your development?	Y/N	<input type="text"/>
Do any detrimental site characteristics exist?	Y/N	<input type="text"/>

Application Changes – Tab 6

Tab 6 – Changed the “Type” (LI – Low Income / MR – Market Rate / EMP – Employee) and “Assistance Type” options. Also automated the Utility Allowance from Tab 4.

Unit Details and Proposed Development Income:

What's the effective date of the maximum allowable rents?

LIHTC:

HOME:

Units Rent and Income												
	Type	Unit Utility Type	# of Units	Beds	Baths	Square Footage	Proposed Monthly Rent*	Utility Allowance	Gross Rent	Maximum Allowable Rent	% AMGI	Assistance Type
1	LI							0	0			LIHTC Assisted
2	MR							0	0			Section 8 Assisted
3	EMP							0	0			HOME Assisted
4												Market Rate
5												Common Use
6												Employee Unit

Application Changes – Tab 6

Tab 6 – Included common options in “Detail of Other Income” and provided 3 “Other” lines that asks you to specify

Detail of Other Income (List each type of other income on a separate line)					
	Type of Other Income	# Units	Annual \$ Amount	% of Units	Monthly \$ / Unit
1	Laundry			0.00%	-
2	Other Vending			0.00%	-
3	Forfeited Deposits			0.00%	-
4	Late Fees			0.00%	-
5	Other (Specify)			0.00%	-
6	Other (Specify)			0.00%	-
7	Other (Specify)			0.00%	-
Totals:			-		-

Application Changes – Tab 7

Tab 7 - Automated the Annual Compliance Fee amounts from your Set-Aside selection on Tab 6 (20/50, 40/60, Income Averaging)

Administrative Expenses	
Accounting/Audit	
Advertising	
Annual Compliance Fees	0.00
Legal	
Licenses and Permits	
Management Fees	
Management Payroll	
Management Payroll Taxes	
Telephone	
Office Supplies	
Other Admin. Expenses (7-A)	0.00
Total Administrative	0.00
Percent of EGI	#DIV/0!

Application Changes – Tab 8

Tab 8 – Completely redesigned the sources tab for ease of use. With the old source page, you needed a legend to figure up which Letter and Number corresponded to the source you had.

Section 1 - Tax Credit Funding, Deferred Developer Fees, and Equity			
Source Name	Amount	Equity Factor	Equity Provider
Federal Tax Credit Equity			
State Tax Credit Equity			
Federal Historic Credits			
State Historic Credits			
Abandoned Tax Credits			
Deferred Developer Fee			
GP Equity			
Other (Specify)			
Other (Specify)			
Section 1 Total=		-	

Section 2 - Permanent Financing (Not Construction or Bridge Loans)								
Lender Name	Amount	Debt Service	Interest Rate	Amort	Term	Financing Source	Financing Type	Lien Position
		-						1
		-						2
		-						3
		-						4

Section 2 Total=

-

Section 1 & 2 Total =

-

This amount will be used to match development costs.

Section 3 - Construction Loans and Bridge Financing						
Lender Name	Amount	Interest Rate	Amort	Term	Financing Source	Financing Type

Application Changes – Tab 9

Tab 9 – We now ask for the total costs for each line item and how much of it is being used for Qualified Basis, you no longer need to itemize the ineligible costs separately. Automated multiple line items so that numbers pull from other parts of the application and match

Development Costs:			
	Development Costs	4% Basis (30%) - Acquisition	4% (30%) / 9% (70%) - New / Rehab
Acquisition			
1 Land	-	-	-
2 Existing Structures	-	-	-
3 Other (Specify)	-	-	-
	-	-	-
Site Work			
4 On-Site Improvements	-	-	-
5 Off-Site Improvements	-	-	-
6 Demolition	-	-	-
7 Improvements	-	-	-
	-	-	-
Rehabilitation and New Construction			
8 New Construction	-	-	-
9 Rehabilitation	-	-	-
10 Accessory Structures	-	-	-
11 Other Hard Construction Costs	-	-	-
12 Furniture, Fixtures, & Equipment	-	-	-
13 Contractor Contingency	-	-	-
14 General Requirements	-	-	-
15 Contractor Profit	-	-	-
16 Contractor Overhead	-	-	-
	-	-	-

Application Changes – Tab 10 – Hard Construction Costs

Hard Construction Costs is the sum of Tab 9, Lines 4 – 12 (Site Work, New Const, Rehab, Accessory, Other Hard Costs, and FF&E)

Site Work		
4	On-Site Improvements	-
5	Off-Site Improvements	-
6	Demolition	-
7	Improvements	-
		-
Rehabilitation and New Construction		
8	New Construction	-
9	Rehabilitation	-
10	Accessory Structures	-
11	Other Hard Construction Costs	-
12	Furniture, Fixtures, & Equipment	-

Application Changes – Tab 10 – Hard Costs

Tab 10 – Hard Costs is the sum of Tab 9, Lines 1 – 13 (Acquisition, Site Work, New Const, Rehab, Accessory, Other Hard Costs, FF&E, and Contractor Contingency)

Acquisition		
1	Land	-
2	Existing Structures	-
3	Other (Specify)	-
		-
Site Work		
4	On-Site Improvements	-
5	Off-Site Improvements	-
6	Demolition	-
7	Improvements	-
		-
Rehabilitation and New Construction		
8	New Construction	-
9	Rehabilitation	-
10	Accessory Structures	-
11	Other Hard Construction Costs	-
12	Furniture, Fixtures, & Equipment	-
13	Contractor Contingency	-

Application Changes – Tab 11

Automated the Value Per Tax Credit Dollar from Tab 8



Anticipated Annual Federal Tax Credit Amount:	<input type="text"/>
Syndication Value Per Federal Tax Credit Dollar:	<input type="text" value="-"/>
State Anticipated Annual State Tax Credit Amount:	<input type="text"/>
Syndication Value Per State Tax Credit Dollar:	<input type="text" value="-"/>
Expected Total Syndication Proceeds:	<input type="text" value="-"/>



Automatically pulled from Tab 8 (Funding Sources)

Application Changes – Tab 11

Automated the Qualified Basis graph for you to compare with your numbers

Development Cost Summary:

Consult your **tax attorney** or **tax accountant** to determine which development costs should be included for tax credit purposes.

Itemized Costs	New Construction	Rehabilitation	Acquisition/Rehabilitation		Total
			Acquisition	Rehabilitation	
Total Development Cost	13,200.00	0.00	0.00		13,200.00
Less Ineligible Costs	13,200.00	0.00	0.00		13,200.00
Total Eligible Basis	0.00	0.00	0.00	0.00	0.00
Multiplied by Applicable Fraction	0%	0%	0%	0%	
QCT or DDA (basis boost)	100%	100%	100%	100%	
Total Qualified Basis	0.00	0.00	0.00	0.00	0.00

Application Changes – Construction Cost Addendum

Reduced from 253 line items to 22 for clarity. Now mirrors AIA G703 formatting for easier contractor integration

AIA Document G703								
A	B	C	D	E	F	G		H
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	PREVIOUS APPLICATIONS	WORK COMPLETED		COMPLETED AND STORED TO DATE (D+E+F)	COMPLETION % (G/C)	BALANCE TO FINISH (C-G)
				THIS APPLICATION				
				WORK IN PLACE	STORED (NOT IN D OR E)			
1	Site Work		-	-	-	-	#DIV/0!	-
2	Landscaping & Amenities		-	-	-	-	#DIV/0!	-
3	Concrete		-	-	-	-	#DIV/0!	-
4	Masonry		-	-	-	-	#DIV/0!	-
5	Metals		-	-	-	-	#DIV/0!	-
6	Framing / Rough Carpentry		-	-	-	-	#DIV/0!	-
7	Finish / Trim Carpentry		-	-	-	-	#DIV/0!	-
8	Insulation		-	-	-	-	#DIV/0!	-
9	Roofing & Gutters		-	-	-	-	#DIV/0!	-
10	Siding / Soffit / Fascia		-	-	-	-	#DIV/0!	-
11	Doors & Windows		-	-	-	-	#DIV/0!	-
12	Drywall / Acoustics/Paint		-	-	-	-	#DIV/0!	-
13	Flooring & Tile		-	-	-	-	#DIV/0!	-
14	Hardware & Accessories		-	-	-	-	#DIV/0!	-
15	Cabinets & Appliances		-	-	-	-	#DIV/0!	-
16	Elevators/Lifts		-	-	-	-	#DIV/0!	-
17	Plumbing		-	-	-	-	#DIV/0!	-
18	HVAC		-	-	-	-	#DIV/0!	-
19	Electrical / Lighting		-	-	-	-	#DIV/0!	-
20	Low Voltage Systems		-	-	-	-	#DIV/0!	-
21	Miscellaneous / Other items not included		-	-	-	-	#DIV/0!	-
22	Furniture, Fixtures, & Equipment		-	-	-	-	#DIV/0!	-
Total Construction		-	-	-	-	-	#DIV/0!	-

SC Housing's Mission

Create quality affordable housing opportunities for the citizens of South Carolina.



Qualified Allocation Plan (QAP) Review

D. Wetlands, Environmental, and Soil Reports

The full application must include:

1. A ~~determination map~~ regarding the presence or absence of wetlands, including non-jurisdictional wetlands. The Applicant must ~~retain a qualified professional to~~ complete Exhibit W.

G. Required Management Experience

1. The Application must identify the proposed management entity for the development at the time of full application and the Owner will be required to submit management entity's plan at the time ~~of the real estate closing, but no later than 12 months from the allocation date~~ of the 75% inspection request. The proposed management entity must have at least three (3) LIHTC developments in their current portfolio that it has successfully and continuously managed for the past three (3) years as reflected on Exhibit Y and related documentation.

Qualified Allocation Plan (QAP) Review

3. SAME MARKET AREA

- a. Applications may not be for the same tenant populations within the same Census tract defined market area of existing Authority funded developments (including but not limited to LIHTCs, tax exempt bonds, small rental development)
 - that have vacancy rates greater than ten percent (10%) during the second and fourth quarter of the previous year's operations or
 - an awarded development that has not submitted a placed in service application.

The Authority may make exceptions if the reason is not a market issue.

M. Targeting, Public Housing Agency Waiting Lists, and Average Income

1. The Application must state whether the development will target families or older persons as described below.
 - a. **Family Development:** For new construction developments,
 - the number of units with three (3) or four (4) bedrooms must be between twenty percent (20%) and thirty-five percent (35%) of the total property unit count; The maximum number of four (4) bedroom units may not exceed five percent (5%) of the total number of units; and
 - at least ten percent (10%) must be one (1) bedroom, studio, or single room occupancy.
 - b. **Older Person Development:** All new construction developments are limited to studios, one (1) bedroom or two (2) bedroom units and must be accessible by elevator for all floors above ground level.

Qualified Allocation Plan (QAP) Review

O. Rehabilitation

1. The PNA for rehabilitation projects must show a minimum of \$50,000 per unit in hard construction costs, excluding major systems that have been replaced within the past seven (7) years. At least \$25,000 must be attributed to the interior of the units.

Qualified Allocation Plan (QAP) Review

P. Financial Underwriting

Basic Financial Feasibility Review:

- In determining financial feasibility, the Authority will disregard all personal or other guarantees that are required to supply deficiencies in income necessary to pay debt service and operating expenses of the development. Developments that are not financially feasible without such guarantees will not be offered a LIHTC award.
- The Authority will disqualify developments it determines are not financially feasible or do not need LIHTCs.
- To receive an allocation, the Authority must underwrite a development to determine the least amount of LIHTC necessary to be financially feasible ~~at the following times:~~
 - ~~at application submission;~~
 - ~~the 10% Expenditure Application is submitted, if applicable; and~~
 - ~~when the last building is Placed In Service.~~
- The Authority will apply all financial underwriting standards to all developments from the application submission through the issuance of 8609s.

Qualified Allocation Plan (QAP) Review

2. Reserve Requirements

a. Operating Reserves

Must be funded at or before the final equity installment, maintained throughout the compliance period, and remain with the property at the time of the investor exit. Corporate Ownership Documents do not supersede this requirement unless the Reserve has been approved by the Authority.

i. Developments must establish and maintain a six (6) month minimum or nine (9) month maximum of annual:

- Projected operating expenses (includes all line items on the Tax Credit Applications Tab 7 Annual Expense section);
- ~~Must pay debt service~~ Replacement Reserves (the greater of Authority minimum per unit and a higher amount required by syndicator and/or lender as mentioned below); and
- ~~Must pay debt service. Authority minimum per unit (i.e., \$300) Replacement Reserves).~~

ii. Operating Reserves for USDA/RD applicants: This requirement can be met by establishing and maintaining the RD-required reserve. If applicable, documentation from RD staff demonstrating the RD-required reserve calculation is required at PIS application submission.

Qualified Allocation Plan (QAP) Review

3. **Maximum Developer Fees, Developer Overhead, and Consultant Fees (the “Fees”)**

The Fees will be calculated to be the lesser of:

- a. Fifteen percent (15%) of Total Development Costs less Land, Project ~~Consultant~~ Fees, Developer Fees, Developer Overhead, Other Developer Costs and Reserves, or
- b. a cumulative amount of
 - ~~\$3025~~,000 per unit for the first 50 units
 - ~~\$2520~~,000 per unit for units 51 - 100
 - ~~\$2015~~,000 per unit for any units more than 100

Qualified Allocation Plan (QAP) Review

5. Contractor Cost Limits and Cost Certification

The combined total of Contractor Profit, Overhead, and General Requirements (the “Contractor Fees”) shall be limited to fourteen percent (14%) of Hard Construction Costs, of which 6% is contractor profit, 2% is overhead and 6% is general requirements. For new construction developments, the contractor contingency may not exceed five percent (5%) of hard construction costs. For rehabilitation and adaptive reuse developments, the contractor contingency may not exceed ten percent (10%) of hard construction costs.

Hard Construction Costs are the following line items on the Development Costs budget in the Application:

- On Site Improvement
- Off Site Improvement
- Demolition
- Improvements
- New Construction
- Rehabilitation
- Accessory Structures
- Other Hard Construction Costs
- Furniture, Fixtures, & Equipment

Qualified Allocation Plan (QAP) Review

6. Annual Operating Expenses

All applications must submit projected annual operating expenses between \$3,500 and \$5,000 per unit per year, excluding reserves, property taxes, insurance, and the annual compliance monitoring fees. The Authority may consider waivers on this operating expense range if special circumstances apply.

Placed-in service applications may utilize the annual operating expense range represented in the QAP that is current at the time that the placed-in-service application is submitted to the Authority.

Qualified Allocation Plan (QAP) Review

14. Minimum Hard Cost Requirement

Applications must reflect a minimum hard cost ratio of not less than sixty-five percent (65%) of total development costs at full application and PIS application unless specifically waived at initial application.

Hard Costs are the following line items on the ~~Development~~ Costs budget in the Application:

- Land
- Existing Structure
- ~~Demolition~~ Other (Land & Buildings)
- ~~Other (Land & Buildings)~~ On Site Improvement
- ~~On-Off~~ Site Improvement
- ~~Off Site Improvement~~ Demolition
- ~~Other (Site Work)~~ Improvements
- New ~~Building~~ Construction
- Rehabilitation
- Accessory Building Structures
- Other Hard Construction Costs
- Furniture, Fixtures, & Equipment
- Contractor Contingency
- Tap Fees & Impact Fees

Qualified Allocation Plan (QAP) Review

~~18. Calculation of the Tax Credits~~

~~The Tax Credits are calculated using a Basis Calculation and an Equity Gap Calculation. The lesser of the credits derived from these two methods will be the amount of the credits allocated.~~

~~For developments that are not requesting State Tax Credits, the calculation methods below apply:~~

~~Basis Calculation:~~

~~Total Qualified Basis x Applicable Percentage = Maximum Annual Credit Amount~~

~~Equity Gap Calculation:~~

~~Equity gap is the total development costs minus the total of all non LIHTC sources of funds. The LIHTC allocation equals the excess development costs, thereby "closing" the equity gap.~~

Appendix C-1 (9%) Review

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); ~~there are no limits on~~ 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 \$1,750,000 in federal LIHTCs to any one (1) application.

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 not award more than one (1) new construction application per county.

Appendix C-1 (9%) Review

A. County Groups

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

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

Appendix C-1 (9%) Review

1. HIGH-DEMAND NEW CONSTRUCTION (35-40%)

New construction projects located in an ~~Group A~~ Urban county.

2. REHABILITATION (20-25%)

Rehabilitation projects. ~~The Authority will award up to \$600,000 per application of this set aside to RD projects.~~

For purposes of ~~this QAP~~ 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. GENERAL NEW CONSTRUCTION (25-35%)

New construction projects located in a ~~Group B~~ Rural county.

~~4. 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 one award per county limit.~~

Appendix C-1 (9%) Review

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:

- ~~Group A~~ Urban Counties: 80 units
- ~~Group B~~ Rural Counties: 60 units

Rehabilitation developments may not consist of more than 100 units.

Appendix C-1 (9%) Review

A. Proximity to Amenities and Jobs; Rural Area

1. DISTANCE TO AMENITIES

Max - 65 points	High Demand New Construction			
	Driving Distance in Miles			
Primary Amenities	≤1	≤1.5	≤2	≤3
Grocery	12 <u>10</u>	10 <u>8</u>	8 <u>6</u>	6 <u>4</u>
Shopping	7	6	5	4
Pharmacy	7	6	5	4
Retail	6	5	4	3
Healthcare	3 <u>4</u>	3 <u>2</u>	4 <u>2</u>	<u>1</u>
Public Facility	3 <u>4</u>	2 <u>3</u>	4 <u>2</u>	<u>1</u>

Max - 65 points	General New Construction			
	Driving Distance in Miles			
Primary Amenities	≤2	≤2.5	≤3	≤4
Grocery	12 <u>10</u>	10 <u>8</u>	8 <u>6</u>	6 <u>4</u>
Shopping	7	6	5	4
Pharmacy	7	6	5	4
Retail	6	5	4	3
Healthcare	3 <u>4</u>	2 <u>3</u>	4 <u>2</u>	<u>1</u>
Public Facility	3 <u>4</u>	2 <u>4</u>	4 <u>2</u>	<u>1</u>

Appendix C-1 (9%) Review

Shopping – a big box store, shopping plaza, mall, retail strip 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. Photos of the goods for each category are required. Clothing must contain tops, bottoms, undergarments and shoes for men, women and children.

Healthcare – hospital, urgent care, ~~or~~ general/family practice or public healthcare clinic offering patient services. Does not include medical specialists or a local health department.

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

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 ~~multiple~~ a maximum of two categories.

Appendix C-1 (9%) Review

2. PUBLIC TRANSPORTATION

1 point for being located within .25 miles 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 ~~Group A~~Urban counties and a ~~four~~five-mile radius for ~~Group B~~Rural, 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.

Appendix C-1 (9%) Review

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, 2024 and not have purchased or received any portion from a Principal or a related party.

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 adjacent 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.

Appendix C-1 (9%) Review

G. ~~Project-Based Rent Assistance~~ Other Credits

- ~~1. Applicants will earn 5 points for submitting an executed letter (on the required form) regarding conversion of tenant-based vouchers to a project-based subsidy for at least twenty percent (20%) of the project units.~~
 - ~~2. If the owner is unable secure final approval for the conversion, as described in the application, within six (6) months of the Reservation Certificate date, the Authority will not award points for letters from that same voucher administrator in the following two 9% LIHTC application cycles.~~
- 5 points for qualifying and utilizing any of the following:
- Historic Tax Credit (Federal)
 - Certified Historic Structure Credit (SC)
 - Certified Historic Residential 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 20% AMI, 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 20% AMI units. Conversion of the disability source of income to permanent SSI is acceptable.

Income for households occupying the 20% AMI units may be at 30% AMI, but the rent charged will not exceed 20% AMI limits.

Appendix C-1 Review

IV. TIE BREAKER CRITERIA

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

- C. 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. ~~As of~~ 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;

Appendix C-1 (9%) Review

- C. ~~1 point for each 5 years the developments has been in the extended use period. 1 point if the development was the subject of an application in the previous year's application round that got to the tie breaker level and did not receive an allocation.~~
- ~~F.~~ 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.

Appendix C-2 (TEB) Review

A. Application Process

The Authority will accept preliminary and full applications for tax-exempt bonds/4% developments in accordance with the schedule published on the Authority's website.

At full application the Total Development Costs may not vary more than five percent (5%) from preliminary application.

2. PORTFOLIO TRANSACTIONS

Applications pooling together multiple properties for acquisition/ rehabilitation under one bond issuance must be:

- a. separate for each property, and include an appraisal for that single property;
- b. developed under one issuance plan of bond financing; and
- c. entirely managed by one management entity.

Each portfolio transactions will count as one application in reference to application and award limit requirements.

Appendix C-2 (TEB) Review

8. APPLICATION AND AWARD LIMITATIONS

- a. A Development Team may submit up to three (3) ~~preliminary~~ full applications and four (4) preliminary applications per each funding cycle.
- b. The Authority will not award more than ~~one two~~ (12) applications per funding cycle to any member of the Development Team.
- c. The Authority will not award more than ~~one two~~ (12) new construction applications per county listed as Urban and will not award more than one (1) new construction application per county listed Rural.
Urban: Aiken, Anderson, Beaufort, Berkeley, Charleston, Dorchester, Greenville, Horry, Lancaster, Lexington, Richland, Spartanburg and York. -
Rural: all other counties
- ~~e.~~ d. The Development Team must request ceiling allocation that will be the maximum of thirty percent (30%) of the aggregate basis or permanent supportable debt.

Appendix C-2 (TEB) Review

C. Set-Asides

The Authority will place Application for tax-exempt bonds/4% developments in one of the set-asides described below.

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

1. New Construction (45 – 50%)
2. Rehabilitation and Public Housing Authority (45 - 50%)

The Authority will award a minimum of one (1) HUD Section 18 or RAD applications.

D. Other Requirements

All tax-exempt bond developments will be subject to review of the Authority's Financial Advisor. The review may result in the Authority requesting changes.

Appendix E – Tax Credit Manual Review

II. VERIFICATION OF 10% EXPENDITURE (9% ONLY)

The Authority requires owners meet the Verification of Ten Percent Expenditure (10% Test) no later than ~~six~~eleven (~~6~~11) months after the Carryover Allocation date. The Authority may permit an extension of this date only under circumstances beyond the Owner's ability to control. In any event, the Authority may not grant an extension longer than ~~ten~~twelve (~~10~~12) months after the Carryover Allocation date.

B. Rent Increases

Developments cannot increase rent levels without approval from the Compliance Monitoring Department. Rent increases in excess of 5% annually may not be approved.

C. Annual Audited Financial Statements:

All developments, regardless of when funded, must submit audited financial statements and operating expense information not later than ~~June 1st~~April 30th of each year through the appropriate Authority platform. A late delivery fee will be assessed if the audited financial statements and operating expense information is not received by ~~June 1st~~April 30th of each year.

Appendix E – Tax Credit Manual Review

VII. PROGRAM SUSPENSION AND DEBARMENT

- A. The following events may result in suspension from participating for funding from any of the Authority administered programs for a period of three (3) years:
1. Developments that fail to meet the 10% Test by the date specified in the carryover document or place-in-service by the Code deadline.
 - ~~1-2.~~ Developments that fail to close by any deadline thereby allowing carryforward to expire.
 - ~~2-3.~~ Removal of the General Partner or its equivalent in a limited liability corporation. The Authority may make exceptions due to death, bankruptcy, or cessation of business operations.
 - ~~3-4.~~ Providing a false or inaccurate certification.
 - ~~4-5.~~ Failure of a development to remain in compliance with all rules and regulations imposed by the Tax Credit Assistance Program (TCAP) funds or Exchange Program.
 - ~~5-6.~~ Interference with a LIHTC application for which an individual or an entity is not a part of the Development Team.

Appendix E – Tax Credit Manual Review

C. The Authority may disqualify an application from the current or upcoming application cycle for any of the reasons below.

2. Any of the following applies to a member of the Development Team:

- debarment from any federal or state program;
- submission of fraudulent information to the IRS or any federal or state affordable housing program;
- failure to meet a requirement resulting in full recapture of LIHTCs;
- failure to comply with laws governing fair housing and accessibility for persons with disabilities resulting in a U.S. Department of Justice finding;
- default on a loan resulting in foreclosure or deed in lieu of foreclosure that leads to premature termination of a mandatory affordability period*;
- abandonment or forfeiture of an affordable housing property*;
- failure to comply with restrictive covenants*;
- removal or withdrawal as General Partner or Managing General Partner of a LIHTC property*;
- failure to execute the bond closing by the deadline set in the Authority's Final Resolution*; and/or
- return of LIHTCs to an allocating agency*.

*Items denoted with an asterisk are events for which the applicant may request a waiver no later than January 31, ~~2024~~2026.

Appendix B (Design Criteria) Review

- Minimum and Maximum Square Footage
- Footcandle requirements
- Data ports
- Entrance signs

Conclusion

Thank you for attending today's 2026 QAP Workshop

Sign up for program updates

Low-Income Housing Tax Credit (LIHTC)

Web: <https://schousing.sc.gov/development/housing-tax-credit-lihtc>

Email: TaxCreditQuestions@schousing.com

Multifamily Tax-Exempt Bond Financing (TEB)

Web: <https://schousing.sc.gov/development/multifamily-tax-exempt-bond-financing>

Email: TaxExemptBondProgram@schousing.com