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Knoxville, TN

SC Housing
300-C Outlet Pointe Boulevard
Columbia, SC 29210

RE: 2026 Draft QAP Comments

Thank you for the opportunity to submit comments on the 2026 Draft QAP. We appreciate the work that SC Housing's staff has put into the draft.

Below are our comments and questions:

Appendix C1 (9% LIHTC)

- Section V. Evaluation of Rehabilitation Applications

- A) We request that applicants be able to claim points for BOTH eligibility to request a qualified contract currently AND having 3 years or less remaining on a federal project-based assistance contract on at least 90% of the units. Projects meeting these two qualifications will inherently be at least 45 years old as the award of federal project-based assistance contracts ended in the early 1980s. If these projects received prior LIHTCs, it likely would have been in the late 1990s or early 2000s with a very limited scope of work. These projects are at risk of losing BOTH project-based assistance AND affordability restrictions. Allowing rehab projects that meet both qualifications incentivizes developers to seek 9% awards to properly rehab these properties and renew the project-based assistance contracts ensuring these properties remain viable affordable properties for the next 30 years.
- C) We appreciate providing points for projects that are able to opt out of affordability restrictions. Please clarify the maximum number of points available for this category. Also, please clarify how the points will be applied (i.e. – is it 1 point for a project is years 16-20 of the extended use period, 2 points for year 21-25 of extended use period, and 3 points for projects in years 26-30 of the extended use period?).
- D) We recognize the importance a CCRP can play in developing new low-income housing. However, CCRPs are irrelevant for rehab properties as the properties are already in service and serving low-income South Carolinians. We request SC Housing consider eliminating the point for

CCRPs. Two of the 3 2024 9% awards went to CCRP projects with the third going to RD as mandated by the 2024 QAP. Two of the top 3 scoring projects in 2025 have CCRPs with the third being an RD deal as mandates by the 2025 QAP. Many smaller communities do not have CCRPs, and this is steering the awards to larger communities and neglecting properties that desperately need rehabs in smaller communities. The presence of a CCRP shouldn't be the determining factor in whether an existing project receives a tax credit allocation.

- E) We propose that SC Housing consider an age-based or needs-based tie breaker for rehab properties based on the as-is PCNA needs. Older properties have far greater physical needs to remain viable than a property that was built 15-20 years ago. Funding rehab projects on age-based or a needs-based assessment ensures the limited 9% LIHTCs are being used for the best and highest need. Like CCRP, a developer cannot control what businesses have come and gone in the decades since they were originally built. A tiebreaker that rewards luck does not ensure that the properties most at risk of losing affordability restrictions are being preserved.

Another option for a tiebreaker is incentivizing projects that are not using additional state resources, like the state LIHTC. This method is incentivized in the 4% LIHTC/Bond scoring. We have found recently that the appetite for state LIHTC investors has been reduced due to the numerous other state tax credits (historic, abandoned building, textile mill, etc.) that deliver credits over a shorter period of time. Pricing has been reduced and several investors/syndicators have had trouble selling the credits on prior year awarded deals.

We very much appreciate your consideration of our comments. We look forward to continuing our work in providing South Carolina residents with access to affordable housing.



Craig Cobb, Vice President