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To: Development
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To whom it may concern:

We have the following comments on the 2026 9% LIHTC QAP:

- 1) Distance to Amenities (Appendix-C1 III.A.1.) – For High Demand New Construction please look at awarding more points to amenities located less than or equal to a half-mile away. Amenities located less than or equal to half of a mile away allows residents to walk to the amenity, which is an enormous benefit to residents as many don't have vehicles. This is especially true as the Agency looks to have more very low-income units with PBV contracts.
- 2) Distance to Amenities (Appendix-C1 III.A.1.) - The QAP defined Shopping as "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." Please consider redefining it to be inclusive of downtown areas that have all those amenities at various small businesses. Please look at adding the words "city block" to go along with "big box store, shopping plaza, mall, retail strip, or convenience neighborhood center." The current language essentially makes city downtown areas a negative.
- 3) Area Employment (Appendix-C1 III.A.2.) – Please consider reinstating the 1-mile radius for Group A counties instead of the new 2-mile radius instituted last year. Alternatively, please look at increasing the number of jobs to maximize the points. Or alternatively look at increasing the number of points for more than 5,000 jobs.
- 4) USDA Rural (Appendix-C1 III.A.3.) – Please consider removing USDA for Urban New Construction. The counties in this group are populated areas and the category is called "Urban." It seems counterintuitive to give points to encourage rural development in the Urban category.
- 5) Mandatory New Construction Design Criteria (Appendix B III.B.1.) – Please look at lowering the minimum square footage of a one-bedroom to 625 SF in urban areas. We are designing marketable one-bedrooms at that size. Also please consider the maximum square footage for a studio to go up to the size of a one-bedroom so that the variance of a studio is larger than 25 square feet (500 SF minimum – 525 SF maximum).
- 6) Mandatory New Construction Design Criteria (Appendix B III.B.1.) – Please look at having an exclusion for the "No more than 20% of the total number of residential units may be studio units," for elderly designated properties. We are successfully leasing up small studio apartments in urban areas to 55+ residents as they don't demand to same amount of space as family units. This also allows additional housing units to be built in urban areas.
- 7) Award limitation (Appendix -C1 1.B.1 & 1.B.4) – SC Housing discussed lowering the Federal LIHTC maximum award to \$1.5 million while also discussing the excess state LIHTCs that have been available. If SC Housing would like to ensure it utilizes more state LIHTC please consider revising I.B.4 in the Appendix C-1. Appendix C-1 states

that a project won't be receive any award if the authority doesn't have enough state LIHTC. That language discourages developers from applying for the state tax credit. Other states have removed language that dissuades developers from applying for a pot of financing that could eliminate a project from contention. Other State Agencies have instead inserted language into their QAP to give their Agency the flexibility to award additional state LIHTCs or additional federal LIHTCs over the stated maximum if it is needed to make the highest rated projects feasible. This allows a State Agency to utilize all of its pots of funding to fund the highest rated projects in the state. For example, if there are only enough credits to fund the top 4 deals in a group, but the state has a small amount of federal LIHTCs and a lot of extra state LIHTCs, the agency could award the small amount of federal LIHTCs and all the state LIHTCs to the 5th rated project to make it feasible.

- 8) Award limitations (Appendix-C1 I.B.2.) – Please consider awarding up to two awards per county if they score high enough to receive an award.
- 9) Project based vouchers (Appendix – C1 III.G1) – Please consider keeping Project Based Vouchers as a point category. This encourages additional very low-income housing. If no points are awarded for project based vouchers, then developers have no reason to work to provide housing for this demographic. This very low-income demographic is where the enormous increase in homelessness is happening and points in this area can help house this demographic.
- 10) Forward funding LIHTCs – Please consider forward funding some LIHTCs. Even if the State forward funds a portion of future LIHTCs that would allow more affordable housing to be built sooner.
- 11) Pharmacy as an amenity for points (Appendix – C1 III.A.1) – There has been growth in the direct mail of prescriptions however, it accounts for less than 10% of prescriptions according to Persistence Market Research's US Retail Pharmacy Market Size, Share, and Growth Forecast for 2025-2032. Also, residents count on Pharmacies for prescriptions when residents unexpectedly need antibiotics or other medications when their children unexpectedly get sick. Removing points for a local pharmacy would neglect the need that 90% or Americans still go to their brick-and-mortar pharmacy for their prescriptions. For comparison, online retailers comprised of 18.9% of all retail sales in the US (according to Capital One Shopping Research), however, there is point category for "Shopping" and "Retail."

Thanks,

Joe

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