2026 QAP Comments:

Thank you for this opportunity to provide supplemental comments on the draft 2026 SC QAP.

<u>Rehab size limits</u> – Appendix C-1, Section III.D "*Rehabilitation developments may not consist of more than 100 units*". We encourage SC Housing return the language to how it appeared prior to 2025. In 2024 and prior years, there was no size limit on rehabilitation developments. We recommend removing the size limit for rehabs. If there must be a size limit, we suggest increasing the size to 110 units maximum. This is a benefit to residents at properties that are over 100 units. Or the QAP could modify the language to say 'may not consist of more than 100 ***LIHTC*** units'. Many older properties have HUD subsidies, PBV and other mechanisms that could cover other types of non-LIHTC units.

- 2021 QAP – does not mention a unit count limit for rehab (new construction has a limit on page 14, Section N.)
- 2022 QAP – does not mention a unit count limit for rehab (new construction has a limit on page 16, Section N.)
- 2023 QAP – does not mention a unit count limit for rehab (new construction has a limit in Appendix C-1 page 6, Section III.D.)
- 2024 QAP – does not mention a unit count limit for rehab (new construction has a limit in Appendix C-1 page 6, Section III.D.)
- 2025 QAP – Rehabs are limited to a max of 100 units (Appendix C-1 page 6, Section III.D.)

<u>Driving Scores</u> - Appendix C-1, Section III.A.1: We appreciate raising the cap on points for distances to amenities. It is generally good to put the emphasis on nearby services which is a direct benefit to future residents. The cap on points was 65 last year, and now the cap is 76. But a change of 11 points from year to year is dramatic, many applications and developments require multiyear efforts. We would recommend finding a happy medium on the maximum driving points, such as 70 points for this year. And then the QAP could go to 75 points for next year. This would be a less dramatic change from year to year, which is in the spirit with a 2 year QAP and more predictable shifts in point scoring.

Census Tract limit - QAP Section IV.L.3.a. – *applications will not be awarded in census tracts that have a LIHTC award that hasn't placed in service*. Please make this more specific to 0.5 mile or 1.0 mile rather than census tract. The census tract is not a great measure for this metric. Also, please just focus on consecutive years of award not the status of placed in service. Two developments awarded 2 years apart will not overlap a lease up. For example an award in 2022 will lease up in 2024. An award in 2024 will lease up in 2026. Two developments leasing up 2 years apart will not conflict with each other. Also, the status of placed in service is difficult to track from other developers. It's difficult for us to have transparency on the project status of other developments (did they hit bedrock and are delayed by 12 months? Did their budget fall apart and they'll never place in service?). Award years are much easier and more transparent to track than placed in service status. Also "placed in service" is a loose definition that could either mean the official IRS placed in service date which is the date of certificates of occupancy that will appear on the 8609s, or it could mean the date they submitted a placed in service application to SC Housing, or it could mean the date the placed in service application is fully review and approved by SC Housing and 8609s have been issued. It would be more clear and transparent to use awarded years rather than project status.

Public Transportation - Appendix C-1, Section III.A.1 – We applaud the inclusion of these points in the scoring. This is a direct benefit to future residents and is very much in line with giving preference to proposed developments in locations that benefit low income residents.

Other Credits - Appendix C-1, Section III.G – Thank you for putting the points back into the QAP scoring for other credits (textile, historic, abandoned building, etc.). They incentivize development teams to bring additional resources into developments. They also help incentivize redevelopment of languishing parcels in communities (historic properties, old textile mills, abandoned buildings, etc.). As some comments at the QAP workshop suggested, these other credits could also be considered within the leveraging section as a more wholistic financing consideration.