

August 7, 2025

Kim Wilbourne
SC Housing Finance and Development Authority
Sent via taxcreditquestions@schousing.com

2026 Draft QAP Developer Comments on Requested Changes

Dear Kim,

Please find within this letter recommended changes to the 2026 Qualified Allocation Plan.

Deadline Mid Feb for Prelim 9% and First of May for Full Apps

- 4% on a rolling basis and first come first served process.
- Must pass threshold to submit full application.
- Set up preliminary application requirements to qualify the project to move forward.

2026-2027 QAP

We are extremely encouraged by the offer of a two-year QAP. We are in favor of this as an option.

IV D. Wetlands, Environmental, and Soil Reports

- Are we required to complete soil reports at application? Or should this be removed?

J. Mandatory Site Requirements

3.a. Sites where a nearby active railroad causes excessive noise and vibration. The application should include a map showing the distance to any railroad tracks within 1,000 feet. Demonstrating an acceptable noise level, as defined by HUD, can be the basis for waiver.

- Waiver requests need to be approved earlier in the submission process- When required within 60-days of full application submittal, we are already fully committed by the time answers a waiver request.

L. Market Requirements

- Need for Affordable Housing in the state.
- Census tract- remove.
- See recommendations for points or a radius of one-half mile to an awarded development that has not been placed in service. (We won't know when they submit the application) (Appendix C-1,III. D. Affordability Housing Shortage)

- Please define: “The Authority **may make exceptions** if the reason is not a market issue.”

O. Rehabilitation

- At least \$25,000 must be attributed to the interior of the units.
 - Please include interior common areas for residents use.

P. Financial Underwriting

- Please include income during operations as an allowable source
- Please include reinvestments proceeds generated from a cash-backed bond structure as an allowable source

P.2.C. Other Interests

- Please allow capital interest on construction loan as a line item

APPENDIX C1 - 9% LIHTC

Urban Set Aside Only-

- Please consider only allowing transportation points in the Urban Set Aside.

III D. Affordability Housing Shortage

- Add: Points will be based on location outside a one-mile radius of the Application site not Placed in Service.

III E. Sustainable

- Make this a Design requirement and certification during PIS app.
- Paying for these certification points when we do not get an award.

ADA Cert

- Paying for these certification points when we do not get an award.
- Require a min amount for State LIHTC credits like previous year.

II B. Set Aside or Public Housing Authority (One Award):

- We request the Public Housing Authority Set-Aside be allowed and add a RAD component in the 9% tax credit cycle.

II A. County Groups:

- Anderson, Lancaster, Spartanburg and York are several I do not feel are considered Urban areas. They should not be competing with Charleston, Greenville and Columbia.
- Please allow a mid-population county group.

II D. Size Requirements:

- Rehabs up to 200 units should be allowed.

III A. 1. Scoring criteria

- **Eliminate the requirement for photos**
- Allow:
 - CVS minute clinic for healthcare
 - Hospital Pharmacy if open to the public (website proof)
 - Local Health Dept that allows healthcare
- Greenway or trailhead should qualify since they are maintained by local govt- some have exercise equip, pocket parks and benches.
- Retail- Vape, ABC and adult stores should be allowed if it is one of minimum of 4 operating establishments; the goal here is to target the grocery and general merch stores. Some rural areas have these establishments but should not be penalized for other commercial businesses in the same shopping center (sometimes only one in certain areas).

III A 2. Public Transportation

- Remove transportation in Rural areas
- Add Dial A Ride if leaving in

III A 3. Area Employment

- Remove jobs scoring.

III. B. Land Donation or Ground Lease

- Move to Favorable Financing

Information on posted lists:

- Please include the setaside of nonprofit on the application list.

- Please list which properties are Portfolio properties on the application list.
- Allow a point reduction if the Developers Score is higher than the Agency Score (1 pt reduction per point inflated)

APPENDIX C-2 – TAX EXEMPT BONDS:

- Please distribute the scoring between Two Pools: Rehabs and NC
- Remove scoring all together and have a rolling submission deadline- have a threshold to allow qualified applications to move to a final submission
- Min 65% Hard Cost reduced or eliminated or make adjustments to not include the following:
 - Fees required by a city or county
 - P and P Bonds
 - Insurance during construction
 - FF & E
 - Contingency
- Please omit the requirement of a STC support letter from the city.
 - Cities feel as though we are asking them to support our project over another project and have been giving push back.

Application Workbook

- The section totals were not visible in Tab 8 (cells C20, C28, C29) and the worksheet was locked in a way that made adjusting the width of rows impossible
- The perm financing debt service calculations do not account for interest only periods, overinflating the debt service which impacts DSCR

We appreciate the opportunity to provide comments on the draft QAP.

Regards,

Jenn H. Wilkinson
Regional Vice President
Ulysses Development Group