Wilbourne, Kim 9083

From: Chad Nelson [redacted]
Sent: Friday, September 25, 2026 2:12 PM
To: Taxcreditquestions
Cc: Wilbourne, Kim 9083
Subject: [External] 2027 QAP Comments

SC Housing Team:

Below please find our comments on the 2027 Draft Qualified Allocation Plan. Both comments relate to the rehabilitation scoring criteria in Appendix C-1 Section V.

1. We support the proposed revision of the rehabilitation point criteria in section V(C) (time since last federal/state funding), but suggest the following modification of the language to increase clarity and effectiveness.

   > "Up to 5 points for the time since the development last completed rehabilitation work funded via federal or state grant, tax credits, or other direct funding. For prior tax-credit developments, the date of completion will be established by the most recent placed-in-service date (8609). For non-tax-credit developments, the date of completion will be established by a Certificate of Substantial Completion, final building permits, or equivalent documentation. Developments which have not received prior tax-credit funding or other direct federal or state funding will receive 5 points."

   We believe this language addressees several potential issues and will help better achieve the intent of the revision. The most important of these is that Certificates of Occupancy are not a reliable indicator of when non-LIHTC federal or state-funded rehabilitation was completed. Local/county authorities handle the process of permitting and certifying work very differently and many rehabilitation projects happen with tenants in place meaning that no C of O is issued upon completion. The above suggestion broadens the language and clarifies the status of projects which have never received funding for rehabilitation.

2. We support the proposed addition of the rehab point criteria in section V(D) (2 bedroom rents compared to FMR), but suggest further refinement of the method used to determine these points. A single unit with significant rent advantage does not establish whether or not a property is providing meaningful rent advantage to its tenants overall. If the intent is to prioritize developments which are providing the greatest rent advantage to residents, that advantage should be assessed on an average basis so that the results of this point scoring category aren't skewed by a single unit. Otherwise a single low-rent unit could earn a development maximum points when the other rents may provide little-to-no advantage compared to FMR. We suggest the following:

   > "Up to 3 points for developments at which the average tenant-paid rent for occupied 2 bedroom units (family) or 1 bedroom units (older person or senior) is less than HUD's Fair

Market Rents for 2026. Average tenant-paid rent must be demonstrated based on a rent roll dated within 60 days of the preliminary application date."

Thank you for the opportunity to comment on the future of affordable housing development in the state of South Carolina.

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