September 25, 2026

South Carolina State Housing Finance and Development Authority
Attn: 2027 QAP Public Comments
300-C Outlet Pointe Blvd.
Columbia, SC 29210

Re: Public Comment on the 2027 Qualified Allocation Plan – Tax-Exempt Bond Round Treatment of Statutory Redevelopment Tax Credits (Textile and Abandoned Building)

Thank you for the opportunity to provide additional public comment on the 2027 Qualified Allocation Plan ("QAP") and Appendix C2. This letter builds on our earlier comment and expands it to address the treatment of statutory redevelopment tax credits generally — including both the South Carolina Textile Communities Revitalization Tax Credit (S.C. Code § 12-65) and the South Carolina Abandoned Building Revitalization Credit (S.C. Code § 12-67) — in the Tax-Exempt Bond round.

Given the limited pool of State LIHTC available this cycle and the continued strong demand for affordable housing in South Carolina, alternative sources of equity are essential to making 4% Tax-Exempt Bond ("TEB") transactions pencil for tax credit investors. Equity from the Textile Credit and the Abandoned Building Credit is exactly this kind of alternative source. The 2027 QAP does not clearly align its treatment of these credits in the TEB round with the treatment already reflected in the 9% round under Appendix C1, Section III.G, where their use is affirmatively encouraged.

With the introduction of ranking criteria in the TEB round under Appendix C2, Section II.D ("State resources per heated residential square foot," "per bedroom," "per dollar of total project costs," and "per potential tenant"), it is unclear whether equity from these statutory redevelopment credits will be counted as a "state resource" in the ranking numerator solely because the underlying credit is authorized by state law. We understand that the Authority has, in prior review cycles, taken the position that such equity constitutes a state resource for underwriting or ranking purposes, and we respectfully ask the Authority to reconsider that treatment in the 2027 QAP.

We are raising this comment to flag the issue for the Authority's consideration rather than to propose specific drafting. The core concerns are: (i) whether Textile and Abandoned Building Credit equity is treated consistently between the 9% and 4% rounds; (ii) whether such equity is counted as a "state resource" in the Appendix C2, Section II.D ranking calculation; and (iii) whether such equity is

inadvertently caught by the 50%-of-developer-fee related-party cap in Section IV.P.9(c) or the discretionary exclusion in Section IV.P.9(a).

These credits are by-right statutory redevelopment incentives administered by the South Carolina Department of Revenue, not discretionary allocations of housing resources by SC Housing. They do not reduce the Authority's pool of state housing resources available to other applicants, and they exist specifically to close feasibility gaps on distressed textile mill and abandoned building redevelopments — including as affordable housing.

We respectfully request that the Authority clarify the treatment of these credits in the 2027 QAP and Appendix C2 in a manner that aligns the TEB round with the 9% round and recognizes the role these credits play in making mill and abandoned building redevelopments financially feasible in a constrained State LIHTC environment.

Thank you for your consideration. I can be reached at [redacted].

Sincerely,

J.M. COPE, INC.



Andrew Cope
Chief Executive Officer