

Wilbourne, Kim 9083

From: Joe Eddy [REDACTED]
Sent: Friday, May 15, 2026 4:30 PM
To: Development; Taxcreditquestions
Subject: [External] 9% LIHTC Comments for the 2027 QAP

We have the following comments on the 2026 9% LIHTC QAP for possible changes for the 2027 QAP:

1. Please reconsider how you score "Shopping." The current point system is set up to only allow "Shopping" points for properties near Walmart and Target. This is not incorporating downtown locations where there is some of the most abundant shopping in the state, but do not have big box stores. In today's world where next-day delivery of shopping goods is available anywhere in the state an alternative method of determining good locations could be used. Superior locations are already determined in the form of the market rent. Please consider points based off of the differential between market rents (as determined by the market study) and the LIHTC rent. This differential is the ultimate determination of how good a location is and how valuable it is in delivering affordable housing for the state.
2. Project based vouchers (Appendix – C1 III.G1) – Please consider bringing back 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. Alternatively, please look at awarding points for additional low-income units, such as points for additional 50% and 30% AMI units. If the Agency wants additional deep affordability then it should incent developers to do it through additional points.
3. 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.
4. 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.
5. 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. Also, please look at increasing the number of points for more than 5,000 jobs. I'm not sure why the Agency would only cap out the number of jobs at 5,000.
6. Transit Points (Appendix-C1 III.A.2) - Please consider giving additional points for additional transit lines. A location that has multiple transit lines is a superior location for low-income residents that rely on public transit. Locations with more transit lines should be encouraged.
7. 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.
8. 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).

9. 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.
10. 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.
11. 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.
12. The QAP (Page 12, Section IV.L.3) doesn’t allow projects within ½ mile for two application cycles. This essentially only allows affordable housing in urban areas every three years. Due to previously funded deals in Greenville, the current QAP essentially excludes new deals being build downtown until 2028. I believe the proposed rule is trying to keep new projects from stealing residents from other projects. However, there are plenty of residents in the City of Greenville that need affordable housing. The city has over 5,000 rent burdened households. The Texas QAP allows a Mayor to veto this rule to allow affordable housing within a certain area - please consider allowing something similar in South Carolina.

Thanks,

Joe

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