From: Samuel W. Weldon
To: Taxcreditquestions
Subject: Sc Housing 2027 QAP Comments
Date: Friday, November 6, 2026 4:32:06 PM
Attachments: image.png

Dear Ms. Wilbourne,

Blue Ridge Cascade appreciates the opportunity to comment on the Revised Draft 2027 QAP released October 23, 2026, and thanks SC Housing for its work on the 2027 QAP. We respectfully submit the following comments.

1. **Appendix-C-1 - V. EVALUATION OF REHABILITATION APPLICATIONs**
   - **Section V. A.** This section awards points to applications reflecting a remaining term of less than three (3) years, but it does not clearly state the date from which the remaining term is measured. As written, it appears to reference the Full Application date, but it could be interpreted in more than one way. We request that SC Housing specify an exact calendar date so that all applicants measure the remaining term consistently

   - **Section V. C.** We recommend replacing "HUD's Fair Market Rents for 2026" with "HUD's Small Area Fair Market Rents for 2026." Rural counties have very different rental markets, and county-level FMRs often do not capture those differences. Small Area Fair Market Rents (SAFMRs) are calculated at the ZIP code level and provide a more accurate measure of market rent in the areas where these projects are located.

     Additionally, Section 8 Rent Comparability Studies (RCS) use SAFMRs. Adopting SAFMRs for this category would align SC Housing's evaluation with the standard already applied to these properties and ensure market rents are measured accurately and consistently.

2. **Appendix C-3, Section 2 STC Processes**
   - The 2027 Tax-Exempt Bond (TEB) scoring has changed significantly to favor urban developments through location-based scoring. Blue Ridge Cascade supports this change, but we request clarification on the State Tax Credit scoring, which appears to work in the opposite direction by favoring rural developments.

     Large 4% bond developments in urban counties are becoming increasingly expensive due to rising interest rates and high construction costs. These are

often the same projects that score best under the new location-based TEB criteria, and they are the most likely to need STCs to close financing gaps. Maintaining two scoring systems that point in different directions creates an inconsistency that may leave the highest-scoring TEB projects unable to move forward.

We recommend that SC Housing align the STC scoring with the new TEB location-based scoring. Specifically, we suggest that the top-ranked TEB projects under the location-based scoring receive their full STC request, in rank order, until the set-aside is exhausted. This approach would reward the strongest applications and direct STC resources to the projects where gaps are greatest.

BLUE RIDGE CASCADE

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