Comments on Draft 2027 LIHTC Documents

QAP:

Page 11, Item J. 3. a.- Thank you for modifying the language in this section for distance to a railroad. We would like to request consideration that the noise study be provided not later than 60 days after an award of credits is made instead of providing the study with full application submission.

Page 13, Item N. Mandatory Design Criteria – SC Housing needs to have a set time for applying for waivers, either 60 or 30 days prior to the application submission that way it is consistent for everyone. Waivers granted need to be posted as soon as possible to the webpage. Mandatory design criteria should not be granted a waiver unless a letter is provided from the City/County stating their local codes do not allow design criteria within their jurisdiction.

Page 17, item 9.c – Cap on Reinvestment Income and Related Party Funding- The language should not be deleted. Games are played with this type of financing, and everyone needs to be held to the same financial standards for underwriting when putting developments together.

Appendix C1- 9% LIHTC:

Page C1-2- B-Award Limitations:

We suggest you have set percentages for allocating state tax credits per set-aside as follows (note the below is based on $10.8 million to allocate):

- Urban $4,320,000 = 40%
- Suburban $3,240,000 = 30%
- Rural $1,080,000 = 10%
- Rehab $2,160,000 = 20%

Each state tax credit set-aside should be allocated the full amount to ensure no set-aside is eliminated from receiving an allocation of state tax credits.

Page C1-6, Definition of Retail: Need to allow hair salons, barber shops and nail salons as retail as these are business in most retail shopping centers and are used on a regular basis. They provide services usually 7 days a week and the definition of retail is - *to sell in small quantities directly to the ultimate consumer* which is what these businesses do.

Page C1- 9, Item E. Noncompliance – this section needs to be better defined and state that the uncorrected outstanding Form 8823 as of December 31, 2026, is past the allowable cure period set by the compliance department. As currently written, anyone who had a compliance audit within days of this date who may have received an 8823 would automatically receive negative points. Please remove "management entity" as these are 3rd party companies and if they mess up on another

developer's development that is beyond the ownership entity's ability to control for another owner's property.

Page C1-9, Section F. Leveraging, Item 2.d, second bullet: These amenities do not provide a financial benefit to the actual development and do not help reduce costs by providing leveraged funds. If you want to provide points for these amenity items, they should be included on Page C1-6 and included in the same section you have added about allowing points for Full-Service Grocery, Shopping or Pharmacy under construction. These adjacent amenities need to be currently under construction, have a permit and a letter from the City/County regarding a set completion date which must be prior to the completion date of the development. A City/County budget can change, and a planned amenity budget item can be easily removed to cover other more urgent City/County budget items. An amenity already under construction is more likely to be completed as opposed to a planned amenity that has not started.

Page C1-10, Item 4, Financial Support per Low-Income Unit- Leveraged funding from City/County/HTFs etc. is harder to obtain due to federal budget cuts and the limited funding they are currently receiving. The requirement of BABA for all federal funding has significantly increased the costs of a development when using federal funds which your Board of Commissioners has made clear over the past year in their meetings, they do not like seeing high per unit costs which there is no way to avoid if having to use federal funds triggering BABA. In addition, if you do the math for having to implement BABA cost increases to a development vs the amount of funding per unit you get points for you come out in a deficient; therefore, providing points for funding that triggers BABA doesn't help the development financially it actually costs more money. Due to current federal budget cuts and a significant lack of funding that can be provided by most municipalities we request that you reduce the points to 5 and have the leverage per unit cap at $10,000.

Note: If you leave the leveraging points at 7, the heading for Leveraging on Page C1-9 needs be changed so that the points to be earned from leveraging matches on both pages.

Page C1-10, Item G Other Credits- The Authority needs to request an attorney's opinion that the development is eligible for Other Credits.

Appendix C2- TEB Bonds:

Page C2-8-D- Noncompliance: Remove "management entity" as these are 3rd party companies and if they mess up on another developer's development that is beyond the ownerships team's ability to control for another owner's property.

Page C2-9 -E- Supportive Housing: We appreciate the reduction from 10% to 3%. However, this is still reducing income on the property. With the reduction in available State Tax Credits this year, lower equity pricing and higher interest rates, these developments need every dollar they can get so having any units below 60% reduces the financial viability of a transaction. We suggest removing the requirement for 20% units as a whole.

Appendix B-1 – Mandatory Design Criteria

Page B7 – Unit Size & Base Requirements: Why would sunrooms be removed from counting as heated square footage? They are heated square footage and included in our budgets when calculating cost per heated square foot.