September 23, 2026

South Carolina State Housing Finance and Development Authority
300-C Outlet Pointe Boulevard
Columbia, South Carolina 29210
Attn: Kim Wilbourne, Multifamily Director
Via email: TaxCreditQuestions@schousing.com

Re: Comments on the Revised Draft 2027 QAP

Dear Ms. Wilbourne:

Standard Communities appreciates the opportunity to comment on the Revised Draft 2027 QAP released September 3, 2026, and thanks staff for the continued engagement with the development community throughout this QAP cycle. These comments supplement those we submitted on the June 2026 draft.

1. Appendix C-2 Section V.A – Prevention of Conversion

Draft provision. 10 points for developments with a federal or Rural Development project-based assistance contract on at least 90% of the units with a remaining term of less than three years; 5 points if less than 90% of units are assisted; 10 points if the owner is currently eligible to request a qualified contract.

Concern (a). Tying points to a remaining term under three years focuses on timing rather than preservation outcome or the physical needs of the property, arbitrarily penalizing owners who invest in a property before a contract expiration is imminent. Recapitalizations of Section 8 properties commonly include a new long-term (20 year) extension of the project-based rental assistance at closing. A property with four years remaining on the contract at application would score zero points, even though the transaction would secure the same 20 years of deep affordability as a property whose contract expires in three years. The three-year window incentivizes applicants to defer investment in the property - even if it is currently in need and economically feasible - until the contract is near expiration. This incentivizes the deferral of necessary capital improvements - which will then require even more funds to resolve after compounding for years – and leaves residents living in sub-par conditions until then.

Concern (b). Nearly every LIHTC property past its fourteenth year whose extended use agreement does not waive the qualified contract right is "eligible" to request a qualified contract, so the 10 points would be awarded to most re-syndications automatically, would not distinguish properties that are actually at risk of conversion, and would severely hinder the viability of any property to enter the LIHTC program and commit to long-term affordability under a LIHTC Extended Use Agreement. Because a property that has never received an allocation cannot be eligible for a qualified contract, these 10 points are structurally unavailable to new entrants, placing them at an insurmountable 10-point disadvantage with respect to the 23 point overall scoring criteria.

Concern (c). The category awards no points to properties that have never participated in the LIHTC program. Placing such a property under an Extended Use Agreement for the first time adds thirty or more years of restrictions enforceable by the Authority that do not exist today, which is a larger public benefit than re-restricting a property that is already restricted. A project-based assistance contract alone does not provide that protection, because the owner may opt out at renewal.

> **Requested change:** (a) Award the full 10 points to any development with project-based assistance where the owner commits, as a condition of the award, to request and, upon HUD approval, execute a new or extended project-based assistance contract of at least 20 years at or before closing, regardless of the current contract's remaining term. If the Authority wishes to keep a term test, extend the window to five years instead of three years. (b) Award the qualified contract points only where the owner has actually submitted a qualified contract request to the Authority, rather than to any owner who is eligible to do so. (c) Award 10 points to any development with no extended use agreement currently in effect and that has not previously received an allocation from the Authority, that will be placed under an Extended Use Agreement for the first time as a result of the award.

2. Appendix C-2 Section V.C – Clarify Current Rent

Draft provision. Up to 3 points for a current 2-bedroom (family) or 1-bedroom (older persons/senior) rent at least 10%, 20%, or 25% below HUD's 2026 Fair Market Rents.

Concern. For properties with project-based assistance, the contract rent does not reflect what residents pay; residents typically pay 30% of their adjusted income and far less than HUD FMR. Measuring contract rent against FMR would score zero for many of the most deeply affordable properties in the state, as residents are generally paying well below Fair Market Rents at subsidized units.

> **Requested change:** Clarify that "current rent" is defined as the tenant-paid portion of the rent, not the gross rent for the unit. For this purpose, the tenant portion should be measured as the average tenant-paid rent for the applicable unit type per the rent roll as of the preliminary application deadline, excluding vacant units.

Thank you for considering these comments. We would welcome the chance to discuss them with staff.

Sincerely,

Robert Fine
Director, Acquisitions & Redevelopment
Standard Communities
[redacted]