

## Harmon, Amy 6-8713

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**From:** Nicholson, Laura 6-9190  
**Sent:** Friday, September 07, 2018 2:18 PM  
**To:** Harmon, Amy 6-8713  
**Subject:** FW: Woda Cooper 2019 QAP Comments  
**Attachments:** SC 2019 QAP Comments Woda Cooper.pdf

Please have IT post these comments to the 2019 tax credit webpage. Thanks.



**Laura Nicholson, Development Director**  
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**From:** McKay, Jonathan [<mailto:jmckay@wodagroup.com>]  
**Sent:** Friday, September 7, 2018 10:15 AM  
**To:** Nicholson, Laura 6-9190  
**Cc:** Simons, Tom  
**Subject:** Woda Cooper 2019 QAP Comments

Laura,

On behalf of Woda Cooper Companies, Inc., please see the attached QAP comments for your consideration.

Warm Regards,



**Jonathan D. McKay**  
Vice President - Development  
Woda Cooper Companies, Inc.  
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September 7, 2018

Laura Nicholson  
Development Director  
South Carolina State Housing Finance and Development Authority  
300 Outlet Pointe Blvd C,  
Columbia, SC 29210

RE: South Carolina State Housing Finance and Development Authority 2019 QAP Comments

Dear Ms. Nicholson:

Throughout the years we have enjoyed partnering with South Carolina State Housing Finance and Development Authority to develop high quality affordable housing developments within the State of South Carolina. As such, we've helped the agency meet its mission of creating quality affordable housing opportunities for the citizens of South Carolina. At Woda Cooper Companies, Inc., we believe thoughtful discussion and listening to stakeholders creates better public policy. Therefore, we respectfully submit the following comments about the 2019 Qualified Allocation Plan (QAP).

## 1. Additional Set-Asides

Currently, the authority has six (6) Set-Asides in which applicants may compete for credits: General, Underserved Counties, Rehabilitation, Rural Housing Service (RHS), Large Population Urban and Nonprofit Set-Asides. The set-asides guarantee the agency meets specific policy goals. We believe the agency currently strikes a good balance between meeting its housing policy goals and awarding only the highest scoring deals which are the best pieces of real estate. As such, there is no need to include an additional set-aside for public housing authorities or any other special interest group or region of the State of South Carolina. Such deals can compete under one of the other set-asides. Specific to public housing authorities, in our experience across 15 states, we find other agencies allow public housing authorities to compete in the nonprofit set-aside. Thus, should the agency feel particularly moved, we suggest a public housing authority set-aside be included under the nonprofit set aside and be retitled nonprofit/public housing authority set-aside.

## 2. Nonprofit Set-Aside

Under the Nonprofit Set-Aside we suggest changing the language to "the maximum amount initially reserved for a development participating in the Nonprofit Set-Aside should not exceed ten percent of the state LIHTC ceiling". Acting alone, few of these entities are qualified to take on \$3 million to \$10 million dollar projects and to monitor and manage these projects effectively for 15 or more years. These entities should compete on a level playing field and if qualified, should be allocated credits. SC Housing will not have a difficult time meeting the 10% nonprofit requirement of Section 42 if this language is removed. Allocating credits arbitrarily to unqualified community-

based non-profits narrows the field of syndicators willing to buy the credits and thereby reduces the pricing for the credits. Ultimately, this results in fewer units being funded that should be funded. In the current market of rising interest rates and reduced equity pricing due to the passage of the Tax Cuts and Jobs Act of 2017, it is paramount that the agency focuses on partnering with strong developers with proven records that can get the best pricing for the credits.

### 3. Scoring Criteria

Leave the Positive Site Characteristics and the Detrimental Site Characteristics scoring as is. This guarantees the agency will receive applications for sites that are considered good pieces of real estate.

### 4. Targeting Characteristics

Remove the one point for FEMA Disaster Counties. All of the counties in South Carolina should have the opportunity to compete on an even playing field to achieve a max score. The FEMA Disaster Counties leaves a select few at a disadvantage. This goes against the notion of fairness.

The low-income housing tax credit is a scarce resource that assists in providing much needed affordable housing in all of South Carolina. Special interest groups should not be given an unfair advantage or preference against other areas of the state. Thank you for your consideration of the above comments and suggested changes to the upcoming 2019 QAP. We greatly value this opportunity to provide input that will better serve the residents of the State of South Carolina. Please do not hesitate to call me for clarifications or additional input.

Sincerely,



WODA COOPER COMPANIES, INC.

Thomas S. Simons, Senior Vice President