

October 15, 2021

The South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Boulevard

Columbia, SC 29210

[taxcreditquestions@schousing.com](mailto:taxcreditquestions@schousing.com)

RE: 2022 Housing Tax Credit Public Hearing

Thank you for the opportunity to provide questions for the upcoming second 2022 QAP draft published September 27, 2021. Based on our review, we ask for clarification on the following:

1. Page 20: Calculation of Developer Fee:

- Which of the following would be the correct developer fee calculation for a 90 unit project?

i.  $90 \text{ units} \times \$13,000 = \$1,170,000$

ii.  $(48 \text{ units} \times \$15,000) + (12 \text{ units} \times \$14,000) + (30 \text{ units} \times \$13,000) = \$1,278,000$

*\*\*Per the response from SCHousing on developer's call on October 14, 2021, we understand that additional clarification on the developer fee calculation will be provided in the draft QAP.*

2. Page 6: Senior projects in Group B:

- "Subject to the limitations in paragraph 2 above, the Authority will not award more than one (1) 9% LIHTC project targeting older persons per Group A county as defined in Section IV Application Grouping and Set-Asides"
- Does this apply to Group B counties as well? Or does it mean that multiple senior projects can be awarded in Group B counties?

*\*\*Per the response from SCHousing on developer's call on October 14, 2021, we understand that there will not be a cap on awards to projects targeting senior populations in Group B counties.*

3. Page 15: Required Capacity

- It is unclear if the agency is still requiring audited financials from the sponsor/developer.

*\*\*Per the response from SCHousing on developer's call on October 14, 2021, we understand that original language was preserved from prior QAP's indicating financial statements can be compiled by and not necessarily audited by a CPA. If this is still a misunderstanding, please provide additional clarity.*

4. Appendix C: POI Index

- Based on the fact that Group A and Group B scores are listed on the same tab, does this mean that the scores will be based on the highest of both Group A & B?
- Will this be impacted if Group A and Group B are competing in the same Rehabilitation category?

*\*\*Per the response from SCHousing on developer's call on October 14, 2021, we understand that Group A and Group B will be scored independently.*

5. General Palmetto Scoring Comments

- Thank you for changing the Palmetto Scoring system from last year's QAP. The score fluctuations have much better transitions from one census tract to the next.
- We also understand how the data is helpful from a high-level scoring perspective; however, the data may not measure the all the physical or economic realities that developers and communities experience.
  - i. Examples of discrepancies between *data and experience* are immediately apparent when census tracts attributed to oceans, prisons, or vast lands with no economic development are among the highest scoring tracts.
  - ii. Examples of the opposite discrepancies are apparent when some communities who are desperately in need of development are completely uncompetitive from a data perspective.
  - iii. Finally, bidding wars continue because some of the highest scoring tracts are significantly limited by vacant/developable land opportunities.
- We would encourage the agency to look at adding point systems for distance from amenities to help alleviate some of these unintended outcomes of data driven bidding wars while still supporting smart housing development.

Thank you for the opportunity to support the families of South Carolina. We appreciate your time and consideration on the topics above and we are looking forward to working with you on a successful 2022 application cycle!

Best,



**Jennifer Lampman**  
**Vice President of Development**  
Wallick Asset Management LLC