GREENVILLE HOUSING FUND

September 21, 2023

South Carolina State Housing Finance and Development Authority
Attn: Kim Wilbourne, Housing Tax Credit (LIHTC) Manager,
300-C Outlet Pointe Blvd, Columbia, South Carolina, 29210,
Sent to: ***taxcreditquestions@schousing.com***

Dear Kim,

On behalf of the Greenville Housing Fund, I wanted to express our appreciation for the work you and your colleagues have done on the 2024 QAP. We share a common goal of making the QAP the most effective it can be to deliver affordable housing solutions for communities across South Carolina.

Please review the following comments or questions regarding the current draft of the QAP:

9% Program

QAP Section J(2)(e) Pg 9: We strongly support the removal of this metric of disqualification that is arbitrary and capricious in urban communities who desperately need affordable housing. As we have repeated there are other ways to limit the concentration of affordable housing in more rural areas. In a community like Greenville and other cities in the state, one mile can be a world away, a completely different neighborhood, and is not a good indicator of site suitability or a useful metric of over concentration of affordable housing.

Appendix C1-Pg 5: Under the Innovation set aside, we believe since it will be selected by SC Housing it should not count toward the cap of two awards per county. This one set aside should be in addition to the two projects per county cap in the rare circumstance that a county has two other competitively awarded projects. If SC Housing chooses an Innovation set aside where there are two other awarded projects it could bump out one of those which will be an unintended and perverse outcome.

Appendix C1-Pg 6: The non-profit set aside should be used and not only, "if necessary." SC Housing policy should support the important role South Carolina nonprofit housing organizations play in the affordable housing ecosystem. Funding one deal a year submitted by a non-profit who serves as a co-developer and GP of a project would serve as a catalyst and capacity building incentive for SC nonprofits to engage in the LIHTC program.

Appendix C1-pg 11: We urge SC Housing to modify Section E Other Types of Tax Credits to Other Types of Subsidy and include the following subsidies for points in this section:

1. A Section 8 PBRA HAP contract with HUD
2. A RAD CHAP
3. A PBV award from a local Public Housing Authority

These rental subsidy contracts represent a significant resource allocation to a project that will typically exceed the other capital subsidies listed; provide ongoing operating support to a project which allows those projects to support more debt; and create deeply affordable housing opportunities for ELI households within the LIHTC program.

Moreover, SC Housing should create a priority for these same rental assistance contracts (Section 8 PBRA, RAD, and PBV assistance) within the 4% TEB and SC HTC programs both new construction and acquisition Rehab. We have PHA opportunities to shift rental assistance from functionally obsolete housing stock to new construction and this should be a policy priority. Furthermore, we have HUD assisted PBRA properties that are in such poor condition in South Carolina that HUD has issued notice of defaults. These housing communities represent the most precious housing resources in any community and should be prioritized for the 4% TEB and SC HTC programs.

4% TEB Program

1. We seek further clarity on page 4 section B, the current guidelines state "the acquisition cost will not be included in the development and operations cost." If a public housing authority executes a related party ground lease, and acquires the project with a sellers note equal to the appraised value of the property, does this statement imply the project would not generate acquisition credits from the development budget?
2. We seek greater specificity as it relates to page 7 section H, which provides context on financial capacity for developers. Can specific financial capacity thresholds be listed?
3. The developer fee calculation in the QAP shows a decrease for units 51 and up to $20,000 from $25,000. The TE Bond guidelines state the amount can be $30,000 per unit. Do the TE Bond guidelines supersede the QAP for developer fee? More clairy will be helpful.

Thank you for the great work on updating the 2024 QAP. We hope these comments are helpful as you finalize the 2024 QAP.

Sincerely,

Bryan Brown
President & CEO