



July 2nd, 2024

To: Kim Wilbourne, SC Housing, Columbia SC

**SUBJECT: 2025 QAP – Public Comments**

Thank you for this opportunity to submit public comments for the 2025 QAP.

1. **QAP Bulletin and Guidance Updates**: Once the QAP is final and signed by the Governor, if SC Housing publishes any of the new bulletins that create or clarify policy, please issue these bulletins as DRAFT guidance on the SC Housing website, and allow for a 5 day public comment period before making the QAP updates final.
  - This would be a useful approach to solicit input from the entire development community on policy decisions which might affect their applications during an active application cycle. The intent would be for this 5 day public comment period process to apply to anything affecting point scoring, underwriting, and other items that materially affect the competitiveness or structure of the applications.
  - This public input process would not need to apply for publishing minor administrative updates.
2. **Point Scoring**: Please keep the QAP scoring generally intact. Our team feels like the current mixture of points, incentives and tiebreakers is generally effective and well balanced. We would encourage SC Housing to keep any changes to the point scoring limited to relatively minor adjustments.
3. **Large Population Urban Set-Aside**: the QAP in years 2017, 2018, 2019 had a Large Population Urban Set-Aside for Greenville, Columbia, Charleston, and other large municipalities. We would recommend re-creating a similar set-aside, or pool, specifically for the largest municipalities and fastest growing areas.
  - Would apply to municipalities with more than 60,000 population within municipal boundaries. Application proposed site would need to be within city limits.
  - The 2017-2019 QAP previously had specific point scoring for this set aside, including points for distance to public transportation, etc.
4. **Award Limits Per County**: Limit 1 award per county for the counties that are NOT in the top 10 most populous counties. This will help encourage development teams to choose a wider variety of counties rather than concentrate the applications on a couple of high scoring, low to medium population areas. Top 10 counties would have a 2 awards per county limit, and top 4 counties would have a 3 awards per county limit.



5. **Award Limits to Per County:** Allow up to 3 awards in the top 4 most populous counties: Greenville, Richland, Charleston and Horry. And/or make it clear that awards in any other set-aside (Public Housing, Non-profit, Rehab, Innovation, etc.) do not count against the award per county limit.
  - These top 4 most populous counties could also be considered the “Large Population Set-Aside” pool, rather than basing it on municipalities.
  
6. **Maximum Annual Federal Tax Credit Per Application:** Our team supports reducing this cap down from \$2.5 million. A lower maximum annual tax credit would allow for more applications to be funded, which helps spread the limited resources around the state and to different types of applications. It would also encourage more utilization of the SC State Tax Credit (STC).
  
7. **Credits Per Unit:** We encourage SC Housing to utilize this component of the QAP, however, the CPU needs to be published early, included with the version of the QAP signed by the governor since it has a major effect on the structure of each LIHTC application.
  - Coastal counties could be eligible for slightly more CPU than non-coastal counties.
  
8. **Utilize HOME, National HTF, SC HTF in the LIHTC program:** SC Housing has resources that are currently allocated to SRDP and other programs. SCHTF in particular is a good funding source to mix with LIHTC developments that elect income averaging and have higher AMI units in the 60%-80% AMI range.
  - We would recommend making a certain amount of each funding source (HOME, NHTF, SCHTF) available for both the 9% and 4% program. These could be deferred repayable loans.
  
9. **Point Scoring for 4% Tax Exempt Bond:** We support bringing some of the aspects of the 9% scoring over to the 4% program, such as driving distances and jobs. Though the distances for driving to amenities and distances to jobs might need to be increased to accommodate larger sites farther outside of the urban core.
  
10. **SC State LIHTC (STC):** We encourage SC Housing to publish very clear guidance on the STC, which will encourage more utilization. In addition to the QAP and Appendices, it may be useful to add a section within the Tax Credit Manual which could cover in greater in detail the various underwriting scenarios for the STC. Greater utilization of the STC would ultimately help build more affordable housing.