

Harmon, Amy 6-8713

From: Nicholson, Laura 6-9190
Sent: Friday, August 31, 2018 9:05 AM
To: Harmon, Amy 6-8713
Subject: FW: LIHTC Program Comments

Please have these comments added to the 2019 tax credit webpage. Thanks,



Laura Nicholson, Development Director
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From: William W Chamblin [<mailto:wwc@connellybuilders.com>]
Sent: Friday, August 31, 2018 8:54 AM
To: Nicholson, Laura 6-9190
Cc: B David Christmas; James Norman; T Kevin Connelly
Subject: LIHTC Program Comments

Laura,

After the Roundtable we have the following comments to share:

- 1) Absolutely support the inclusion of High School Sports facilities that have at least one (1) full season of home games played on the high school campus. Having attended numerous high school football games while my daughters were growing up this is truly a community entertainment that is easily affordable for all.
- 2) Reduce the current Market Advantage down from current 35% - With increasing Interest Rates, increasing Construction Costs, reduced Basis Boost, and lower Equity Pricing these transactions are becoming more marginal with more Developer Fees having to be deferred. Construction Lenders and Equity Partners are less aggressive as more Developer Fee is deferred as that potential bucket of safety cushion is less.
- 3) Do not like the sliding LIHTC Award Scale. The current Scale is providing significantly greater Credits per Unit to smaller transactions which we know are more inefficient from an operating standpoint. The opportunity to provide a full time Manager/Maintenance is impossible and we find that our Properties without good management coverage tend to have more issues. Based on the current market conditions (increasing Interest rates, Increasing Construction Costs, reduced Basis Boost, lower Equity Pricing) we are projecting a need for credits in the \$17,000 per Unit range as opposed to the current cap of \$15,625 per unit for a forty-eight (48) unit job. Otherwise we end up leaving too much potential Equity on the table with a lower Credit Award that results in a huge Gap.
- 4) Mandatory/Optional Design Criteria – I spoke with Bibb and understand the Authority has tasked him to review to comment on benefit versus cost. Bibb told me he had taken all the Mandatory & Optional Criteria and segregated by Scope of Work (Civil, Architectural, Electrical, Plumbing, Mechanical, Etc.) and that sounded like a really clear way to present those standards. I know these lists have been added to over the years so they really don't follow a specific order so thought utilizing Bibb's breakdown might be a clearer way to present in the QAP.

Thank you

Bill Chamblin

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