

2020 Tax Credit Program

Bulletin # 8

May 20, 2020

Questions and Answers

1. **Question:** For the 2020 9% Round, are we required to have EINs for the ownership entity at application? Or can we wait to see if the development is successful in securing a reservation of tax credits first?

Answer: The EIN for the ownership entity is required at application.

2. **Question:** Bulletin 7 just issued provides revised Exhibit K-1s. If we already have Exhibit K-1s signed by all other our syndicators is the Authority's expectation that we redo the Exhibit K-1 form and resend the forms to the syndicators for them to execute on the revised form or can we use the K-1 forms that have already been executed that have been on the web for months?

Answer: If the K-1 form was executed prior to the change of correcting the 10 year period in the form, the Authority will accept the previous version of the K-1 form.

3. **Question:** I have an upcoming project that is a rehabilitation and not new construction. Ceiling fans in the living area and the bedrooms are specifically called out for new construction, but not mention in V. Rehabilitation. Will you confirm that the addition of ceiling fans is not required for rehabilitation?

Answer: Ceiling fans are required in the living rooms and bedrooms for both new construction and rehabilitation. Please refer to Bulletin #4 QAP Appendix B 02/28/2020 for further information.

4. **Question:** In Bulletin #3, the question was asked to define local government for funding which was answered in Question #12. However, it was a 2 part question and the second part has not been answered in any Bulletin. In this scoring section we can receive up to 5 points, however, how does 2.a.iii or 2.a.v count for points if 2.b must be applied? We assume 2.b applies to only items in 2.a that are a loan. Please clarify.

2. Up to 5 additional points will be awarded for documented support from a city, county, or other local government. Funding may be appropriated directly by a public entity and/or awarded by a non-profit organization financially supported by a local government, such as a local housing trust fund.
 - a. Only the following sources of support qualify for the additional points:
 - i. HOME or Community Development Block Grant (CDBG) funds;
 - ii. established local government housing development program grants or loans with interest rates below Applicable Federal Rates (AFR);
 - iii. public foundation grant funds from an affiliate of a local government;
 - iv. a long term ground lease from a government entity for nominal consideration as valued by the appraised value of the land less the consideration;
 - v. the documented cost of infrastructure improvements or amenities funded in full by a governmental entity that are located on or adjacent to the project site that will serve the tenants and which will be constructed after application submission and completed prior to the development placing in service; and/or
 - vi. other support approved by the Authority in response to a request submitted in advance of the application deadline
 - b. The application must list the source(s) as a loan(s) and include an executed commitment letter reflecting a term of at least twenty (20) years and an interest rate less than or equal to one percent (1%).

Answer: That assumption is correct. The language in 2b applies only to items in 2a that are loans or otherwise require repayment under any circumstance.

5. **Question:** Will 2020 Federal LIHTC applicants be able to request SC State LIHTC with their applications? If so, does SC Housing plan to release any guidelines surrounding the state credit?

Answer: The SC State Tax Credit will be considered by Authority staff when reviewing the 2020 Federal LIHTC applications. SC Housing is currently in the process of creating guidelines for the SC State Tax Credit Program and will release those guidelines when they become available.

6. **Question:** A member of the General Partnership owns their interest in the General Partnership via an entity that is owned by a Trust comprised of the Developer and their spouse. The Developer is the controlling member of this owning entity. Signatures are required on several Forms and Exhibits by all members of the Development Team. Can SC Housing confirm if, based on the entity configuration above, the only signatures needed on Forms and Exhibits will be from the Developer who is the controlling member of the entity?

Answer: SC Housing is unable to determine who is the appropriate signatory of the Trust. Applicant or applicant's counsel should review any documents establishing signatory authority for the Trust before determining who would sign SC Housing documents.