[redacted]

From: Rob Vocci [redacted]
Sent: Wednesday, June 9, 2021 3:25 PM
To: TaxCreditQuestions
Cc: Michael Delev; Sandy Lucas; Rick Allen
Subject: Questions for 2020 QAP Roundtable

- Could we get a clarification regarding design criteria that apply to rehabs?

- Over the past year, construction costs have risen considerable. In circumstances like this, is it possible to increase rents from what they were projected at the time of the application as long as they stay within the current LIHTC limits?

- On the evaluation of rehabilitation applications, I'd suggest the number one criteria be the "extent of physical distress". The current most important criteria is preventing conversion to market rate. Some apartments that might not be eligible for conversion to market rate (e.g. those with long-term Rural Development mortgage restrictions) are still in dire need of a rehab.

- I wasn't sure if a unit-by-unit inspection (by SCHFDA staff) was part of the process to determine physical need. If not, I'd suggest an internal inspection of at least a representational sample of units be done along with a full exterior inspection.

- I'd like to ask that the 20-year minimum Debt Coverage Ratio for Rural Development projects be reduced from 1.10 to 1.0. On tax exempt bond projects, this would be extremely beneficial, especially on smaller sites.

- I'd like to know if the SC state tax credit is permanent so we can model it in our development proformas.

Thank you for your consideration.

Rob Vocci
CFO / Partner
Partnership Property Management
[redacted]
www.partnershippm.com