2020 Tax Credit Program

Bulletin # 1

January 28, 2020

<u>Extension of Deadlines:</u>

The deadlines listed below in the 2020 QAP have been extended as follows:

V. THRESHOLD PARTICIPATION CRITERIA
E. Applicant Qualification
2. Good Standing

The applicant may request a waiver for the prior instances listed in 2(a) and 2(b) no later than **February 28, 2020**

V. THRESHOLD PARTICIPATION CRITERIA
G. Required Management Experience
2. Portfolio Requirements

The applicant may request to exclude a troubled property from the management company's portfolio no later than **February 28, 2020.**

V. THRESHOLD PARTICIPATION CRITERIA
J. City/County/Legislative Notification

The proposed Owner must send the required letter in accordance with the QAP requirements not later than **March 31, 2020**

<u>New Construction Scoring Critera</u>

A. Positive Site Characteristics

For the following positive site characteristics, the census tract, county, or school district with the most units will be used to determine the points provided if a project is located in multiple census tracts, counties, or school districts:

1. Median Household Income
2. Average Life Expectancy
3. High Performing School Districts/Quality Healthcare

To receive the points for the following positive site characteristics, **<u>all</u>** units must meet the defined characteristics:

5. Racially or Ethnically Concentrated Area of Poverty

6. USDA Food Desert

Further clarification is needed to item 6, USDA food deserts:

The walking distance of no more than 0.5 miles of the proposed development's main entrance is to be measured on a straight line as the crow flies from the development's main entrance to the closest edge of the parcel where the grocery store is located.

D. Affordable Housing Shortage

The county with the most units will be used to determine the points provided if a project is located in multiple counties.

H. Revitalization

To receive the points for this section, the **entire** project must be located in the area covered by the concerted community revitalization plan (CCRP).

Appendix E, VII - Developments Utilizing Non-Competitive Tax Credits with Tax Exempt Bond Financing

In lieu of the appraisal requirements included in the 2020 QAP, tax exempt bond developments must meet the following requirements:

- The applicant must submit a commercial real estate appraisal at application submission. The appraisal must identify the Authority as an authorized user of the appraisal, noting that the Authority may rely on the representations made therein.
- The appraiser must be licensed by the South Carolina Real Estate Appraisers Board as a State Certified General Real Estate Appraiser. A temporary practice permit is not acceptable. An appraiser in good standing with an active license in another state must apply for a reciprocal license with the South Carolina Real Estate Appraisers Board.
- The appraisal must be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Foundation and with title XI of the Federal Finance Reform, Recovery and Enforcement Act of 1989 (FIRREA).
- Comparable properties must be located in the proposal's sub-market. If no comparable properties are located in the sub-market, comparable must be located in the proposal's home county or in extreme instances, an adjacent county.
- If the appraisal does not substantiate the purchase price submitted in the application, the Authority may decrease the amount proposed in the application to match the appraised value.
- If the Authority deems the appraised value of a proposal to be unusual, excessive or utilized comparable properties that are not acceptable as detailed above, a separate appraiser will be hired by the Authority at the applicant's expense to prepare a second appraisal.
- For new construction developments, land will be valued using acreage as a measurement and without regard to any contemplated improvements/restrictions. The value will be based on similar land sales in the sub-market or the value of the "land only" portion of improved sales in the sub-market with common zoning characteristics. Such sales will not be exclusive to previous LIHTC developments.

- For acquisition/rehabilitation developments, land value and “as is” building(s) value will be reported separately. As-Is Building Value will be provided both (1) as if market rents are in place, not considering the unique aspects of below-market financing, federal subsidies and/or LIHTCs in this value estimate and (2) based on current restricted rents (not post rehab) taking into consideration the unique aspects of below-market financing, federal subsidies and/or LIHTCs in this value estimate.
- For Rural Development funded developments only, the values for “As-Is, Restricted Rents” and “Interest Credit Subsidy” will be added together to arrive at the appraised value. If a property’s acquisition price exceeds the appraised value using this method, the Authority will write down the purchase price to the appraised value. If the purchase price includes acquired reserves (cash), the reserves should be deducted from the purchase price before the comparison to appraised value.
- The appraisal must disclose and quantify the valuation loss attributable to detrimental characteristic(s) in close proximity to the development being appraised.