



DEVELOPMENT
CONSTRUCTION
MANAGEMENT

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October 25, 2016

Laura Nicholson
Tax Credit Program Manager
SC State Housing Authority
300-C Outlet Pointe Blvd
Columbia, SC 29210

Re: Qualified Allocation Plan and Low-Income Housing Tax Credit Manual

Dear Ms. Nicholson:

We appreciate the opportunity comment on the 2017 - 2018 Qualified Allocation Plan and Low-Income Housing Tax Credit Manual ("QAP"). We believe that the following comments will help to improve the QAP and in turn improve the quality of housing that is being provided to those who qualify.

We ask you to consider the following for the 2017 - 2018 QAP:

1. Under the points for Positive Site Characteristics, Entertainment Venues: "museums, theaters, cinemas, bowling alleys, skating rinks and miniature golf "should be added back into the QAP. Taking away previously accepted positive site characteristics does not benefit low income households. These site characteristics add to the quality of life and give residents options. Some museums are free and very educational in nature, while other minimal cost amenities such as theaters, cinemas, bowling alleys, skating rinks and miniature golf promote and nourish sociological growth desirable to typical families served by the affordable housing community. The Entertainment Venues category has had an encompassing definition since 2013, and eliminating the previous services is not good public policy. Quality development takes years and not months to accomplish, and consistency is an important part of strategic development.
2. We have spoken to a lot of investors over the past 12 months and they are seeking to only partner with development teams able to ensure that deals can get done on time and on budget. In an environment where planning processes have become more convoluted and complicated and due diligence eminently seems to take longer to complete, investors are becoming increasingly concerned about a partner's ability to place developments into service within an acceptable timetable. Investors are looking at everything from financial capacity to development team capacity to past performance.

Below are some items that we would ask SC Housing to consider in the QAP:

- Points for Staff Capacity
- Points for related Management Company
- Points for related Construction Company

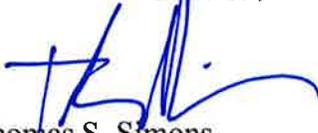
We ask you to consider the following for the 2017 – 2018 TC Manual:

1. The minimum amount initially reserved for development participating in the Rehabilitation Set-Aside should be increased to \$1,950,000. Preservation is an important alternative to substandard housing. Some believe it wrongfully rewards current owners who have let their properties fall into disrepair but actually it helps the residents and the communities that are in dire need of rehabilitation.
2. If the maximum amount of tax credits to be awarded per deal in the Rural Housing Service (RHS) Set-Aside is \$800,000 then the maximum amount initially reserved for development participating in the RHS Set-Aside should be reduced to \$800,000.
3. Under the Nonprofit Set-Aside we suggest changing the language to “the maximum amount initially reserved for development participating in the Nonprofit Set-Aside should not exceed ten percent of the state LIHTC ceiling. Acting alone, few of these entities are qualified to take on \$3 million to \$10 million dollar projects and to monitor and manage these projects for 15 or more years. These entities should compete on a level playing field and if qualified, should be allocated credits. SC Housing will not have a difficult time meeting the 10% nonprofit requirement of Section 42 if this language is removed. Allocating credits arbitrarily to unqualified and community based non-profits narrows the field of syndicators willing to buy the credits and thereby reduces the pricing for the credits. This results in fewer units being funded that should be funded.

Thank you considering our comments.

Sincerely,

THE WODA GROUP, INC.



Thomas S. Simons
Sr. Vice President