

**To Laura Nicholson - (803) 551-4926**

**RBC Tax Credit Manual and OAP Comments**

**Appraisals** – land costs should be arms-length and shouldn't be limited to a percentage of TDC.

**Cost Caps** - Construction Costs continue to rise due to a surge in construction activity across most asset types (especially Multi-Family), the number of immigrant workers are down significantly due to their inability to freely travel in and out of the US, suppliers are having a tough time keeping up with demand, new Zoning, building, life-safety requirements and ADA Investigations, Tarrifs and 2 Major Hurricanes hitting our area. We believe it's a difficult time to impose cost caps.

**4 Month Operating Reserves** – please keep the Reserves at Six (6) months of Operating Expenses, Replacement Reserves and Must Pay Debt Service so it matches Equity Investor Requirements and AHIC Standards.

**Developer Fee/OH Calculation** – please remove the lessor of concept. Equity Investors looks to these Fees as safety and soundness within the transaction to mitigate against cost overruns, permanent debt resizing and tax credit adjusters. The reduction in Fees are not in line with the Risk taken by the Developers.

**Contractor Cost Limits** – please eliminate the Cap on Fees due to an Identity of Interest between Applicant and General Contractor. A qualified General Contractor (3<sup>rd</sup> Party or Related to the Applicant) should earn the same fees.

**Ground Leases** – Ground Leases shouldn't be limited to Government or PHA's as Applicants as this will eliminate the possibility of partnering with other land owners that are in favor of affordable housing (i.e. a church with excess land).

**Tie Breaker** – although we support long term affordable housing we have concerns taking any sales option completely off the table.