

2020 Tax Credit Program

Bulletin # 9

May 29, 2020

Questions and Answers

1. **Question:** Lines 179 – 180 are open line items for developers use as needed. Can I add descriptions on other lines like this on the worksheet? They are password protected.

Answer: Yes, you may add the descriptions on other lines. We have corrected the form and the fields are no longer password protected.

2. **Question:** Adherence to minimum FHA standards for carpet is an area needing a bit more clarification as the HUD Bulletin UM 44d from 1993 primarily applies to broadloom. Is your state allowing carpet tile in high traffic public spaces? If so, do you have any specific requirements (i.e. oz. weight, density, a TARR rating, etc.)? Clarity on this topic is great appreciated, thank you!

Answer: Mandatory Design Criteria section II, N, 11 has been updated as follows:

11. Carpet Tile may be used in common areas and must;
 - a. Be rated for severe use with a 3.5 or greater TARR rating.
 - b. Be open cell backed, no hard backed tiles.
 - c. Be stain resistant.

3. **Question:** Ex B page 1 calls for a soil report at application. Page 10 of this section says at final plans [and specs]. I do not see a place on the checklist for the soil report. Is it due at application or not?

Answer: Yes, the soil report is due at application and should be included with the application plans in accordance with Section I, B, 1-5. These items are to be provided in electronic format and submitted with the application on a thumb drive. They do not need to be printed and placed behind a specific tab.

4. **Question:** There appears to be inconsistencies between the 2020 QAP and 2020 S-2 form with regard to the demographic years to be utilized in market

studies for the 2020 Tax Credit allocation cycle. As stated in the 2020 QAP, current year estimates should reflect 2019, projected out to 2022. However, the updated S-2 form refers to years 2020 and 2023 for demographic data. Please advise. The QAP and S-2 form also indicate a base year of 2012; however, per one of the Bulletins posted on SC Housing's website, the base year should reflect 2010 data. I am assuming that this will apply to the S-2 form?

Answer: There are inconsistencies between the form and the QAP as described in the question. The Authority will accept form S-2 completed under either scenario.

5. **Question:** Can you confirm we do not need a full tree survey of a site that is densely wooded?

Answer: When drawing the landscaping plans for a new construction development on a virgin wooded lot mark only the trees that are being protected and kept or sections of the wooded area that will remain as is.

6. **Question:** Regarding the Hard Costs listed in Section V, Subsection S, #16 on page 21 of the QAP, it does not appear that Contractor Fees (Contractor Profit, Overhead, and General Requirements) should be part of the Hard Costs total. Is this a correct assumption or should the Contractor Fees being included in the Hard Costs total for calculation of the 65% Hard Cost to TDC threshold?

Answer: None of the following are included in Hard Costs:

- Contractor Profit
- Contractor Overhead
- General Requirements

7. **Question:** In answer to Tax Credit Bulletin #8-Question #3 it was stated that "Ceiling fans are required in the living rooms and bedrooms for both new construction and rehabilitation." This does not appear to be consistent with the answer to Tax Credit Bulletin #2-Question #14 which stated that the mandatory design criteria (with the exception of sections A: Accessibility and V: Rehabilitation) only apply to rehabilitation projects if the rehab scope of work includes the items to which the criteria applies. Please confirm that a rehabilitation project with a scope of work that does not include replacement or addition of ceiling fans will not be required to add ceiling fans as part of the rehabilitation.

Answer: Ceiling fans are required in the living room and bedrooms for both new construction and rehabilitation.

8. **Question:** Is it acceptable for a non-profit partnership to submit a tax credit application under the 2020 QAP requirements where the non-profit co-managing member has at least 51% ownership interest in the Owner entity, but receives only 25% or more of the developer fee. This seems totally reasonable given experience, financial capacity, and responsible business practice.

Answer: SC Housing has no comment on how a development team splits the developer fee. That is a matter left to discussion with the development team and their respective counsel.

9. **Question:** Do developers need wet signatures on the S-2 (Market Analysis Summary)?

Answer: Wet signatures are not required for the S-2; photocopies or electronic signatures are acceptable.

10. **Question:** Can showers be substituted for the bathtub requirement?

Answer: No, bathroom requirements are found on page B-6 of the 2020 QAP.

5. Bathroom Requirements

- a. Full Bathroom: must contain a toilet, vanity with sink and a 32" x 60" one piece fiberglass tub/shower combination.
- b. Half Bathroom: must contain a toilet and a vanity with sink.
- c. ADA/ SECTION 504 UNITS: Type A, Any unit that is required to meet ADA/ Section 504 accessibility requirements shall have the accessible bedroom and bathroom with one roll-in shower located on the accessible floor.

11. **Question:** Will the HOME Environmental Manual dated 10/17/19 currently on the web be the final reference guide to use for awarded 2020 LIHTC developments or will there be an updated Manual posted?

Answer: Yes, the HOME Environmental Manual dated 10/17/2019 will be used for the final reference guide for the 2020 LIHTC development awards.

12. **Question:** Page B-8 states 6 washers and dryers. Is that 6 washers and 6 dryers?

Answers: Yes.