

**From:** [Charles Ramsey](#)  
**To:** [TaxCreditQuestions](#)  
**Subject:** [External] 2023 Draft QAP comments  
**Date:** Friday, August 26, 2022 4:03:25 PM

---

Thank you for the opportunity to comment on the 2023 Draft QAP.

My first comment is that most of the proposed changes made to the draft 2023 QAP are improvements to the prior year's plan including, most notably, the developer award limit (page 7), the added language regarding operating expenses that can be used in the PIS app (page 13), the limit of one new construction award per county (page 18), and the adjustments to the percentage of tax credits to each Set-Aside (page 21).

I support the required development experience changes to 4 SC LIHTC projects or 8 other state LIHTC projects (page 7), but request that SC Housing not strike the language in that section qualifying the experience of a participating entity with a lesser stake (25%). Experience, particularly as a threshold requirement for participation, should allow the opportunity for owners to collectively qualify a proposal and receive experience for future qualification.

While I support the addition of the criteria for ranking rehab proposals (page 29), I request that the mandatory minimum building age requirement for rehabs stated on page 12 be reduced to 15 years and a maximum age of 40 years be added. The 9% LIHTCs set aside for rehabs are best used to not only preserve affordable housing where it is cost effective to do so, but also to offer preservation as a first or best option. When the cost to preserve an affordable housing residence and maintain its affordability for another 15 years is 50-60% or less the cost of a newly-constructed LIHTC residence, as is the case with developments between the age of 15 and 40 years old, it represents a good investment/use of LIHTCs for the State of South Carolina.

When LIHTC developments are aging out of their initial 15-year compliance period, major systems (hvac, roofing, plumbing fixtures, etc.) are reaching their useful life and in need of replacement, and the permanent debt is maturing, the possibility of preservation through an LIHTC rehab needs to be a viable short-term option. Without that option in year 16, more tax credit property owners will seek the qualified contract process rather than waiting 5 years to go through a competitive 9% cycle or two for potential sale and rehab. Similarly, more owners with 20-year HAP contracts will chose to allow them to expire and convert to market-rate, where they would have otherwise been willing to allow an LIHTC developer the opportunity to submit the project as a 9% acq/rehab in an prior year. In both of these typical scenarios, a 15-year age requirement would be much more likely to preserve affordable housing and, in the case of the HAP property, that resource as well. Reducing the age requirement to 15 years will result in less affordable housing loss, especially in the next 2-3 years.

Those concerns mentioned above were of most importance to me. I ask that clarification be made for the affordable housing shortage points on page 26; 5 points if in a county that received no new construction award in the last 5 years and 3 points if no award in the last 3 years.

Thank you,



---

This email has been scanned for spam and viruses by Proofpoint Essentials. Click [here](#) to report this email as spam.