



### QAP Comments

Our most urgent comment is regarding the limit of 1 new construction award per county for many counties including Greenville County. That would mean that at most there could be only 1 single 9% LIHTC new construction award for Greenville County in the upcoming round.

Despite Greenville County having over half a million residents and being the most populous county in SC, we would receive fewer new construction awards than rural counties. Greenville County has 10x the population of half the counties in SC, see attached spreadsheet. The most populous counties should not be penalized or limited if anything the tax credits should be utilized in areas with the most people and the most need for housing. The LIHTC was designed to be allocated to the individual states on a population basis. Therefore, it follows that the state tax credit should reflect population and highly populated areas should receive more, not less, of the credit that is needed to build housing for folks.

At a minimum, the QAP needs to allow for more than 1 new construction award if one of those is under the “Nonprofit Set Aside” or “Innovation” Set-Aside.

Here are the specific areas of the QAP that need to be improved.

- Please clarify whether **market rate units** can be included in 9% developments using a traditional 40/60 election (not income averaging). (Section III.L.3 states that properties that use income averaging cannot also have market rate units). Market rate units are an excellent way to leverage additional resources. The inclusion of market rate units is also an excellent indication that a site is a desirable location for multifamily housing.
- Section III.J.2.e. – *“Applications will be disqualified if within 1 mile of a 2020, 2021, or 2022 development”*. Because this section appears in the main section of the QAP, it could affect multiple 4% and 9% developments that are already under various stages of development. There are areas near downtown or other desirable high growth areas that may have multiple sites of 9% and 4% affordable developments across several years of awards. We urge SC Housing to return to the language of previous QAPs which considered whether a property was stabilized. Or alternate criteria could be used such as whether the property had placed in service (certificates of occupancy) as of full application. Please move this section entirely within the Appendix C which only affects 9% applications, and please clarify the language to say: if within 1 mile of a **“9%”** awarded development. Also, please limit the 3 year3-year span of 2020, 2021, and 2022 to only 1 year or 2 years: an awarded development should not make an area off limits to more affordable housing for 3 full years. If this is an issue in small towns, SC Housing could create an exception for the top 5 most populous counties in SC that need the housing the most.

### Award Limitations:

- Appendix C1, I.B.2. **“Award Limitations”** – in the section that specifies ‘no more than 1 new construction award per county’, please allow exceptions for ‘no more than 2 per county in the top four largest SC counties by population’. (Covers Greenville, Richland, Charleston, Horry in that order). Some of these counties have double, triple, or quadruple the populations of other counties, and would thus need to allow for more than 1 award to be proportional and fair.
- Appendix C1, I.B.2. **“Award Limitations”** could also say “no more than 1 new construction award per county **per pool.**” This would allow an award under INNOVATION without competing directly with the GROUP A or GROUP B.

## Innovation

- Please clarify whether consideration for Innovation is mutually exclusive with consideration for the other Set Asides such as “High-Demand New Construction”, “General New Construction”, and “Rehabilitation”.
- Appendix C1. III.B.4. “**Innovation**” – please clarify that applications submitted for consideration in this pool will automatically roll into the other General pools for competition if not selected for funding within the Innovation pool.
- Appendix C1. III.B.4. “**Innovation**” please consider adding language to clarify that an award under the INNOVATION pool will not count against the limit 1 new construction award per county under Section I.B.2.

## Size Requirements

- Appendix C1. III. D. “**Size Requirements**” – please clarify that Group A Counties cannot exceed more than 90 **affordable** units, and Group B Counties cannot exceed more than 60 **affordable** units.

## Points:

### Appendix C1 - 9% Scoring (Rehabilitation):

- Criteria A – Preventing the conversion of units to market rate and/or the loss of government housing resources
  - 2<sup>nd</sup> Bullet Point - 10 points for developments with a federal project-based assistance contract on at least 90% of the units reflecting a remaining term of less than three (3) years
    - COMMENT: Recommend also awarding 10 points when Developer proposes to obtain a new HAP contract (as we would in a MUTM situation), regardless of time remaining on current HAP.
      - If “proposes to obtain” isn’t strong enough, perhaps “has submitted an application for a new HAP” will suffice.
- Criteria C – 1 point if the development is in an area covered by a Concerted Community Revitalization Plan.
  - COMMENT: I would argue this requirement unfairly penalizes rural towns/cities that are less likely to have such a specific plan versus their metropolitan counterparts. Recommend also allowing a letter of support from the mayor for 1 point.
- IV.D. “**Affordable Housing Shortage**”, please consider adding some points for the counties experiencing the most acute housing shortage, even if just 1 or 2 points. Counties such as Greenville, Charleston, Horry and York are growing at a rapid pace, adding many new jobs and population. The new QAP should include at least some point criteria to recognize the housing shortage in the counties. The previous QAP had up to 10 points for those counties, perhaps that was too many points, but some recognition of what is happening in those high population growth counties would indicate at least 1 or 2 points being appropriate to address the affordable housing shortage.
- **Public Transportation**: Consider adding a point for being on a bus route or within 0.2 mile of a bus route, this was part of the old SC QAP. It is also found in the NC QAP in the same section as driving distances. Residents who live in affordable housing are very likely to utilize public transportation and are living on tighter household budgets that would benefit the most from having public transportation nearby.

### Appendix C2 – Tax Exempt Bonds:

- Encourage the Agency to not accept new applications for TEBs until previous non-awarded 2021 applications have been processed and awarded under the new “program.” The “Ranking Criteria” presented in this section should not apply to the non-awarded 2021 deals.
- II. B. 5: Applications submitted in 2021 that did not receive an award should not be required to request a waiver if smaller than 70-units. A minimum of seventy units is limiting; we ask that this requirement be removed.
- II. B. 8: The 3<sup>rd</sup> proposed bullet should be deleted, OR a waiver should be allowed for non-awarded 2021 deals to claim at least the amount of Developer Fee that was included in the 2021 application.

- The current language would cost Baytree over \$600k in Developer Fee for example.
- Per the “Ranking Criteria,” *“Total state resources will include any amount of state ceiling, any applicable state tax credits, and any other state resources and incentives as are germane and applicable to the project.”*
  - Local City and County RE Tax Abatement should not be factored into this calculation. I don’t know if that’s the intent, but local tax abatement shouldn’t be penalized as a state resource.
- Per the “Ranking Criteria,” *“State law requires the ranking determination to be based on highest value and greatest public benefit.”*
  - Contend that preserving affordable housing provides great public benefit, yet it’s not a ranking item.

Appendix C3 – State LIHTC:

- Encourage Agency to process through non-awarded 2021 TEB deals and use the available \$12M for this purpose. Ranking criteria should not apply.
  - Allow Developers of non-awarded deals to request the same or fewer State LIHTCs compared to the original applications. A new pro-forma can be presented.
- Recommend giving favor to preservation deals as a public benefit.
- Per the “Ranking Criteria,” *“Total state resources will include any amount of state ceiling, any applicable state tax credits, and any other state resources and incentives as are germane and applicable to the project.”*
  - RE Tax Abatement should not be factored into this calculation. I don’t know if that’s the intent, but abatement shouldn’t be penalized.
  
- By ranking projects from lowest need to highest need, unrealistic building costs may be presented in a “race to the bottom”. We suggest focusing on how the resources make up the total development budget (percentage of total development cost or, as found on page 34, state resources per dollar of total project costs) rather than resources per bedroom, tenant, or square foot.
  - We also ask the rural adjustment to be reevaluated as 30% is significant.
  - We do not believe strong projects should be considered ineligible if there is an insufficient amount of STC remaining; but that the developer should be given the opportunity to fill the gap in other ways.

---

*The Greenville Affordable Housing Coalition is comprised of over 50 partners across Greenville County, from non-profit and private affordable housing developers to environmental and food justice organizations and neighborhood leadership and local government representation.*