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Comments to the 2023 Draft QAP:

1. Page 6: Geotech Report. This is an expensive report to add at Full Application for a developer when they are yet to confirm confirmation of award. Suggest requiring this within 30 days of award notification.

Comments to Appendix C-1:

1. Page 18. The proposed change only allows 1 award per county. There are multiple counties in the state with a far greater need for more than 1 project per year. While the goal of this reduction in limitation may encourage more awards across the state, this hurts the biggest population areas with the greatest needs for affordable housing. Please consider keeping this limitation to 2 new construction projects per county.
2. Page 21. The Rehab set aside was increased from 10-15% to 20-25%. There are already very few applicants in this set aside. There were only 9 applicants in 2022 (no awards yet), 7 in 2021 (4 awarded), 6 in 2020 (5 awarded). This category has the potential to award the vast majority of all applicants and if increased is possibly over funded with 100% of all applicants receiving funding regardless of scoring. Please consider keeping this category at the original limitations.
3. Page 23. Please consider tightening the distances for scoring on the services listed. Developers need to know their site is competitive in scoring prior to application submission and this matrix leaves the door open for all applications to tie in scoring.
4. Page 24. Please consider editing the definition of a Full-Service Grocery Store. It will be very difficult to confirm the sq footage of any grocery store. It is very possible when contacting the store management, they will not know how big the store would be. In addition, requiring a chain grocery store may eliminate markets in rural towns where the local store is family owned/operated or where an ethnic community may have a primary grocery store that services the community well and be ineligible for points.
5. Page 29. Supportive Housing. This section has been in the past few QAP's but has yet been established as possible, productive or sustaining. 20% AMI units can be lower than Social Security Payments in some counties in SC. We strongly request the AMI be increased from 20% to 30% to allow for better tenant selection, number of qualifying applicants, etc. Currently, at

20% AMI, it costs the developer MORE in estimated operating expenses than the income these units would produce. We further request a timeframe placed on this requirement during lease up (i.e. 90 days). It is possible this will hold up PIS applications if no qualifying applicants are located in the market area.

6. Page 29. Tie Break Criteria. The 3rd (and most possible applications will fall under) tie break lists it as the lowest share of total development cost funded by the Authority. This is our biggest and most concerning comment to the 2023 QAP. This is a race to the bottom. This has been proposed in years past with various QAP's and led to negative results. Why would the state encourage a lower quality and lesser product built that won't last long term, will require higher long-term maintenance contributing to the negative NIMBY syndrome? Communities should be built for the long term with strong, quality construction, solid materials and well-funded reserves. The cheapest product built should never be a long-term goal of either developer or Authority. Further, where is the penalty that discourages an applicant to create a false total development cost just to receive an award when they see who their competition may be prior to full application? This happens far too often where a developer lies on their application and/or has to turn credits back because they cannot build as promised? Meanwhile, the application with a sound development budget is passed over and does not receive funding. Developers who do their research PRIOR to full application to determine accurate construction costs should not be penalized by another developer trying to win an award on paper. This tie break also harms all high-cost areas including the low country and rural markets. We request this tie breaker to be removed and allow the market to dictate the full and accurate total development costs.

Appendix C3 – State Credits

1. Page 34. Public Hearing. Is this a requirement of the developer to hold a Public Hearing for State LIHTC credits with 10-day notice prior to full application or award of tax credits? Need clarification. NIMBYism is a real and difficult process to overcome in many communities and this item does not give an instruction on how this would need to be performed.

Appendix E

1. Recycling Credits. The draft mentions a penalty to a developer who recycles credits from the past 2 years. Please list which years (is this 2020 and 2021 or 2021 and 2022)? Also, in many circumstances, the delay to complete the project falls outside the developer's control (i.e. local government, staffing issues, COVID effects, etc.). Please consider editing this section to developer delays only documented by the Authority.

Thank you for your consideration,

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Overall Comment: the draft QAP favors rural projects in several different areas. In a current climate where construction costs are turbulent, higher in rural areas (we've seen a 30% markup vs urban), resources are limited, why is the State considering this heavy influence? In most rural areas of SC, rents are considerably lower, harder to staff and lease up. Please consider most of your state population is in larger urban areas where employment bases are greater, shopping/services more readily available for tenants and transportation costs are lower. It is counter productive to limit costs but drive developers to rural markets.