

South Carolina State Housing Finance and Development Authority
Low-Income Housing Tax Credit Program
20202021 Qualified Allocation Plan

I. INTRODUCTION

The [federal](#) Low-Income Housing Tax Credit (the “LIHTC”), [including the 4% LIHTC associated with tax-exempt bond financing](#), is governed by Section 42 of the Internal Revenue Code (the “Code”) and regulations found in Title 26 of the Code of Federal Regulations. [South Carolina Code of Laws Section 12-6-3795 governs the state housing tax credit \(“STC”\).](#)

The Authority, as the designated LIHTC agency for the state, is responsible for the adoption of a Qualified Allocation Plan (~~the “QAP” or “Plan”~~). The Authority may post bulletins or public notices ~~to the LIHTC-its~~ web page; applicants are responsible to check for updates.

II. ADMINISTRATION OF THE QUALIFIED ALLOCATION PLAN

The Authority will make interpretations, apply criteria to facts/representations, and resolve all conflicts, inconsistencies, or ambiguities, if any, in the QAP or that arise in administering the LIHTC Program. Unless otherwise stated, the Authority is entitled to the full discretion allowed by law in making all such decisions. In the event of a natural disaster, disruption in the financial markets, or reduction in subsidy resources available, the Authority may disregard any section of the QAP, including point scoring and evaluation criteria, that interferes with an appropriate response. Applicants should seek guidance from the Authority regarding any situation not explicitly addressed in the QAP.

The Authority will honor Freedom of Information Act (~~FOIAs~~) requests seeking any documents submitted with and/or related to LIHTC applications after reservation documents are executed and returned. The Authority will not notify the Applicant prior to complying with a ~~FOIA~~ request or prior to uploading the applications, or any portion thereof, to a webpage.

A. Fees

Payment of all fees must be in the form of a cashier’s check made payable to the South Carolina State Housing Finance and Development Authority. All fees are nonrefundable.

1. LIHTC Application Fees: [\\$1,500 for preliminary](#), [\\$54,500 for full](#), each due at time of application submission.
2. Market Study ~~Review~~-Fee: [\\$6,000](#) due at time of application submission.
3. Appraisal Fee: \$2500 due at time of application submission. Should the final cost of the appraisal exceed this amount, the Applicant shall pay the difference.
4. Missing Documents Fee: [\\$21,000](#) assessed for ~~applications determined by Authority to have the first~~ missing documents [and an additional \\$500 for each additional](#).
5. Reconsideration Fee: \$1,500 due at the time a request for reconsideration is submitted.
6. Reservation Fee: 10% of the LIHTC award amount due 14 calendar days after notification of the award.
7. Plan Review and Construction Inspections Fee: \$5,500 due 14 calendar days after notification of the award.
8. Compliance Monitoring Fees: \$50 per unit annually, [plus an additional \\$50 per unit annually for projects using the average income minimum set-aside](#). All compliance monitoring fees must be paid to the Authority within thirty (30) days of the date on which the first building is placed in service and on or before the first day of February of each succeeding year throughout the remainder of the fifteen (15) year compliance period and any extended use period. The Authority will assess a ten percent (10%) late fee of the total outstanding balance

for payments received after thirty (30) days from the date due. The minimum late fee will be \$50. The Authority may adjust the amount of the fee at any time. Such an adjustment shall not be treated as a QAP amendment.

9. Reprocessing of Form 8609 Fee: \$100 per Form 8609 for errors in the final cost certification by either the developer or [certified public accountant \(CPA\)](#) resulting in Authority staff re-underwriting a development.
10. Re-underwriting Fee: \$2,000 if the Authority has to re-underwrite an awarded development due to a change any time during the 30 year compliance period.
- ~~11. Extension Request Fee: \$1,000 for the first request and \$2,000 for additional requests for an extension to submit Quarterly Progress Reports and LIHTC Program Awarded Development Timelines.~~

B. Opinions, Certifications and Exhibits

All opinions, certifications and exhibits must be based on an independent investigation into the facts and circumstances surrounding the proposed development. All opinions, certifications, and exhibits must be in the form specified by the Authority. Applications will be disqualified if an opinion, certification, or exhibit has been materially altered, amended, or changed.

All opinions and certifications submitted by attorneys, architects and/or engineers, and [certified public accountants \(CPAs\)](#) must be on letterhead with original signatures.

C. Third Party Professionals

Architects, engineers and [certified public accountants \(CPAs\)](#) must be independent third-party professionals and be licensed to practice their professions in South Carolina. Attorneys may be licensed to practice law in any state, but matters of South Carolina law may be opined upon only by South Carolina licensed attorneys.

D. Deadlines

~~To be considered in the competitive round, a~~ All applications must be submitted by the required due dates as specified in the LIHTC Program Schedule. [The Authority will post the two-phase schedule to its website.](#)

- [1. Preliminary Application: The submission must document site control \(as specified below\) and members of the Development Team.](#)
- [2. Full Application: All other documentation requirements. Unless otherwise specified, all QAP and Appendix references to the application refer to this second stage.](#)

E. LIHTC Award Limitations

1. The Authority will not award more than two (2) applications to any member of a Development Team as defined herein. A member of a Development Team may not be associated with or submit more than four (4) applications.

A member of a Development Team may exceed the project award and submission limits above for one (1) application meeting the following criteria:

- a. Involves both a “Senior Developer” who has successfully placed at least three (3) South Carolina LIHTC projects in service within the prior five (5) years and “Junior Developer” that does not meet capacity and experience requirements.;
- b. The Junior Developer has a stake of at least 20.5% but no more than 49.9% in the general partner or managing member of the Owner entity.;

- c. The Junior Developer was incorporated or otherwise established prior to January 1, ~~2020~~2019, with staff employed and other resources deployed for the development of affordable housing prior to July 1, ~~2020~~2019. If the Junior Developer is a tax exempt entity, its bylaws must identify housing as a mission.;
- d. The Senior and Junior Developers do not have an identity of interest.;
- e. The application includes a material participation agreement identifying the project and how development responsibilities will be divided. Material participation means the regular, continuous and substantial involvement in the operation of the development throughout the compliance period, as defined by the Code.

For purposes of the maximums in this section, the Authority may determine that a person or entity not listed in an application is a member of the Development Team for the proposed project based on relationships between the parties in previously awarded projects and other common interests. Standard fee for service contract relationships (such as accountants or attorneys) will not be considered.

- 2. The Authority will not award more than the following number of new construction applications per county. ~~two (2) projects per county in each set aside.~~
 - Three: Anderson, Berkeley, Charleston, Greenville, Horry, Lexington, Richland, Spartanburg, York
 - Two: all counties not listed

If the selection criteria would result in exceeding these amounts across set-asides, the Authority will make awards in the order listed in Section IV(B).
- 3. The Authority will not award more than one (1) project targeting older persons per Group A county as defined in Section IV Application Grouping and Set-Asides. If the selection criteria would result in exceeding these amounts across set-asides, the Authority will make awards in the order listed in Section IV(B).

III. APPLICATION REVIEW AND RECONSIDERATION PROCESS

In computing the is periods of time in this Section III, the date of the notification is not included in the calculation of days. Any intervening Saturday, Sunday or a State holiday, likewise, is/are not included in the calculation of days.

A. Missing and/or Incomplete Documents

The Authority will notify Applicants in writing of any

- missing and/or incomplete documents, and/or
- submitted documents requiring clarification.

The applicant must respond by 5:00 p.m. (EST) on the third business day. ~~In computing this period of time, the date of the notification is not included in the calculation of days. Any intervening Saturday, Sunday or a State holiday, likewise, is/are not included in the calculation of days.~~

Applicants may only provide documentation that existed at the time of the application deadline.

The Authority will disqualify an application if:

- ~~1. the Applicant fails to adequately or timely respond to the notification; or~~
- ~~2. the application has four (4) or more missing and/or incomplete documents.~~

Documentation provided in response to Authority requests will not increase an application's point score.

B. Disqualification and Scoring Review

1. The Authority may provide Applicants with three (3) business days to respond to a request for clarification. The applicant must respond by 5:00 p.m. (EST) on the third business day. ~~In computing this period of time, the date of the notification is not included in the calculation of days. Any intervening Saturday, Sunday or a State holiday, likewise, is/are not included in the calculation of days.~~

Responses to clarifications cannot modify an application or provide documentation that was not submitted as part of the original application.

2. The Authority will notify Applicants in writing of proposed disqualifications and preliminary point scores. Applicants have three (3) days to respond to the potential disqualification and/or preliminary point score. The applicant must respond by 5:00 p.m. (EST) on the third business day. ~~In computing this period of time, the date of the notification is not included in the calculation of days. Any intervening Saturday, Sunday or a State holiday, likewise, is/are not included in the calculation of days.~~

The response must be limited to:

- a. ~~_____~~ the Applicants' opinions regarding the Authority's determinations;
- b. ~~_____~~ references to information submitted in the original application; and/or
- c. ~~_____~~ explanations of previously submitted documentation.

3. The Authority will post the disqualifications and point scores to its website.

C. Reconsideration Process

1. The process described in this section is the exclusive means by which an Applicant may request reconsideration of a disqualification and/or a point score. The Authority will not consider information submitted outside of these processes, whether in writing or otherwise. Applicants may request reconsideration only for applications in which they qualify as a member of the Development Team.
2. Applicants may request a reconsideration of a disqualification and/or a point score in writing via:
 - a. ~~_____~~ hand delivery or overnight courier; and
 - b. ~~_____~~ email to reconsiderations@schousing.comby 5:00 p.m. (EST) within three (3) business days of the date of the disqualification and/or point score determination. ~~In computing this period of time, the date of the notification is not included in the calculation of days. Any intervening Saturday, Sunday or a State holiday, likewise, is/are not included in the calculation of days. The request will not be processed without receipt of the fee within the specified time frame.~~
3. The request must specifically identify the grounds for the reconsideration request using only the application, any materials provided under the process described in Section III(B), documents then existing in the Authority's file, and documentation explaining previous

submissions. The burden of proof is on the Applicant to demonstrate any errors in the review and/or point scoring process.

4. The Authority's Legal Department will forward the reconsideration request, along with the Authority staff's response, to a Hearing/Review Officer to make a recommendation on the reconsideration request to the Review Committee. The Applicant and staff are copied on this correspondence. The Hearing/Review Officer may request additional information and/or conduct a meeting with the Applicant and Authority. Neither the Applicant nor Authority staff shall demand or request the Hearing/Review Officer to request additional information or conduct a meeting or conference regarding the reconsideration request. The Hearing/Review Officer does not represent any party.
5. In the event the Hearing/Review Officer recommends overturning the original decision, the Authority's Legal Department will provide the reconsideration request, staff's response, and the Hearing/Review Officer's recommendation to a Review Committee appointed by the Authority's Chairman of the Board of Commissioners. The Review Committee shall consist of at least three members, but may be more so long as the number of members of the Review Committee remains an odd number. The Review Committee shall not include any Development Division staff. The Review Committee may review any or all documents submitted to the Hearing/Review Officer, the Hearing/Review Officer's report and recommendation, documents from the application or the Authority's file, or may make independent inquiry into the matters concerning the reconsideration request.
6. The Authority retains final decision-making authority on any reconsideration request, and the Review Committee's determination is the final decision of the Authority.
7. No party may have ex parte communications with the Hearing/Review Officer regarding the reconsideration request or any related topic from the filing of the reconsideration request until the Authority renders its final determination. ~~The Authority considers ex parte communications to be any improper communication with the Hearing/Review Officer, which includes, but may~~ Ex parte communication includes, but is not be limited to,
 - unsolicited communication with the Hearing/Review Officer, or communications
 - failing to copy the Authority in response to a request by the Hearing/Review Officer ~~that fail to also copy the Authority.~~

Any violation may result in disqualification of the pending application and suspension from participation in future funding cycle(s) for all of the development team members, regardless of which team member initiated the prohibited contact.

D. Final Scoring Decision

Upon completion of the reconsideration process, the Authority will post final point scores to the Authority's website. If there is a tie between developments when final point scores are determined, the Authority will utilize the Tie Breaker Criteria outlined in this QAP to determine the development(s) to be awarded LIHTCs. Applications that do not score high enough to receive an award will be placed on a waiting list.

IV. APPLICATION GROUPINGS AND SET-ASIDES

- A. For purposes of this PlanQAP, counties fall into one of three groups ~~(as shown in Exhibit 12 of the South Carolina Housing Needs Assessment, Volume 1):~~

1. **Group A:** [Aiken](#), [Anderson](#), Beaufort, Berkeley, Charleston, Dorchester, Georgetown, Greenville, Horry, Jasper, [Lancaster](#), Lexington, Richland, [Spartanburg](#), and York
 2. **Group B:** Allendale, Barnwell, [Calhoun](#), Chester, [Chesterfield](#), [Clarendon](#), Colleton, [Darlington](#), Dillon, Edgefield, [Fairfield](#), [Greenwood](#), Hampton, [Lee](#), Marlboro, Marion, Orangeburg, Union, and [Williamsburg](#)
 3. **Group C:** Abbeville, ~~[Aiken](#)~~, ~~[Anderson](#)~~, Bamberg, ~~[Calhoun](#)~~, Cherokee, ~~[Chesterfield](#)~~, ~~[Clarendon](#)~~, ~~[Darlington](#)~~, ~~[Fairfield](#)~~, Florence, ~~[Greenwood](#)~~, Kershaw, ~~[Lancaster](#)~~, Laurens, ~~[Lee](#)~~, McCormick, Newberry, Oconee, Pickens, Saluda, [Spartanburg](#) and Sumter, ~~[Williamsburg](#)~~
- B. [The Authority will place Applications for 9% LIHTCs will be placed](#) in one of the ~~four (4)~~ set-asides below. [The percentages are of 9% LIHTCs available to the state in 2021.](#)
1. **High-demand new construction** (45-50% ~~of LIHTCs available~~)
New construction projects located in a Group A county.
 2. **High-demand rehabilitation** (10-15% ~~of LIHTCs available~~)
Rehabilitation projects located in a Group B county or developments [with USDA Rural Development operating assistance originally built using Rural Housing Service \(RDHS\) funds](#). The Authority will award \$600,000 of this set-aside to [RHSRD](#) projects (or the total among eligible applications if less).
 3. **General new construction** (10-15% ~~of LIHTCs available~~)
New construction projects located in a Group B or Group C county.
 4. **General rehabilitation** (5-10% ~~of LIHTCs available~~)
Rehabilitation projects located in a Group A or Group C county that were not originally built using [RHSRD](#) funds.

For purposes of this QAP, “Rehabilitation” shall mean a project where all of the units are in one or more currently existing residential building(s). Applications including any of the following will be considered “New Construction”:

- a. ~~adaptive re-use;~~
- b. ~~redevelopment of entirely vacant residential buildings; and/or~~
- e. ~~proposals to increase and/or substantially re-configure residential units.~~

The Authority will award LIHTCs starting with eligible applications earning the highest scores within each of the set-asides and continuing in descending score order through the last application that can be fully funded within the range of LIHTC available in each of the set-asides.

C. Applicants may request consideration under any of the following categories:

- ~~1. Projects Serving Persons with Disabilities or Targeted Populations~~
 - ~~a. Applications must include the following:~~
 - ~~i. A minimum of fifteen percent (15%) of units must be restricted to serving: persons experiencing homelessness, persons with disabilities, persons with substance abuse disorders, persons being released from incarceration, veterans, victims of domestic violence, or youth aging out of foster care.~~
 - ~~ii. An explanation of how the units will be affordable to the population identified above for the duration of the extended use period.~~

- d. Fees paid to third party development consultants, evidenced by the cost certification, must not exceed \$35,000. The consultant fee must be for legitimate and necessary consulting services.
- e. Only the nonprofit GP or MM has the authority to exercise substantial and ongoing continuous control over the application submission process and over the subsequently produced development. All functions and responsibilities normally performed or undertaken by a GP or MM must be performed by the nonprofit.

~~3.2.~~ Existing Properties with Project Based Rental Assistance or Existing LIHTC Properties
If the Authority determines that the competitive scoring process does not allocate enough ~~credits~~ LIHTCs to properties

- with project-based rental assistance,
- participating in the Rental Assistance Demonstration (RAD) program, or
- existing with LIHTCs properties demonstrating a substantial need for rehabilitation, the Authority may award additional applications.

~~For purposes of this section, an application proposing to convert public housing developments through the Rental Assistance Demonstration (RAD) program, are considered an existing property with project-based rental assistance.~~

~~ED.~~ The Authority may ~~carry forward LIHTCs not awarded above and/or~~ make awards to additional projects fitting the following descriptions, listed in the order of priority:

1. in geographic areas left underserved through the competitive selection process;
2. most closely integrated with a well-developed community revitalization plan;
3. that assist the state in meeting obligations to affirmatively further fair housing;
4. with the lowest overall total development cost per unit (excluding acquisition);
5. with the lowest share of total development cost funded by the Authority; and/or
6. in areas with the highest overall rates of shelter poverty (see Exhibit 14 of the South Carolina Housing Needs Assessment, Volume 1).

The Authority may withhold national pool or newly authorized LIHTCs from allocation.

V. THRESHOLD PARTICIPATION CRITERIA

A. Required Documentation:

Applications must include the following documentation:

1. Persons with Disabilities Market Study

~~A third party independent market study, prepared by an Authority approved market analyst, adhering to the Authority's Market Study Guideline Procedures in Appendix A.
A statement agreeing to abide by the following requirements.~~

The owner will not give a preference based on disability type (actual or perceived) or being a client of a particular service provider (absent approval from the Authority).

Neither the owner's partners/members nor the property management company may engage in medical, therapeutic, or other activities regulated by the U.S. Centers for Medicare & Medicaid Services with respect to the residents. The owner will:

- expressly include reasonable accommodation in the application for tenancy;

- not ask applicants/residents for medical or other protected information unless and only to the extent legally necessary (e.g., processing reasonable accommodations requests);
- use standard leases with the same rights available to, and responsibilities expected of, all households, including duration of tenancy (i.e., cannot be transitional); and
- ensure participation in any supportive services is entirely voluntary (not a formal or implied condition of occupancy).

2. **Affirmative Fair Housing Marketing Plan**

~~All properties are required to have a statement agreeing to adopt and implement an Affirmative Fair Housing Marketing Plan, which includes a description of outreach, marketing and advertising methods used to attract individuals on public housing waiting lists, prior to placing in service. Applicants for properties with project based Section 8, HUD Section 236 or USDA rental assistance contracts may submit the current approved Affirmative Fair Housing Marketing Plan. If the current plan is within six (6) months of expiration, also submit documentation demonstrating submission of an updated plan to HUD or USDA for renewal. All Applicants must submit an executed Fair Housing Certification Form M-53.~~

3. **Physical Needs Assessment Report (PNA) for Rehabilitation**

~~All rehabilitation projects must submit a~~ An “As Is,” pre-rehabilitation PNA prepared and certified by a third-party independent licensed engineer or architect in compliance with Appendix B. “Post-Rehab” PNAs and Property Condition Reports/Assessments do not qualify. The PNA must be dated not prior to six months before the application submission date. The PNA provider must inspect one hundred percent (100%) of the project units and provide information unit by unit. RHSRD projects may submit the USDA/RHSRD rehabilitation assessment. ~~The report must:~~

- ~~include a comprehensive scope of work for the proposed rehabilitation including line item costs;~~
- ~~address the overall structural integrity of each existing building(s);~~
- ~~estimate the remaining useful life of all major systems including plumbing, electrical, HVAC, and roofing; and~~
- ~~be consistent with the rehabilitation costs presented in Exhibit R.~~

~~The application must include a narrative to explain any construction costs included in the Construction Cost Addendum that are not specified in the PNA and Exhibit R.~~

4. **Rent Roll for Rehabilitation**

A current rent roll certified by the on-site property manager or a representative of the property management company for rehabilitation projects.

5. **Utility Allowance Schedule**

~~At initial application, the Authority will only accept One of~~ the following:

- RHSRD Schedule for those developments financed by and receiving rental assistance from RHSRD;
- The current allowance approved by HUD for those developments with 100% project based rental subsidies;
- The S.C. State Housing Finance and Development Authority’s statewide utility allowance calculation; or
- The Energy Star Statewide Utility Allowance for developments built to meet, at a minimum, the Version 3.0 Energy Star Certification (as per Exhibit G form), EarthCraft, LEED, or another Energy Star Certified Program.

See Exhibit U for an example of a completed utility allowance schedule.

6. Relocation Certification and Tenant Profile Form

A detailed, step by step plan describing how any displaced persons will be relocated, including the costs. The Development Team is responsible for all relocation expenses. Rehabilitation projects must submit a FORM 3, Developer Relocation Certification and Tenant Profile Form. Applicants applying for HOME funds must comply with the uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as revised in 49 CFR Part 24.

B. Site Control, Ground Leases, and Scattered Sites

1. ~~At the time of Application submission, the proposed Owner entity must have site control.~~ An application must include one of the following documents executed by ~~a Principal~~the proposed Owner entity:
 - a. a recorded deed;
 - b. a purchase option (not options on other options) with date certain performance;
 - c. a purchase contract with date certain performance;~~or~~
 - d. a land lease or option on a land lease either of which must not be for a term of less than fifty (50) years in term; or
 - ~~d.e. If the proposed Owner entity represents having site control via an assignment of a purchase contract or option, the application must include a copy of a legally valid assignment~~ of one of the above.

The Authority may require a quiet title action be completed prior to placing in service.

2. Projects intended to convert to homeownership after fifteen (15) years may not use land leases. With the exception of local government or public housing authority, related party land leases are not allowed without prior approval from the Authority. In all cases the land lessor ~~will be required to must~~ execute the Agreement as to Restrictive Covenant.
3. ~~The application must include a copy of the current recorded deed or other proof of ownership for the site. The Authority may require a quiet title action be completed prior to placing in service.~~ For all developments requesting HOME funds, the following language must be included in any purchase option, purchase contract, or long term lease or included as an executed addendum attached to one of these documents:

–“Notwithstanding any provision of this Agreement, if U.S. Department of Housing and Urban Development (HUD) funds are used, including, but not limited to HOME funds, the parties agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of an environmental review and receipt of a release of funds notice from the U.S. Department of HUD under 24 CFR Part 58. The parties further agree that the provision of any federal funds to the project is conditioned on the determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review. If no HUD funds are utilized in regard to this property, this provision shall be considered null and void.”

4. ~~Scattered site developments are not eligible for 9% LIHTCs. A scattered site is defined as a~~ development that is comprised of buildings located on noncontiguous parcels (scattered site) are ineligible for 9% LIHTCs.

C. Zoning

Applications must include proof of proper zoning being in place at the time of application submission, including approval of all necessary special/conditional uses. A letter provided from the City/County official should verify that the proposed development site currently meets the local zoning or land use restrictions.

D. Environmental and Wetlands

~~1. Required Assessment Report(s)~~

~~The application must include a Phase I Environmental Site Assessment (ESA) report identifying Historical, Controlled and Recognized Environmental Conditions (HRECs, CRECs, and RECs) that impact the suitability of the proposed site for LHHC development. The Phase I ESA must include the Environmental Professional's opinion on whether the proposed site requires further examination and the rationale used in making this determination. For proposals with existing buildings built before 1978, the report must also include the results from lead-based paint testing. For any HRECs identified, the Phase I ESA must demonstrate that previous efforts to mitigate the issue have been completed to the satisfaction of the applicable regulatory authority and/or that the site under consideration meets current criteria established by the regulatory authority and can be used without mandatory controls. For sites with identified CRECs, the Phase I ESA must indicate that the REC has been addressed to the standards and satisfaction of the overseeing regulatory authority and identify the remaining controls in place to mitigate the environmental condition(s).~~

~~If the Environmental Professional recommends further examination, the application must include a Phase II ESA. The Phase II ESA must provide a narrative of how the any REC(s) identified will be mitigated using methods recognized and supported by the applicable regulatory authority and the estimated costs of such mitigation.~~

~~The report(s) must be prepared by a third-party, independent, licensed environmental professional as defined in 40 CFR § 312.10(b) and addressed to the Authority. The Environmental Professional cannot be a member or affiliate of the Development Team. The report(s) must be prepared in accordance with the American Society for Testing and Materials Practice Standards E 1527-13, or as amended.~~

~~HOME funds will not be awarded to developments which require mitigation for conditions other than lead-based paint and/or asbestos which are found on, within, or adjacent to the proposed site.~~

~~2. Identification of Wetlands~~

~~The application must include a determination regarding the presence or absence of wetlands, including non-jurisdictional wetlands, in accordance with the 1989 Federal Manual for Identifying and Delineating Jurisdictional Wetlands. [National Wetland Inventory Maps must be included in the documentation; however, they will not be accepted as stand-alone documentation for the presence or absence of wetlands.](#) The Applicant must retain a wetland professional (i.e., biologist, soil scientist, etc.) to complete Exhibit W [certifying as to the presence or absence of wetlands and the acreage size of the wetlands.](#)~~

E. Applicant Qualification:

1. Applications must identify all members of the Development Team, which shall consist of the following:

- a. Proposed Owner and its Principals
- b. Developer and its Principals (and Junior Developer, if applicable)

For purposes of this section, Principals include any entity or individual that holds a majority ownership interest in the entity that has material control over the party identified. If the controlling entity includes a nonprofit entity, then Principals include all members making up such controlling entity.

All members of the Development Team must disclose all previous participation in the LIHTC program in any state. Development Team members that have participated in LIHTC program outside of South Carolina must complete an Authorization for Release of Information form for each state.

2. ~~All members of~~ No member of the Development Team ~~must~~ may be suspended or debarred under Appendix E, Section VIII. ~~in good standing with the Authority. Each member must submit Exhibit X. For purposes of this QAP, good standing means:~~

- a. ~~No prior instances of any of the following:~~
 - i. ~~Debarment from any federal or state program;~~
 - ii. ~~Submission of fraudulent information to the IRS or any federal or state affordable housing program;~~
 - iii. ~~Failure to meet a requirement resulting in full recapture of LIHTCs;~~
 - iv. ~~Failure to comply with laws governing fair housing and accessibility for persons with disabilities resulting in a U.S. Department of Justice finding;~~
 - v. ~~Default on a loan resulting in foreclosure or deed in lieu of foreclosure that leads to premature termination of a mandatory affordability period*;~~
 - vi. ~~Abandonment or forfeiture of an affordable housing property*;~~
 - vii. ~~Failure to comply with restrictive covenants*;~~
 - viii. ~~Removal or withdrawal as General Partner or Managing General Partner of a LIHTC property*;~~ and/or
 - ix. ~~Return of LIHTCs to an allocating agency*.~~

~~*Items denoted with an asterisk are events for which the applicant may request a waiver no later than January 31, 2020.~~

- b. ~~No prior instances of any of the following in the previous ten (10) years without being granted a waiver from the Authority which must be requested no later than January 31, 2020:~~
 - i. ~~8823s and/or health and safety issues not cured within the established period;~~
 - ii. ~~Default or arrearage of at least three months in an affordable housing mortgage or loan;~~
 - iii. ~~Outstanding flags in HUD's 2530 National Participation system;~~
 - iv. ~~Deferred maintenance, mold, building code violations or other evidence of poor maintenance at properties monitored by the Authority;~~
 - v. ~~Failure to pay Compliance Monitoring Fees;~~
 - vi. ~~Failure to submit rent rolls, annual owner certifications, or other required reporting;~~
 - vii. ~~Failure to report to the Authority any common areas, buildings or dwelling units that has been out of service for a period exceeding 30 days due to damage or disrepair; and/or~~
 - viii. ~~Failure to notify the Authority of a change in property ownership or management.~~

3. The Development Team has an obligation at application submission and an ongoing obligation (even including after award) to disclose any and all identities of interest on Exhibit P. An identity of interest means any relationship between any member of the Development Team and

- a. —the seller of the development site/property;
- b. —the general contractor or its subcontractors;
- c. —the lender; or
- d. —the syndicator.

The Authority may restrict the use of the related party and/or audit all expenditures one level below the related party.

F. Required Development Experience

In order to participate in the LIHTC program, the proposed owner's general partner(s) or managing member(s) must have experience within the last ten (10) years in

- a. two (2) LIHTC projects in South Carolina; or
- b. four (4) LIHTC projects in other states.

Each project must have received its 8609s, placed in service, and reached stabilized occupancy. The general partner or managing member must have held a controlling stake from initial application through certificate of occupancy or a minority stake of at least 25% as a Junior Developer, as reflected on Exhibit K and related documentation.

The Authority may use other criteria as necessary to evaluate whether the Development Team has sufficient experience and capacity to successfully develop the project.

G. Required Management Experience

1. The Application must identify the proposed management entity for the development and the application must include the entity's management plan. The proposed management entity must have at least three (3) LIHTC developments in their current portfolio that it has successfully and continuously managed for the past three (3) years as reflected on Exhibit Y and related documentation. Successfully managing means strict adherence to a detailed written management plan that addresses all of the following:
 - a. separation of duties and adequate supervision of employees;
 - b. senior management oversight and review through internal audits;
 - c. staffing dedicated to compliance reviews of tenant eligibility and programmatic documentation;
 - d. approval process for evictions by consensus of senior or regional managers;
 - e. physical inspection policies (frequency, generation of work orders, lease violations for housekeeping or other noncompliant resident behaviors);
 - f. recordkeeping (tenant certifications, annual owner certifications, HOME Rent Approvals, if applicable, etc.);
 - g. security of records containing personally identifiable and other protected information
 - h. marketing plan and marketing efforts;
 - i. reasonable accommodation plans and policies; and/or
 - j. procedures for addressing tenant complaints.
2. The Authority may notify a management company of being ineligible to be part of an awarded application. The reasons for ineligibility include low average occupancy rates, delays in returning vacant units to market ready condition, or other poor performance. If listed in a submitted or awarded application, the Applicant must find an eligible replacement.

~~Additionally, the management company's portfolio must meet the following requirements during the six (6) months prior to application:~~

- ~~a. an average occupancy rate \geq 90% across the portfolio for all projects that have reached stabilization;~~
- ~~b. an average monthly collection of 90% of resident receivables (rents paid) across the portfolio for all projects;~~
- ~~c. all vacant units returned to a market ready condition within 30 days, unless vacancy is due to casualty loss or ongoing rehabilitation~~

~~For purposes of determining compliance with the above requirements, the applicant may request and provide justification to exclude a troubled property from the management company's portfolio no later than January 31, 2020.~~

3. The lead contact person for the management entity must be certified as a LIHTC compliance specialist by an eligible organization, including: the National Association of Home Builders, Nan McKay, the National Affordable Housing Management Association, TheoPro Compliance & Consulting, Quadel Consulting, Spectrum Seminars, the National Center for Housing Management, Compliance Solutions (Zeffert & Co), Elizabeth Moreland Consulting, Novogradac & Company, Liz Bramlet Consulting, A.J. Johnson Consulting; and, Specialists in Housing Credit Management (SHCM), or any entity offering a functionally equivalent LIHTC certification.

H. Required Capacity:

~~The Development Team must demonstrate its financial capacity to complete the project, pay all costs associated with the development, and operate the property successfully throughout the compliance period and extended use period by one of the following:~~

- ~~1. If any member or combination of members of the Development Team can demonstrate combined minimum net worth of \$5 million dollars and minimum unrestricted liquid assets of \$500,000 dollars, the Development Team will be deemed to have the required financial capacity. The minimum requirements must be demonstrated through reviewed financial statements, prepared by an independent certified public accountant (CPA) in accordance with U.S. GAAP and with a balance sheet dated on or after December 31, 2018.~~
- ~~2. If the minimum requirements listed above cannot be satisfied, the application must include and the Authority will evaluate (a) the reviewed financial statements and (b) credit report dated within 30 days of the application submittal for each Development Team member in order to assess their financial condition based on: loans in default, quick ratio less than 1.0, credit concentration, contingent liabilities, and other factors relevant to successful development or operation. The Authority may request additional information as needed relating to a member's financial condition. The reviewed financial statements must be prepared by an independent certified public accountant (CPA) in accordance with U.S. GAAP and with a balance sheet dated on or after December 31, 2018.~~

The Authority will assess the financial capacity of the individuals and/or entities proposed as managing members or general partners based on their financial statements. The Authority will accept only financial statements audited, reviewed, or compiled by an independent CPA on or after December 31, 2019. Statements prepared on the income tax basis or cash basis must disclose that basis in the report.

The Authority ~~will also consider the~~ may disqualify a Development Team's history when ~~determining whether the Development Team has~~ due to in sufficient overall capacity to undertake additional commitments. ~~This includ~~inges; but ~~is not limited to:~~ commencing construction timely,

meeting the 10% expenditure test without an extension, placing in service without an extension or exchange, having no projects with recaptured LIHTCs, and meeting other statutory completion deadlines.

I. Previous Year's Development Completion Status:

~~If any member of the Development Team was awarded in South Carolina's immediately preceding LIHTC cycle, the land for such development must have been purchased and the construction loan must have closed in order to be eligible to receive an award in 2020.~~ Each member of ~~the a~~ Development Team awarded in the preceding funding cycle must submit an executed Exhibit B and evidence of the construction loan closing and the recorded warranty or fee simple deed for such award(s) not later than June 3, ~~2020~~2021.

J. City/County/Legislative Notification:

The proposed Owner applicant must send a letter via certified mail or by a commercial delivery service which meets the requirements to be considered a designated delivery service in accordance with 26 U.S.C. § 7502(f)(2), not later than the application deadline~~February 28, 2020~~, to:

- ~~• the highest elected official of the locality (i.e. Mayor or County Administrator), and~~
- ~~• the State Representative and State Senator of the district in which the development is to be located, and. A copy of the letter sent to the highest elected official of the locality must also be provided via certified mail or by a commercial delivery service which meets the requirements to be considered a designated delivery service in accordance with 26 U.S.C. § 7502(f)(2) to~~
- each City/County Council member.

The notification letter must include the following:

1. The proposed Owner's name, phone number, and mailing address.
2. Development information
 - a. • rehabilitation, new construction, adaptive reuse;
 - b. • number of units;
 - c. • acreage of proposed site;
 - d. • targeting- family, elderly, etc.; and
 - e. • address of proposed site.
3. The property is applying for LIHTCs and STCs.
- ~~3~~4. A statement offering to meet and discuss the proposed development.

K. Mandatory Site Requirements

~~4. —The Authority may reject a site based on information submitted in the application, the site review findings, or other information that the Authority determines renders the site undesirable for a LIHTC project.~~

1. At a minimum, the sites must comply with the following:
 - ~~a. —Compatible with the existing land use pattern within one quarter (1/4) mile;~~
 - ~~b.a.~~ The surrounding area is residential or a mix of commercial uses appropriate to the targeted tenants; and
 - ~~e.b.~~ Water and Sewer utility tie-ins are accessible and within 500 feet of the parcel line as verified by a letter from the City/County official or utility provider.
2. The following detrimental characteristics will result in an application being disqualified:

- a. Proposing to subdivide an existing development into two (2) or more developments;
 - b. Proposing more than one new construction phase of the same project in the same funding cycle regardless of the tenant targeting. This includes, but is not limited to, subdividing a single parcel in the same funding cycle or proposals from the same or related members of the Development Team located adjacent to, in proximity to, or directly across the street from another proposed site;
 - c. ~~Sites where the Authority determines the slope/terrain is not acceptable for affordable housing development. Applications for new construction developments located within one (1) mile of a development funded in a previous LIHTC cycle that has not placed in service and achieved 90% physical occupancy as of the application deadline. The distance will be the shortest straight line between the boundary lines of the sites.~~
 - d. Any site listed on or adjacent to a site listed on the National Priority List under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) or that requires the execution of voluntary or involuntary cleanup agreements with Department of Health and Environmental Control or other third party organizations as noted in a Phase II environmental assessment report (unless fully completed), commonly known as Superfund;
 - ~~d.e. If improvements would be located within 50 feet of either~~
 - a FEMA-designated 100 or 500-year flood zone, or
 - a wetland as defined under the Clean Water Act.
3. The Authority may disqualify new construction applications based on the following. Distances indicated are the shortest straight line between the boundary or property lines.
- a. Sites within one (1) mile of a development funded in a previous LIHTC cycle that has not placed in service and achieved 90% physical occupancy as of the application deadline.
 - b. Sites where a nearby active railroad causes excessive noise and vibration. The application should include a map showing the distance to any railroad tracks within 1,000 feet. Applications requesting HOME funds must submit a noise study meeting the applicable HUD requirements. All projects with HOME funds also will need to comply with the applicable HUD requirements for noise mitigation.~~A nearby airport, major roadway or active railroad causes excessive noise and vibration. Applications must include a map showing the distance from the site boundaries to major roadways that carry over 125,000 vehicles per day, railroad tracks, and commercial airports servicing jets that exceed any of the following thresholds~~
 - ~~i. Air Carrier operations—9,000+ annually~~
 - ~~ii. Air taxi operations—18,000+ annually~~
 - ~~iii. Military operations—18,000+ annually~~
 - ~~iv. General aviation operations—72,000+ annually~~

~~For railroads, applications must include documentation that a railroad or spur is inactive (the latter if applicable). If the site is within one thousand (1,000) feet of a major roadway, fifteen (15) miles of an airport servicing jets, or three thousand (3,000) feet of an active, in-use railroad(s) or spur, the application must include a noise study from a qualified third party independent professional that addresses the frequency, noise levels, and shock vibrations levels. The study must be dated within one year (1) of the application deadline date and must adhere to applicable HUD criteria. Sites where exterior noise exceeds seventy five (75) dBA are ineligible. Sites where exterior noise is between sixty five (65) dBA and seventy five (75) dBA are eligible only if the application includes a noise mitigation plan specifically stating what measures will reduce the noise levels down to less than sixty five (65) dBA.~~
 - c. Sites within 2,500 feet of a civil airport or 15,000 feet of a military airfield if the site is located within the Runway Clearzone or Protection Zone (civilian and military airports) or Accident Potential Zone (military airports);

d. Sites where a portion of any building would be located within the fall distance (based on tower height) of any

- pole, tower or support structure of a high voltage transmission power line (carries a nominal voltage level greater than 60KV),
- communications transmission tower,
- microwave relay dish or tower, or commercial satellite dish, or
- water tower, fire tower, billboard, or other elevated structure that could cause damage. The Authority will use tower height as the fall distance. A high voltage electric transmission line is a power line that carries a nominal voltage level greater than 60KV (sixty kilovolts).

All fall distances must be shown on the development site plan submitted with the application.;

~~e. Sites where the Authority determines the slope/terrain is not acceptable for affordable housing development.;~~

e. Sites within one-quarter (1/4) mile of the following:

- an operating commercial beef/hog/chicken/turkey farm or processing plant;
- a treatment, storage, or disposal facility for hazardous wastes, an active or inactive solid waste disposal facility and/or solid waste transfer facility; or
- a sewage treatment plant;

f. Sites within 500 feet of the following:

- commercial junkyard or salvage yard; trash heap, dump pile, or other eyesore;
- above ground commercial bulk storage (any one tank over 1,500 gallons or multiple tanks exceeding 1,500 gallons total) or distribution facilities for propane/butane gas, hazardous chemical or petroleum/gasoline;
- adult video/entertainment clubs and stores; or
- operating industrial facility, including but not limited to steel manufacturers, oil refineries, ports, chemical plants, plastic manufacturers, automotive and engine parts manufacturers, food processing plants.

~~f. Sites located in a in a FEMA designated flood zone. This provision is not applicable in the following counties so long as the site is no less than 80% buildable: Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Horry and Jasper. Percentage of buildability may require confirmation by a qualified independent third party consultant. If the Authority determines confirmation is needed, costs of such consultant will be the responsibility of the Applicant; and/or Sites containing wetlands where the site is less than 80% buildable. If the Authority determines confirmation is needed, costs of such consultant will be the responsibility of the Applicant.~~

L. Market Requirements

Proposed developments must be economically viable ~~proposals as~~ justified by the market study findings. ~~The application must include a market study completed by an analyst on the Authority's approved analyst list~~ and meet the following requirements:

1. **Capture Rate:** All developments must have a capture rate at or below 30%.

~~2. **Market Advantage:** All developments must have an overall minimum market advantage of 10% relative to HUD Fair Market Rents (FMRs) from application submission through the end of initial compliance.~~

~~3.2.~~ **Absorption/Lease-Up Periods:** Developments must have absorption/lease-up periods of 12 months or less.

~~4.3.~~ **Same Market Area:** Applications may not be for the same tenant populations within the same defined market area of existing Authority funded developments (including but not limited to LIHTCs, tax exempt bonds, small rental development) that have vacancy rates greater than ten percent (10%) during the second and fourth quarter of the previous year's operations. The Authority may make exceptions if the reason is not a market issue.

The study must meet the requirements of Appendix A.

M. Targeting, ~~Requirements and~~ Public Housing Agency Waiting Lists, and Average Income

1. The Application must state whether the development will target families or older persons as described below.
 - a. **Family Development:** ~~One hundred percent (100%) of the development is designed for individuals or families with children.~~ For new construction developments, at least
 - twenty-five percent (25%) of the low-income units must contain three (3) or more bedrooms and
 - ten percent (10%) must be one (1) bedroom, studio, or single room occupancy.
 - b. **Older Person Development:** ~~At least eighty percent (80%) of the units are designed, equipped and occupied by person(s) fifty five years of age or older.~~ All new construction developments are limited to studios, one (1) bedroom or two (2) bedroom units and must be accessible by elevator for all floors above ground level. ~~Acquisition with rehabilitation developments more than one (1) story must provide evidence that existing elevators have received regular maintenance and are in good working condition as of the application deadline.~~
2. All developments must serve individuals on waiting lists for Public Housing agency waitlists. ~~The proposed Owner must send a letter to the PHA via certified mail or by a commercial delivery service which meets the requirements to be considered a designated delivery service in accordance with 26 U.S.C. § 7502(f)(2), confirming it intends to serve individuals on the PHA waiting lists.~~
3. Applications awarded in 2021 may utilize the average income minimum set-aside. Projects may not
 - contain market-rate units,
 - propose average designations exceeding 60% of area median income (AMI) for any bedroom type (pro-rata distribution), or
 - change a unit designation without Authority approval.The Authority may waive the foregoing, if necessary, for a rehabilitation application to better fit the household incomes of in-place tenants.

For projects with more than one building, owners must select that each building is part of a multiple building set-aside on the IRS Form(s) 8609.

N. Size Requirements

New construction developments in any county may not consist of fewer than ~~40~~²⁴ affordable units and new construction developments may not consist of more than the following based on its county grouping:

Group A Counties: **90** units
Group B Counties: **48** units
Group C Counties: **60** units

O. Maximum LIHTCs Per Unit

The Authority will post maximums for the 9% LIHTC along with the syndication survey results~~award no more than \$15,500 LIHTCs per unit for all set asides and development types.~~

P. Mandatory Design Criteria

Projects must comply with the applicable minimum design requirements, including for application submission, in Appendix B.

Q. Minimum Rehabilitation Hard Costs and Permanent Displacement

1. The Physical Needs Assessment (PNA) for rehabilitation projects must show a minimum of \$~~240,000~~^{240,000} per unit in hard construction costs, excluding major systems that have been replaced within the past seven (7) years. At least \$~~120,000~~^{120,000} must be attributed to the interior of the units.
2. Buildings in senior projects with units entirely on floors above the ground level must install elevators. The application must support the costs reflected in the application.
3. No more than ten percent (10%) of the existing tenants may be permanently displaced. Projects involving permanent displacement are ineligible for HOME funds.

R. STC and Authority-administered HOME fFunding

1. Applications for LIHTCs also are requesting STCs.
 - a. The Authority will determine why an award of STC either is necessary or will benefit the tenants (including, but not limited to, reduced rent).
 - b. Projects must have restricted rents that do not exceed 30% of income for at least:
 - 40% of units occupied by households with incomes of 60% or less of AMI, or
 - 20% of units occupied by households with incomes of 50% or less of AMI.
 - c. The Authority will take into consideration local support for the application.
2. The requirements to apply for HOME funds are in Appendix D.~~New construction applications for developments that do not have a contract to receive HUD project based rental assistance for 50% or more of the units must apply for HOME funds when applying for LIHTCs. At least twenty percent (20%) of the total units will be rent and income restricted, based on the fifty percent (50%) Area Median Income. Only new construction projects may apply for HOME funds. When applying for HOME funds, the application must request a state HOME award in the amount of \$500,000. The terms of HOME award and the rules and requirements for projects applying for HOME funds are found in Appendix D.~~

S. Financial Underwriting

1. Development Costs~~Changes and Documentation~~

- a. The Authority will

- determine which new construction projects show development budget amounts outside the standard deviation, and
- require all such applicants to provide explanations.

Inability to explain the costs may result in disqualification of the application.

- b. The Authority will evaluate development costs and may adjust costs for reasonableness, necessity, and eligibility or disqualify applications not reflecting an efficient use of LIHTCs. The Authority will evaluate development costs for reasonableness, necessity, and eligibility. The Authority may adjust any unidentified, unusual or excessive fees and may amend costs it determines are unreasonable. Further, the Authority may disqualify applications not reflecting an efficient use of LIHTCs.

The application must indicate all federal, state, or local subsidies. The Authority may share information provided by Applicants with other government agency funding partners.

The Authority may request additional documents or explanations for its financial analysis.

2. **Basis Boost**

The Authority has determined that all areas of the state are eligible for a boost in eligible basis of up to 130%. following are eligible to receive a basis boost of 130%:

- Developments located in a federally designated QCT or DDA;
- Acquisition with rehabilitation developments; and/or
- Rehabilitation developments.

3. **Reserve Requirements**

a. **Operating Reserves**

Developments with loans from RHSRD may satisfy the operating reserve requirement by establishing and maintaining the RHSRD-required operating and maintenance capital reserve account. Developments not subject to the RHSRD reserve requirements must establish and maintain minimum operating reserves equal to six (6) four (4) months of:

- i. projected operating expenses; and
- ii. the Authority's required replacement reserves; and
- iii. must-pay debt service.

Any additional reserves must be required by the syndicator and verified in writing and may not exceed a total of six (6) months for any of the components listed above. The reserve must be funded at the time the development places in service and prior to issuance of 8609s and must be maintained throughout the compliance period. Reserves must remain with the property at the time of the investor exit.

b. **Replacement Reserves**

Developments must establish and maintain minimum replacement reserves throughout the compliance period of \$300 per unit annually. Any additional reserves must be required by the syndicator and verified in writing and may not exceed \$450 per unit annually or the RHSRD-required minimum. The reserves must be reflected in the development's annual audited financial statements.

The Authority must grant prior approval to any use of Replacement Reserves. Approvals will be completed within ten (10) business days of receipt. If Authority approval is not

~~received within the specified timeframe, the Replacement Reserve request is automatically granted.~~

Replacement reserves must be funded with annual deposits from operational cash flow (not pre-funded), ~~as shown on the Authority's development pro forma expense statement,~~ during the initial twenty (20) years.

4. **Maximum Developer Fees, Developer Overhead, and Consultant Fees** (the "Fees")

The sum of Fees may not exceed the following:

- a. **New Construction** – the lesser of fifteen percent (15%) of Total Development Costs less Land, Consulting Fees, Developer Fees, Developer Overhead, Other Developer Costs and Reserves, or:
 - \$15,000 per unit up to 48 units
 - \$14,000 per unit for units 49-60
 - \$13,000 per unit for units 61-90
- b. **Rehabilitation** – the lesser of twenty-five percent (25%) of the line-item for hard construction costs or \$650,000.
- c. The maximum amount of Fees is capped at award and may not increase thereafter.
- d. ~~If a Junior Developer is eligible for Community Housing Development Organization (CHDO) status, the Authority may allow a developer fee supplement of up to \$100,000 to be split between the Senior Developer and Junior Developer in accordance with the division of ownership.~~

5. **Deferred Developer Fee**

- a. Developer fees can be deferred to cover a gap in funding sources when:
 - a. • _____ The entire amount will be paid pursuant to the standards required by the Code to stay in basis;
 - b. • _____ The deferred portion does not exceed twenty-five percent (25%) of the total at application submission;
 - c. • _____ Payment projections do not jeopardize operations; and
 - d. • _____ The application includes a statement describing the terms of the deferred repayment obligation, any interest rate charged, and the source of repayment.
- b. Nonprofit organizations must include a resolution from their Board of Directors authorizing a deferred payment obligation from the development.
- c. The ~~submitted cost certification must include~~ Authority will require a Note evidencing the principal amount and terms of repayment of any deferred repayment obligation ~~to be submitted with the cost certification.~~

6. **Contractor Cost Limits and Cost Certification**

The combined total of Contractor Profit, Overhead, and General Requirements (the "Contractor Fees") shall be limited to fourteen percent (14%) of Hard Construction Costs, of which 6% is contractor profit, 2% is overhead and 6% is general requirements. For new construction developments, the contractor contingency may not exceed five percent (5%) of hard construction costs. For rehabilitation and adaptive reuse developments, the contractor contingency may not exceed ten percent (10%) of hard construction costs.

At placed in service, all awarded Development Teams ~~will be required to must~~ submit a Contractor Cost Certification as to the actual costs incurred in construction of the project. A ~~CPA Certified Public Accountant~~ must perform an audit and issue an opinion letter in accordance with Generally Accepted Accounting Principles and Generally Accepted Auditing Standards and execute the CPA Certification Form. The Cost Certification will include an audit opinion letter from a CPA certifying the contractor's actual costs. The Authority will use industry standards to determine the total actual allowable cost for construction and may reduce the LIHTC allocation.

7. Annual Operating Expenses

All applications must submit projected annual operating expenses ~~in whole dollars; any cents will be rounded by standard convention;~~ between \$4,200 and ~~\$4,700~~ \$5,200 per unit per year, excluding reserves, and ~~including the~~ annual compliance monitoring fees ~~of \$50 per unit.~~

8. Appraisals

The Authority will engage one or more appraisers to perform an appraisal meeting the following requirements for each application. Appraisals ~~will be prepared in must~~ conformance ~~with to~~ the Uniform Standards of Professional Appraisal Practice, ~~(USPAP) published by the Appraisal Foundation and with title XI of the Federal Finance Reform, Recovery and Enforcement Act of 1989 (FIRREA).~~

- a. For new construction developments, land ~~will be valued using acreage as a measurement and without regard to any contemplated improvements/restrictions.~~ The value will be based on either
 - similar land sales in the sub-market, or
 - the value of the "land only" portion of improved sales in the sub-market with common zoning characteristics, ~~without regard to any contemplated improvements/restrictions.~~ Such sales ~~will may~~ not be exclusive to previous LIHTC developments.
- b. For acquisition/rehabilitation developments, land value and "as is" building(s) value will be reported separately. As-Is Building Value will be provided both ~~(1)~~
 - as if market rents are in place, not considering the unique aspects of below-market financing, federal subsidies and/or LIHTCs in this value estimate, and ~~(2)~~
 - based on current restricted rents (not post rehab) taking into consideration the unique aspects of below-market financing, federal subsidies and/or LIHTCs in this value estimate.
- c. For ~~R~~D ~~Development~~ funded developments only, the values for "As-Is, Restricted Rents" and "Interest Credit Subsidy" will be added together to arrive at the appraised value. If a property's acquisition price exceeds the appraised value using this method, the Authority will write down the purchase price to the appraised value. If the purchase price includes acquired reserves (cash), the reserves should be deducted from the purchase price before the comparison to appraised value.
- d. The appraisal will disclose and quantify the valuation loss attributable to detrimental characteristic(s) in close proximity to the development being appraised.

If the appraisal does not substantiate the purchase price submitted in application, the Authority may decrease the amount proposed in the application to match the appraised value.

Developments not meeting minimum underwriting requirements or found to be financially infeasible as a result of this reduction will be disqualified.

9. Debt Coverage Ratio

The development's first year DCR must be within the range of 1.15 to 1.45 ~~(without rounding)~~. A proposed development may exceed the ~~1.45~~ maximum DCR for financial feasibility purposes, but the Authority will use the maximum when calculating the credit LIHTCs to be allocated, the Authority will limit the DCR to 1.45. The development must pro-forma must demonstrate maintaining not less than a 1.10 DCR throughout the first 20 years of operations.

The Authority will waive the 1.45 restriction if the initial projected annual Cash Flow/Unit ~~(CFU)~~ does not exceed nine hundred dollars (\$900).

10. Expense Coverage Ratio

For developments without repayable debt, the initial Expense Coverage Ratio must be a minimum of 1.10 and the initial projected annual cash flow per unit may not exceed \$900.

11. Funding Sources

Applications with "soft loans" (e.g., AHP, Deferred Developer Fees, etc.) must adequately explain the repayment terms. Income generated by a property during the construction or rent up period may not be used as a funding source.

If the development is eligible for historic tax credits, the application must include a detailed narrative description of the calculation of eligible basis for the historic credit.

12. Permanent Financing

- a. Applications must include a letter of intent for all permanent financing sources. The Authority will underwrite debt from a bank or other private sector lender at the amount determined based on a survey of lenders lesser of five and a half percent (5.5%) or the rate provided in the lender letter. The letter must clearly state:
 - i. the term;
 - ii. the amortization period;
 - iii. how the interest rate will be indexed;
 - iv. the current rate at the time of the letter;
 - v. the anticipated principal amount of the loan; and
 - vi. the lien position.
- b. All permanent loans must have a term of at least fifteen (15) years. No balloon payment may be due prior to fifteen (15) years after conversion to permanent. All permanent loans must amortize so that debt service is paid in equal installments over a period between thirty (30) and ~~forty~~ thirty-five (4035) years (fifty (50) years for RDHS properties).
- c. All cash flow loans and related party loans will be considered additional deferred developer fee and included for purposes of the 25% deferral limit.

13. Annual Rent, Expense Trends and Vacancy Rates

The Authority will increase rents two percent (2%) annually and operating expenses three percent (3%) annually. The vacancy rate will be the greater of seven percent (7%) or as represented in the market study.

14. Other Income

Application must clearly specify any projected income from services or charges other than monthly rental of units. Other Income projections may not exceed three percent (3%) of the total potential annual rent.

15. Brokering / Reselling of Services to Tenants

Applications may not include revenue and expenses resulting from acting as a broker or reseller of services to tenants.

16. Minimum Hard Cost Requirement

Applications must reflect a minimum hard cost ratio of not less than sixty-five percent (65%) of total development costs.

Hard Costs are the following line items on the development cost budget in the Application:

- Land
- Existing Structure
- Demolition
- Other (Land & Buildings)
- On Site Improvement
- Off Site Improvement
- Other (Site Work)
- New Building
- Rehabilitation
- Accessory Building
- Contractor Contingency

17. Rent Allowances for Project Based Rental Developments

Developments with HUD approved Housing Assistance Payments contracts or [RHSRD](#) approved rental assistance contracts may increase the contract rents. ~~The market study submitted with the application must support the increased rents.~~

Applications for projects with [RHSRD](#) contracts must submit a letter from the Columbia [RHSRD](#) Office approving and setting rents above the approved contract rents.

18. Syndication Information

~~The Authority will underwrite federal and state LIHTC investment using syndication rates determined based on a survey of equity providers and will post the results no later than one month before the application deadline. The application must include a Syndication Letter of Intent that contains the ownership percentage and confirms the syndicator's agreement to provide equity to the project. The Authority will underwrite using the following syndication rates:~~

~~Group A Counties—92 cents~~

~~Group B Counties—88 cents~~

~~Group C Counties—90 cents~~

~~The Authority requires a 99.97% minimum limited partnership percentage for credit calculation.~~

19. Ground Leases

The Authority will underwrite debt related to the lease at the lesser of its actual terms or the annual debt service produced by amortizing the appraised value of the land at the same rate and terms as the permanent loan over a term of 50 years. The DCR rules in this QAP will apply.

VI. NEW CONSTRUCTION SCORING CRITERIA

A. Positive Site Characteristics

Applications may be awarded up to 60 points for the following positive site characteristics.

1. Up to 40 points for the site's Census tract score on the Palmetto Opportunity Index (POI), as indicated in Appendix C.
"Very High" will receive 40 points
"High" will receive 30 points
"Moderate" will receive 20 points
"Low" will receive 10 points
"Very Low" will receive 0 points
If the proposed development is located in more than one tract, the score will be the lowest.
2. Up to 10 points based on the number of jobs paying between \$1,251 and \$3,333 per month in a one-mile radius for Group A counties and a two-mile radius for Groups B and C, as displayed on the U.S. Census Bureau's OnTheMap tool for the Longitudinal Employment Household Dynamics database.

Applications will earn points as follows:

- 10 points for at least 5,000 jobs.
- 8 points for 4,000 to 4,999 jobs.
- 6 points for 3,000 to 3,999 jobs.
- 4 points for 2,000 to 2,999 jobs.
- 2 points for 1,000 to 1,999 jobs.

Appendix C provides the points that will be awarded for each Census tract.
[scoring descriptions deleted]

4. 5 points for being located entirely within a Qualified Opportunity Zone (QOZ).
5. 5 points for not being located in a Racially or Ethnically Concentrated Area of Poverty (R/ECAP) as defined by the U.S. Department of Housing and Urban Development.

[scoring descriptions deleted]

B. Land Donation ~~Negative Site Characteristics~~

5 points if a local government owns the proposed project real estate as of the preliminary application deadline and the application shows no more than \$5,000 in the cost line-items for land and buildings. The local government must have owned the real estate since at least September 30, 2020 and not have purchased or received any portion from a Principal.
~~For the detrimental characteristics below, the distance is the shortest straight line from the closest site boundary to the closest boundary line of the detrimental characteristic. When a detrimental site characteristic is located on a parcel shared by multiple businesses, the measurement is to the~~

~~parcel boundary line. The determination is as of the time of the site visit and may include characteristics under construction.~~

~~[scoring descriptions deleted]~~

C. Affordability

1. Applications will earn 10 points based on an agreeing to comply with the applicable limits in the matrix below.

- For average income, the percent shown is the average AMI among the units' designations.
- For an original minimum set-aside (40% at 60% or 20% at 50%), at least 20% of the units must be affordable to and occupied by households at the AMI shown.

<u>County</u> <u>Income Level</u>	<u>Minimum Set-Aside Election</u>	
	<u>Average Income</u>	<u>Original</u>
<u>High</u>	<u>54%</u>	<u>30%</u>
<u>Moderate</u>	<u>56%</u>	<u>40%</u>
<u>Low</u>	<u>58%</u>	<u>50%</u>

The county income levels are as follows:

- High- Beaufort; Berkeley; Calhoun; Charleston; Dorchester; Fairfield; Greenville; Lancaster; Lexington; Pickens; Richland; Saluda; York
- Moderate- Aiken; Anderson; Chester; Darlington; Edgefield; Florence; Georgetown; Horry; Kershaw; Oconee; Spartanburg; Sumter; Union
- Low- all others

If a reduction in rents or extension of affordability period results in the development becoming financially unfeasible, the Authority may modify elections during underwriting. The Application will not receive points as originally requested.

~~1 point for each percentage point that the average income and rent limit for the project is below 60 percent AMI up to five (5) total points. Any points awarded under this clause shall be rounded to two decimal places. While the calculation of this scoring criterion is similar to "income averaging," such an election is not currently permitted except as explicitly otherwise authorized by the Authority.~~

~~For example, a 50-unit project that elects to have 20 units set at 50 percent AMI and 30 units set at 60 percent AMI would have an average rent and income limit of 56 percent AMI, or four percent less than 60 percent, so the project would receive 4 points.~~

~~1 point for each unit in the development with income and rent limits set at or below 30 percent AMI up to a five (5) units total.~~

2. 5 points if the application includes a notarized letter signed by the proposed owner of the property affirming a knowing and voluntary waiver of the right to request a qualified contract from the Authority for the duration of the extended use period.

3. 5 points to any application where no member of the Development Team has had an ownership interest in any property that requested a qualified contract unless the owner can prove that
a. the property was sold or transferred by the member to the owner requesting the qualified contract before September 18, 2019; or

- b. the member was contractually obligated to request the qualified contract prior to September 18, 2019, as verified by an independent third party and the Authority’s review of the applicable documentation.

D. Affordable Housing Shortage

- 1. Up to 10 points based on the shortage of affordable housing in the county:
 - 10 points – Beaufort
 - 8 points – Georgetown, Greenville, Greenwood, Richland
 - 6 points – Charleston, Laurens, Oconee, York
 - 5 points – Allendale, Anderson, Bamberg, Cherokee, Chesterfield, Dorchester, Horry, Jasper, Lexington, Marlboro, Orangeburg
 - 4 points – Abbeville, Aiken, Berkeley, Clarendon, Colleton, Kershaw, Pickens, Spartanburg
 - 3 points – Darlington, Florence, Lancaster, Marion, Sumter, Union
 - 2 points – Calhoun, Dillon, Fairfield, Hampton, Williamsburg
 - 1 point – Barnwell, Chester, Edgefield, Lee, McCormick, Newberry, Saluda

Up to 40 points for projects based on the shortage of affordable housing by county, as shown in Exhibit 9 of the South Carolina Housing Needs Assessment, Volume 1:

 - 40 points for projects located in counties with fewer than 15 subsidized rental units per 100 low income renter households.
(Berkeley, Calhoun, Horry, Lexington, Pickens, Saluda)
 - 30 points for projects located in counties with between 15 and 19 subsidized rental units per 100 low income renter households.
(Aiken, Beaufort, Charleston, Chester, Chesterfield, Colleton, Dorchester, Greenville, Greenwood, Hampton, Spartanburg, York)
 - 20 points for projects located in counties with between 20 and 24 subsidized rental units per 100 low income renter households.
(Anderson, Cherokee, Darlington, Dillon, Fairfield, Florence, Kershaw, Lancaster, Oconee, Orangeburg, Richland, Sumter)
 - 10 points for projects located in counties with between 25 and 29 subsidized rental units per 100 low income renter households
(Clarendon, Georgetown, Jasper, Laurens)
- 2. 5 points to a project that is located in a county that did not receive a 9% LIHTC award in 2016, 2017, 2018, 2019, or 2020. 5 points to a project that is located in a county that did not receive a 9% LIHTC award in 2015, 2016, 2017, 2018, or 2019.

E. Funding Sources and Property Taxation Cost Containment

5 points if Authority-awarded sources (including equity for the LIHTC and STC) are less than 70% of the total, and an additional 2 points if the project will qualify for an exemption from property taxes under S.C. Code of Laws Section 12-37-220(B)(11)(3). Each of the following four cost categories will be measured against the average of all applications submitted.

Scores will be awarded as follows:

- ≤90.0% of Average — 10 points
- 90.1% – 100.0% of Average — 6 points
- 100.1% – 110.0% of Average — 2 points
- > 110.0% of Average — 0 points

~~1. Vertical Construction Costs/Unit~~

~~Vertical construction costs include all costs from the footers up.~~

~~2. Total Site Work Cost/Unit~~

~~Total site work includes both On-Site and Off-Site Improvements~~

~~3. TDC/unit~~

~~Land costs are included in total development costs for the purposes of calculating credit efficiency. If the project will lease the land instead of purchasing, the appraised value of the land will be included in total development costs for purposes of this calculation.~~

~~4. LIHTCs/bedroom~~

F. Sustainable Building

Applications will earn 5 points for committing to meet green and energy efficiency sustainable building requirements for one of the following sustainable building certifications:

1. Enterprise's Enterprise Green Communities certification program (following Enterprise Green Communities protocol under the guidance of an Enterprise Qualified TA provider);
 2. US Green Building Council's LEED for Homes certification program;
 3. Home Innovation Research Lab's National Green Building Standard, meeting Bronze level or higher; or
 4. Southface Energy Institute and Greater Atlanta Home Builders Association's EarthCraft certification programs, based on development type.
- ~~4-5. High Performance Building Council of the BIA of Central SC, Certified High Performance (CHiP) HOME Program~~

The application must include a certification from a responsible green and/or energy professional affiliated with the certifying party selected that the project will meet such requirements.

G. Leveraging

~~1. Applications will earn 0.2 points for each percentage point of total development cost (TDC) funded through a source other than the Authority, up to five (5) points total rounded to two decimal places. For example, an application with a \$12 million TDC where the Authority contributes \$9 million will receive 5 points.~~

~~2. Applications may earn Up to 5 additional points will be awarded for documented support from a city, county, or other local government. Funding may be appropriated directly by a public entity and/or awarded by a non-profit organization financially supported by a local government, such as a local housing trust fund.~~

~~a. Only the following sources of support qualify for the additional points:~~

- ~~i. HOME or Community Development Block Grant (CDBG) funds;~~
- ~~ii. established local government housing development program grants or loans with interest rates below Applicable Federal Rates (AFR);~~
- ~~iii. public foundation grant funds from an affiliate of a local government;~~
- ~~iv. a long term ground lease from a government entity for nominal consideration as valued by the appraised value of the land less the consideration;~~

v. • the documented cost of infrastructure improvements or amenities funded in full by a governmental entity that are located on or adjacent to the project site that will serve the tenants and which will be constructed after application submission and completed prior to the development placing in service; and/or

vi. • other support approved by the Authority in response to a request submitted in advance of the application deadline

b. —The application must list the source(s) as a loan(s) and include an executed commitment letter reflecting a term of at least twenty (20) years and an interest rate less than or equal to one percent (1%).

e. —Applications will earn points based on the total amount or value of support committed per low-income unit (excluding an employee/manager's unit):

- 5 points for at least \$8,000
- 4 points for between >\$5,500 and <\$7,999
- 3 points for between >\$3,500 and <\$5,499
- 2 points for between >\$2,000 and <\$3,499
- 1 point for between \$1 and <\$1,999

H. Revitalization or Local Policies

1. An application will receive up to 10 points for the following for the following concerted community revitalization plan (CCRP) components:

a. 2 points for map of the area and a thorough description of the community, including:

- a justification for why the area is neither too large to be a target for concerted investment nor too small to represent a meaningful section of the community;
- a thorough description of the physical, economic, and demographic characteristics of the community;
- a comprehensive survey of community amenities that currently exist, including employment, commercial facilities, transportation options, and public amenities; and
- a record of all residential, commercial, industrial, and/or civic developments that have taken place over the last five years.

b. A plan for the next five years of investment in the community, including:

- 1 point for any planned residential, commercial, retail, industrial, and/or civic developments or as related service improvements and other accomplishments demonstrating broad-based revitalization activity in the area;
- 1 point for a detailed description of all funding sources committed to community redevelopment;
- 1 point for a plan to utilize sustainable mixed-income policies to prevent the concentration of poverty;
- 1 point for an accounting of the potential barriers to success and how to overcome them.

c. 2 points for documentation showing the CCRP was developed involving extensive input from the general public, elected officials, and private stakeholders.

d. 2 points if at least one building in the development would be located in a QCT.

2. Alternatively, for 5 points, the application may include a letter detailing measures taken by the local government (city or town if within an incorporated area or the county if not) to increase the quantity of affordable housing and develop a resilient community. Policies include, but are not limited to,

- accessory dwelling unit legalization,
- community land trusts,
- density bonuses,
- eviction and homelessness diversion programs,
- housing trust funds,
- intergovernmental collaboration,
- sale or lease of publicly owned land for affordable housing,
- source of income laws,
- zoning reforms that expand housing choice, and
- any activities that affirmatively further fair housing.

The application must include documentation, in the form of a local government ordinance or other official publication, to verify all claims.

~~Applications documenting a concerted community revitalization plan (CCRP) will receive 5 points, projects in QCTs will receive an additional 5 points. The application must include a narrative explaining how the proposed development contributes to the CCRP's specific goals.~~

~~To qualify as a CCRP the plan must:~~

- ~~1. Have been approved by the appropriate city and/or county government between July 1, 2009, and June 30, 2019;~~
- ~~2. Evaluate a neighborhood or small group of contiguous neighborhoods with clearly delineated geographic boundaries;~~
- ~~3. Describe the infrastructure, economy, demographics, and trends in the community;~~
- ~~4. Identify barriers to revitalization and articulate meaningful and achievable goals for overcoming these barriers, including a timeline;~~
- ~~5. Identify housing and other activities to take place within the time period outlined and the institutional actors involved; and~~
- ~~6. Enumerate the resources committed to revitalization.~~

~~Documents such as municipal zoning or land use plans, consolidated housing or economic development plans, short term work plans, housing needs assessments, and planned unit developments do not qualify as CCRPs.~~

I. Supportive Housing

10 points for agreeing to target ten percent (10%) of the total units to persons with disabilities and either

- designating such units as affordable to and occupied by 20% AMI, or
- securing a commitment of federal project-based rent assistance (converting vouchers).

One or more service providers, as coordinated by state authorities, will refer households. For a period of ninety days after the initial rent-up period begins the owner will establish a preferential leasing opportunity for referrals and thereafter will maintain a separate waiting list.

VII. TIE BREAKER CRITERIA

The following factors will be used in the order listed to break a tie.

- A. An application would be all of the Development Team's only award while the tying application(s) would be the all of the Development Team's second or third.
- B. A county not served in the current or previous funding cycle.
- C. The project more closely integrated with a Concerted Community Revitalization Plan.
- D. Projects with the lowest share of total development cost funded by the Authority.

- E. Projects providing for tenant ownership at the end of the initial fifteen (15) year compliance period. The application must include a conversion plan including all homebuyer counseling programs to be provided along with the financial procedure that will be used to transfer the rental units into homeownership.
- F. If projects remain tied after all above tie breakers have been applied, the Authority will utilize a lottery.

VIII. EVALUATION OF REHABILITATION APPLICATIONS

The Authority will evaluate rehabilitation applications comparatively based on the following criteria, listed in order of importance.

- A. Preventing of the conversion of units to market rate and/or the loss of government housing resources (including federal project-based rent assistance);
- B. The extent of physical distress, particularly with major systems, accessibility, and/or life, health and safety features, as informed by the Physical Needs Assessment and determined by the Authority. Failure to properly maintain the buildings will not enhance an application’s likelihood of award if a member of the current owner’s organizational structure or a related party will remain part of the new ownership;
- C. The project is within an area covered by a Concerted Community Revitalization Plan; and
- D. The degree to which the project site and its surroundings support the economic empowerment of low-income households.

IX. DETERMINATION OF CREDIT AWARD

- A. Equity Gap Calculation:
Equity gap is the total development costs minus the total of all non-LIHTC sources of funds. The LIHTC allocation equals the excess development costs, thereby "closing" the equity gap.

Total Development Cost	_____
Less:	
Total Sources of Funds	(_____)
Equity Gap	_____
Divide by 10 Year Credit Period ÷ 10	_____
Annual Tax Credit Required	_____
Divide by Syndication Value	
Returned Per Tax Credit Dollar ÷	_____
Annual LIHTC Credit Amount	_____

- B. Maximum Credit Allowable:
The amount of the LIHTC award will be limited either to the amount necessary to fill the equity gap or using the applicable percentage(s).

Total Qualified Basis	_____
Multiplied by Applicable Percentage	x _____ %
Maximum Annual Credit Amount	_____

The actual amount of the ~~credit~~ LIHTC for the development is determined by the Authority.

X. POST AWARD AND 4% LIHTC POLICIES AND PROCEDURES

The policies and procedures applicable to projects awarded in the competitive funding cycle and to 4% LIHTC applications and awards are set forth in the Appendix E, the LIHTC Manual.

XI. AMENDMENTS TO THE QUALIFIED ALLOCATION PLAN

The Authority may amend this QAP as needed. All amendments shall be fully effective and incorporated herein immediately.

XII. APPROVAL BY THE GOVERNOR

I, Henry McMaster, Governor of the State of South Carolina, do hereby signify my approval of this QAP for the distribution of federal LIHTC in the state in conformance with the Code, as amended.

The Authority is expressly granted authorization, to the extent it deems necessary, to amend or waive any requirements of this QAP as described herein without the necessity of further approval.

Signature: _____
Henry McMaster, Governor of South Carolina

Date: _____

APPENDIX A MARKET STUDY CRITERIA

Market Study Process:

1. ~~The Authority will contract with one or more providers~~~~An electronic copy of the market study must be submitted with the Tax Credit Application.~~
2. ~~Upon receipt of the application, the Authority will forward a copy of the market study to the Authority's third party market analyst.~~
3. ~~The Authority's third party market analyst will notify the applicant and the market analyst that prepared the market study~~ via email of any deficiencies. All issues must be resolved to the satisfaction of the Authority's market analyst and Authority staff.
3. The Authority is not bound by the conclusions or recommendations of the applicant's market study submitted and may disqualify any application if it determines an acceptable market does not exist.

Requirements:

1. ~~Applicants must use an Authority approved market analyst to complete market studies.~~
2. ~~All market analysts must adhere to the National Council of Housing Market Analysts' Market Study Terminology list available at: www.housingonline.com/Resources.aspx.~~
3. ~~The market study must include complete Exhibit S-2 form, S-2 Calculation sheet, and the table provided in the S-2 Worksheet. Submitted market studies must conform to Exhibit S-2.~~
4. ~~The market study should reflect conclusions based on the proposed development, including capture rates, absorption periods, and market advantage.~~
5. ~~The Applicant's market analyst must indicate within the conclusion and recommendations section a conclusion regarding the ability of the market area to support the proposed development, the depth of the rental market, and whether the proposed development will have a negative long-term impact on existing rental communities.~~

6.1. Project Description

This section must include the following information, as provided by the LIHTC Applicant:

- a. Development Location;
- b. Construction Type: New Construction, Rehab, Acquisition and Rehab, Adaptive Reuse;
- c. Occupancy Type: Family, Older Persons, etc.;
- d. Target Income Group: e.g., 30% AMI, 50% AMI, 60% AMI, Market Rate;
- e. Special Needs Population (if applicable);
- f. Number of units by bedroom/bathroom;
- g. Number of buildings and stories and if there will be an elevator;
- h. Unit Size(s);
- i. Structure Type/Design: Townhouse, Garden Apartment, etc.;
- j. Proposed Rents and Utility Allowances including energy source (Gas, Oil, Electric) and if utility is Tenant or Owner's responsibility;
- k. Status of Project Based Rental Assistance: None, Existing, Proposed;
- l. Proposed Development Amenities;
- m. Proposed Unit Amenities; and
- n. For rehab proposals, current occupancy levels, current rents being charged (versus proposed rents), tenant incomes, as well as detailed information about the scope of work planned and how the rehabilitation will be carried out.

7.2. Site Description

This section must:

- a. Include the date(s) the senior analyst/market study author visited the site and surrounding market area developments.;

- b. Describe physical features of the site, adjacent parcels, surrounding structures and neighborhoods. Give a brief description of the surrounding land uses. Note any obvious environmental concerns or any other visible detrimental characteristics that are either next to or in close proximity to the site that could be considered detrimental, harmful or have a possible damaging effect on the site.;
- b. Give the site's general physical location to surrounding roads, public transportation, community amenities, employment, and services. Identify the closest shopping areas, schools, and employment centers, medical facilities and other amenities that would be important to the targeted population.;
- c. Indicate if there are any road or infrastructure improvements planned or under construction in the proposed market area;
- d. Provide information or statistics as well as local perceptions of crime in the neighborhood, if applicable.;
- e. Comment on access, ingress/egress, and visibility to site.;
- f. Describe overall positive and negative attributes about the site as they relate to marketability.

8.3. Market Area

- a. A map of the Primary Market Area (PMA) including the subject site. Identify boundaries by census tracts, jurisdictions, street names, or other geography forming the boundaries. Define the larger geographic area in which the PMA is located (i.e. city, county, MSA, etc.).
- b. A physical description of the PMA including the methodology used to define it.
- c. A detailed narrative that includes market specific language rather than a list of generic concepts or factors considered. The narrative must also:
 - explain how the market area was determined; and
 - discuss whether prospective tenants within the PMA will be able to afford the Pro Forma rents and if they cannot provide further comments on where eligible demand will come from.
- d. Identify the borders of the market area and approximate distance from the subject property/site.
- e. Census tracts that encompass the PMA.
- f. Provide the most recent statistics on race available for the census tract.
- g. The analyst may provide information about the secondary market area, however demand should be based solely on the PMA.

9.4. Market Area Economy

- a. A map of the site as compared to the locations of major employment concentrations.
- b. Employment by industry--numbers and percentages (i.e. Manufacturing: 150,000 (20%)).
- c. The major current employers and anticipated expansions, contractions in their workforces, as well as newly planned employers and their impact on employment in the market area.
- d. Total workforce figures and employment and unemployment trends for the county and, where possible, the PMA. Provide numbers and percentages for both. Provide annualized figures for these trends (i.e. average annual increase of unemployment of 1.2%).
- e. If relevant, comment on the availability of housing for low- to very low-income employees of businesses and industries that draw from the PMA.
- f. Provide commuting patterns for workers such as how many workers in the PMA commute from surrounding areas outside the PMA.

10.5. Community Demographic Data

Provide the following demographic information for the market area, giving historical data as well as current data and estimates. Include data on population and household trends from 2012 to 2019 and projected to ~~2022~~2023. Historical 2000 Census data can also be included to provide further

insight into the historical demographic trends. ~~However, the 2000 Census data but~~ is not required. Projections must be prepared by a reputable source such as Nielsen, ESRI, or Ribbon Demographics. U.S. Census data prior to the 2010 Census is only acceptable as historical data. If the Market Analyst does not agree with these projections, s/he must provide the reasoning, along with substitute projections. Both numbers and percentages should be shown for the data below. Annualized growth figures should be included. Please include a brief narrative of overall conclusions.

- a. Population Trends
 - Total Population;
 - Population by age groups;
 - Number of older persons (for older persons projects); and
 - If a special population is proposed for the development (e.g., homeless), provide additional information on population growth patterns specifically related to this population.
- b. Household Trends
 - Total number of households, average household size, and group quarter;
 - Households by tenure (If appropriate, breakout by older persons and non-older persons);
 - Households by income. (Older person(s) proposals should reflect the income distribution of those households only); and
 - Renter households by number of persons in the household.

11.6. Project-Specific Demand Analysis

- a. **Income Restrictions:** Use the applicable incomes and rents in the subject's application. Analysts must take the income restrictions designated in the application into account when estimating demand.
- b. **Affordability:** Analysts must assume that no family households are able to pay more than 35% of gross income towards gross rent and no elderly households are able to pay more than 40% of their gross income toward gross rent. Any such additional indicators should be calculated separately and be easily added or subtracted from the required demand analysis.
- c. **Demand:** The demand analysis should clearly indicate the minimum and maximum income range for each targeted group. In cases where the proposed rents for projects with Project Based Rental Assistance are higher than the maximum allowable LIHTC rents, the demand analyses must show with the rental assistance (thereby allowing \$0 for the minimum income) and without. For the second demand calculation without rental assistance, analysts should use LIHTC rents regardless of market conditions. For projects with market rate units, the analyst must make some reasonable determination of a maximum income level beyond which a household would not likely be a participant in the rental market. The analyst should clearly state the assumptions used in making the aforementioned determination.

The demand should be derived from the following sources using data established from a reputable source:

- **Demand from New Renter Households:** New rental units required in the market area due to projected renter household growth. Determinations must be made using the current base year of ~~2020~~2021 and projecting forward to the anticipated placed-in-service date of 2023. The household projections must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.

- In instances where more than 20% of proposed rental units are comprised of three-bedroom units or larger, analysts must also conduct an additional refined large-household capture rate analysis by considering the number of large households (three-persons and larger).
- Demand from Existing Households: The second source of demand should be determined using 2010 census data or the most current American Community Survey (ACS) data and projected from:
- Rent over-burdened households, if any, within the age group, income cohort and tenure targeted for the proposed development. Analysts should assume that the rent-overburdened analysis includes households paying greater than 35% or in the case of elderly 40% of their gross income toward gross rent rather than some greater percentage.
- Households living in substandard housing. Households in substandard housing should be adjusted for age, income bands and tenure that apply. The analyst should be conservative and use their own knowledge of the market area and project to determine if households from substandard housing would be a realistic source of demand.
- Elderly Homeowners likely to convert to rentership: A narrative of the steps taken to arrive at this demand figure should be included. The elderly homeowner conversion demand component shall not account for more than 20% of the total demand.
- The analyst may also use other indicators to estimate demand (such as household turnover rates) if fully justified (e.g., an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.

d. Method:

- Demand: The two overall demand components added together 11a and 11b above represent demand for the project.
- Supply: Comparable/competitive units funded, under construction, or placed in service since the base year of demand (2019) must be subtracted to calculate net demand. Vacancies incomparable/competitive projects placed in service which have not reached stabilized occupancy (93%) must also be considered as part of the supply.
- Capture rates: Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- Absorption rates: The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

e. Supply Analysis (Comparable/Competitive Rental Developments):

The senior analyst/market study author must visit all

- LIHTC;
- ~~Tax Exempt~~ [bB](#)ond;
- USDA;
- HUD;
- small rental with units at similar income targets, rent levels and targeted age cohorts;
- other projects that would compete with or be affected by the proposed project; and
- developments now existing, under construction, and/or in the pipeline.

The following information should be included for each comparable/competitive development:

- Name, Address, and Phone Number;
- Contact Person's Name and phone number of the comparable/competitive property development;
- Photograph;
- Monthly Rents and utilities included in the rent, if any;
- Type of development (~~RHSRD~~, LIHTC, conventional, ~~tax exempt b~~Bond with LIHTCs, small rental development);
- Breakdown of unit sizes by bedroom/bathroom count;
- Square footage for each comparable/competitive unit type;
- Project age and Condition;
- Population Served;
- Description of unit amenities (include kitchen equipment) and site amenities;
- Concessions given, if any;
- Current vacancy rates broken down by bedroom size. Vacancy rates are to be determined using the most current information provided by property management.
- Waiting list information, if any;
- Number of units receiving rental assistance, description of assistance as project or tenant based;
- For developments in the planning or construction stages, provide the name, address/location, name of owner, number of units, unit configuration, rent structure, estimated date of market entry, and any other relevant market analysis information. If there are no developments in the planning stages or under construction, a statement to that effect must be provided; and
- If the proposed project is an additional phase of an existing project, include a tenant profile as well as any information about a waiting list.

The above information should be provided in a comparative framework including the proposed project and those projects under construction and/or in the pipeline. For example, in addition to providing a page of information along with a picture for each comparable/competitive development, the analyst should also provide comparative charts that show such factors as the proposed project's rents, square footages, amenities, etc. as compared to the other projects.

A map showing the comparable/competitive developments in relation to the proposed site. The map should have an identifiable usable scale.

If applicable to the proposed development, provide data on three and four bedroom single-family rentals or provide information on rental trailer homes and single family homes in rural areas lacking sufficient three and four bedroom rental units to identify where potential tenants are currently living.

Derive the market rent and compare them to the proposed development's rents. Quantify and discuss market advantage of the subject and impact on marketability. Market advantages should be provided for each unit type and the project overall.

Calculate the overall market vacancy rate, the overall comparable/competitive vacancy rate, and the overall vacancy rate for all LIHTC, ~~tax exempt b~~Bond, small rental

development projects in the market area. (Do not include new projects in the process of “renting up” in vacancy rate.)

The cost and availability of homeownership and mobile home living, if applicable.

Conclusion as to the immediate and long term impact that the proposed project will have on the occupancy of comparable rental communities in the PMA, specifically other LIHTC communities.

127. Interviews

The results of formal or informal interviews with property managers, town planning officials or anyone with relevant information relating to the overall demand for the proposed development should be summarized in this section. Include the name and phone number of the person with whom you talked.

138. Recommendations

Market Analysts must provide a recommendation that clearly states whether a proposed project should be approved as proposed. The Market Analyst must provide a brief summary of all the major factors that led to their conclusion.

Signed Statement Requirements:

The signed statement must include the following language:

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance & Development Authority’s programs. I also affirm that I have no financial interest in the project or current business relationship with the ownership entity and my compensation is not contingent on ~~this~~-any project being funded. This report was written according to the SCSHFDA’s market study requirements. The information included is accurate and can be relied upon by SCSHFDA to present a true assessment of the low-income housing rental market.

Market Analyst Author

Date

APPENDIX B
DEVELOPMENT DESIGN CRITERIA

APPENDIX C
Positive Site Characteristic Scoring

POI includes the following data sources, which are standardized and weighted equally:

Housing

<u>Affordable housing supply</u>	<u>National Housing Preservation Database</u>
<u>Eviction rate (if available)</u>	<u>Eviction Lab, Princeton University</u>
<u>Median gross rent</u>	<u>American Community Survey</u>

Economy

<u>Individual poverty rate</u>	<u>American Community Survey</u>
<u>Median household income</u>	<u>American Community Survey</u>
<u>Unemployment rate</u>	<u>American Community Survey</u>

Transportation

<u>Average commute time</u>	<u>American Community Survey</u>
<u>Location affordability</u>	<u>Center for Neighborhood Technology</u>
<u>Walkability index</u>	<u>Environmental Protection Agency</u>

Health

<u>Average life expectancy</u>	<u>Centers for Disease Control and Prevention</u>
<u>Environmental distress</u>	<u>Environmental Protection Agency</u>
<u>Healthy food access</u>	<u>USDA Food Atlas</u>

Item 7

To obtain the relevant number of jobs for this measure, follow the instructions below:

- Access <http://onthemap.ces.census.gov/>
- Enter the address of the site or the nearest known address and click “Search”
- Select the “Geocoder Result” that is returned for your address
- Click the “Selection” tab at the top of the page
- Click “Simple Ring” under “Add Buffer to Selection”
- Enter “1” (Group A county) or “2” (Group B or C county) into the “Radius” box
- Click “Confirm Selection”
- Click “Perform Analysis on Selection Area.”
- Within the Analysis Settings box that will appear:
 - Choose “Work” under the first column
 - Choose “Area Profile” under the second column
 - Choose 2017 under the third column
 - Choose “All Jobs” under the fourth column.
 - Click “Go” for results.
- Report the count of “\$1,251 to \$3,333 per month” jobs in the “Earnings” window.

Item 8

To obtain a transit score for your site, follow the instructions below:

- ~~Enter the address into the search bar at <https://alltransit.ent.org/> and click the magnifying glass.~~
- ~~Scroll down if necessary to view the score.~~

To obtain the internet speeds available for your site, follow the instructions below:

- Enter address into the search bar at <https://broadbandmap.fcc.gov> and click the magnifying glass.
- The highest number in the “Down (Mbps)” column is to be used for scoring purposes.

APPENDIX D HOME Investment Partnerships Program Addendum

I. INTRODUCTION

The Authority's HOME Investment Partnerships Program is designed to promote partnerships among the U.S. Dept. of Housing and Urban Development (HUD) other federal entities, state and local governments, and those in the nonprofit and for-profit sectors who build, own, manage, finance, and support low income housing initiatives. ~~HOME provides the flexibility needed to fund a wide range of low income housing initiatives through creative and unique housing partnerships. The HOME Program was created under Title II of the Cranston Gonzalez National Affordable Housing Act of 1990.~~

II. Definitions of Terms

Community Housing Development Organizations (CHDOs) means private nonprofit organizations that are organized pursuant to the definition in the HUD HOME Regulations.

~~**Disabled Person** means a household composed of one or more persons, at least one of whom is an adult, who has a disability. A person is considered to have a disability if the person has a physical, mental, or emotional impairment that:~~

- ~~(i) Is expected to be of long continued and indefinite duration;~~
- ~~(ii) Substantially impedes his or her ability to live independently; and~~
- ~~(iii) Is of such a nature that such ability could be improved by more suitable housing conditions.~~

~~A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability that:~~

- ~~(i) Is attributable to a mental or physical impairment or combination of mental and physical impairments;~~
- ~~(ii) Is manifested before the person attains age 22;~~
- ~~(iii) Is likely to continue indefinitely;~~
- ~~(iv) Results in substantial functional limitations in three or more of the following areas of major life activity: self care, receptive and expressive language, learning, mobility, self direction, capacity for independent living, and economic self sufficiency; and~~
- ~~(v) Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated. Notwithstanding the preceding provisions of this definition, the term "person with disabilities" includes two or more persons with disabilities living together, one or more such persons living with another person who is determined to be important to their care or well being, and the surviving member or members of any household described in the first sentence of this definition who were living, in a unit assisted with HOME funds, with the deceased member of the household at the time of his or her death.~~

Elderly means a person 62 years of age or older.

Elderly Household means a household whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

~~**Eligible Household** means one or more persons or a family irrespective of race, creed, national origin or sex, determined by the Authority to be of low or very low income.~~

Family or Household means a household composed of one or more persons.

HOME Program means the HOME Investment Partnerships Program pursuant to the HUD Regulations of 24 CFR Part 92 published July 24, 2013.

HOME-Assisted Unit means a specific unit(s) that receives HOME funds.

HOME Project means any project which receives financial assistance from the Authority under the HOME Program. A project is a site or sites together with any building or buildings located on the site(s) that are under common ownership, management and financing and are to be assisted with HOME funds as a single undertaking under this part. The project includes all the activities associated with the site and building.

~~**HUD** means the United States Department of Housing and Urban Development.~~

Initiation of Negotiations means the date of the execution of an agreement covering acquisition, rehabilitation, or demolition activities as defined by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).

Letter of Commitment means an original executed letter or contract from a funding source verifying that a specific Participant has a commitment of funds for a project. This letter or contract must be dated within ninety (90) days of the application submission deadline. This letter should include the amount of funds, expiring conditions, if any, whether funds will be provided as a loan or a grant, loan to value ratios, and term and interest rate, if applicable.

Low-Income Household means a household whose income which does not exceed 80% of the median family income for the area, as determined by HUD, with adjustments for family size. An individual does not qualify as a low-income household if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR 5.612.

Minority/Women Owned Business means a business that is at least 51% owned by a minority or a woman.

Marketing Plan means a document that consists of actions to provide information and attract eligible persons from all racial, ethnic and gender groups in a housing area to a potential affordable housing project.

Market Study means research done to review market conditions in a specified area, as well as a study of the economic forces of supply and demand and their impact on real estate returns, risks, and values.

Management Plan means a document that stipulates the duties and terms of the management company or individual handling the property.

~~**Near Elderly Household** means a household whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.~~

Participant or Recipient means an applicant that has been awarded HOME program funds.

Principal means any Applicant, owner, developer, guarantor, financial guarantor, or any other person, corporation, partnership, joint venture, or other entity, including any affiliate thereof, or any other person, firm, corporation, or entity of any kind whatsoever that is involved directly or indirectly with a project that receives a HOME award. NOTE: Consultants are not considered Principals.

Reconstruction means the rebuilding, on the same lot, of housing standing on a site at the time of project commitment, except that housing that was destroyed may be rebuilt on the same lot if HOME funds are committed within 12 months of the date of destruction. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. Reconstruction activities are only eligible if the entire project site is vacant at the time the “initiation of negotiations”.

Single Room Occupancy (SRO) means housing (consisting of single- room dwelling units) that is the primary residence of its occupant or occupants. The unit must contain either food preparation or sanitary facilities (and may contain both) if the project consists of new construction, conversion of nonresidential space, or reconstruction. For acquisition or rehabilitation of an existing residential structure or hotel, neither food preparation nor sanitary facilities are required to be in the unit. If the units do not contain sanitary facilities, the building must contain sanitary facilities that are shared by tenants. A project's designation as an SRO cannot be inconsistent with the building's zoning and building code classification.

Uniform Physical Condition Standards (UPCS) means uniform national standards established by HUD pursuant to 24 CFR 5.703 for housing that is decent, safe, sanitary, and in good repair. Standards are established for inspectable items for each of the following areas: site, building exterior, building systems, dwelling units, and common areas.

Very Low-Income means low- income families whose annual incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for family size. An individual does not qualify as a very low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR 5.612.

III. General Requirements

All HOME funds are subject to the U.S. Department of Housing and Urban Development (HUD) regulations and all other applicable federal and state requirements. Included in this addendum is a checklist which identifies the necessary documentation, required to apply for HOME funds.

A. Eligible Rental Activities

- New Construction
- Demolition of vacant ~~non-residential~~ structures with New Construction
- Reconstruction of vacant residential units

All structures to be demolished must be vacant prior to the execution of any agreements or documents covering the following activities:

- Acquisition
- Demolition
- Submission of the application requesting HOME funds

B. Eligible Sites

Sites must comply with HUD regulations implementing the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in 24 CFR Parts 58.

C. Ineligible Projects

- Public housing units
- Projects assisted under Title VI of NAHA (Prepayment of Mortgages Issued by HUD)
- Commercial Properties (except when converted to residential)
- Homeless Shelters
- Manufactured Housing
- Properties previously assisted with HOME funds that are still under the HOME affordability period
- Student Housing
- Projects sites that are not vacant at the time of the “Initiation of Negotiations”

IV: Terms and Limits of Financial Assistance

~~Up to \$8 million of HOME funds will be set aside for the 2020 LIHTC application cycle. If HOME funds remain after all awards are made and no other funded development can be allocated HOME funding, the remaining funds will go unused in the LIHTC funding cycle.~~

~~HOME funds can only be applied for and must be combined with Low Income Housing Tax Credits during the competitive LIHTC application cycle.~~ Applications for HOME and LIHTCs must comply with the following ~~requirements~~:

1. Only new construction projects can request HOME funds.
2. HOME funds are not available to developments that have contracts to receive project based rental assistance from the Department of Housing and Urban Development (HUD) for 50% or more of the units.
- ~~2-3.~~ Authority HOME funds cannot be combined with another Participating Jurisdiction’s HOME funds.
- ~~3-4.~~ The application must request a HOME award of \$500,000. These awards will be available as deferred permanent loans with a one half percent (1/2%) interest rate and a term and amortization period of no longer than thirty (30) years. Principal and interest will be deferred.
- ~~4-5.~~ Legally binding executed financial commitments from all funding sources must be submitted at the time of application submission.
- ~~5-6.~~ The number of HOME units ~~in the development is will be~~ determined by underwriting based upon the percentage of HOME funds invested in the development, HUD 221(d) subsidy limits per bedroom size, and HUD cost allocation requirements. HOME units must be comparable to non-HOME units and be evenly distributed throughout the project across all bedroom sizes in the development. ~~For example, if HOME is 10% of the total development costs, then 10% of the total units must be designated as HOME assisted unit.~~
- ~~6-7.~~ At least twenty percent (20%) of the development’s HOME-assisted units must be rent and income restricted based on the fifty percent (50%) Area Median Income.
- ~~7-8.~~ In order to receive a conditional commitment of HOME funds in conjunction with LIHTC, each of the following provisions are applicable and must be met by the Applicant by January 1, ~~2020~~2021.
 - a. All 2017 HOME and previous HOME awards must be officially closed out; and/or
 - b. All 2018 HOME awards must have a minimum of ~~fifty~~seventy five percent (~~75~~75%) of the development completed; and
 - c. Written confirmation from the ~~Authority~~Federal Program Manager (completed and executed **Form M-47T**), regarding HOME award completion percentages must be provided with the ~~LIHTC tax credit~~ application submission.
- ~~8-9.~~ Applicants ~~(Senior or Junior Developers)~~ seeking designation as an Authority approved ~~Community Housing Development Organization (CHDO)~~ must complete and submit an

Application for CHDO Designation as part of the application. Applications can be accessed at the Authority's website at: <https://www.schousing.com/Home/HOMEInvestmentProgram>

V. Regulatory and Programmatic Requirements

A. Property Standards

In addition to the requirements outlined in Appendix B Development Design Criteria, the Application must comply with the following:

1. Where relevant, the housing must be constructed to mitigate the impact of potential disasters (e.g. earthquakes, hurricanes, flooding, and wildfires), in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.
2. The housing must meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619).
3. The cost construction addendum must be completed by an independent 3rd party that will not bid on the project or be awarded any contracts associated with the construction of the development. It will be reviewed by The Authority or its designee to will determine that whether the construction costs are reasonable.

B. Site and Neighborhood Standards

Housing provided through the HOME program must promote greater choice of housing opportunities.

1. All HOME-provided housing must be suitable from the standpoint of facilitating and furthering full compliance with Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d), Title VIII of the Civil Rights Act of 1968, as amended "The Fair Housing Act" (42 U.S.C. 3601) and Equal Opportunity in Housing (Executive Order 11063).
2. If the Authority determines any detrimental site characteristics exist on, adjacent to, or within unallowable distances from the site, the Authority may reject the application.
3. Complete and submit a Site and Neighborhood Standards Certification (Form M-40).
4. Sites proposed for new construction developments or rehabilitation that includes increasing the number of units in an existing development must:
 - a. be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
 - b. have utilities available and have adequate streets to service the site;
 - c. promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
 - d. not be one which is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions;
 - e. be accessible to social, recreational, educational, commercial, and health facilities and services, and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents;
 - f. except for new construction housing designed for elderly persons, travel time and cost via public transportation or private automobile, from the neighborhood to places of employment providing a range of jobs for lower-income workers, must not be excessive.

- g. not be located in areas of minority concentration or in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents.
- i. Minority concentration, for purposes of this section, shall be defined as census tracts where the percentage of the total minority population and/or the population of any minority group listed below is greater than or equal to twenty percentage points higher than the population of the same group for the State as a whole. Those proposals which are located in a census track where the percentage of the total minority population and/or the population of a minority group is greater than or equal to the percentages listed below are deemed areas of minority concentration:

Minority Group	Statewide	Equal To or Greater Than
Total Minority Population	33.8 %	33.8 + 20 = 53.8 %
Black or African American	27.9 %	27.9 + 20 = 47.9 %
American Indian and Alaska Native	0.4 %	0.4 + 20 = 20.4 %
Asian	1.3 %	1.3 + 20 = 21.3 %
Native Hawaiian and Other Pacific Islander	0.1 %	0.1 + 20 = 20.1 %
Hispanic or Latino	5.1 %	5.1 + 20 = 25.1 %

Source: U.S. Census Bureau, 2010 Census

To determine whether a project is located in an area of minority concentration, applicants must use FFIEC Online Census Data System to provide the Authority will use the 2010 U.S. Census Bureau data for the census track where the project is located:

- Go to <https://www.ffiec.gov/census/default.aspx>
- Scroll down the list of states, select “45- SOUTH CAROLINA (SC),” then click “RETRIEVE BY COUNTY.”
- Scroll down the list of counties, select the county in which you’re the site is located, then click “GET TRACT LIST.”
- Scroll down the list of tracts, select the tract in which the site is located, then click “GET CENSUS DEMOGRAPHIC.”
- Under the header labeled “Data Report Links,” click on the word “Population.”
- Print the report and submit it with the application.
- ~~Go to www.factfinder.census.gov~~
- ~~Click on “Advanced Search;” the option “Show me all” will appear—click that box.~~
- ~~Click on the “Geographies” box from the choices on the left hand side of the page.~~
- ~~From the *Select Geographies* box that appears, see the second bullet “Select a geographic type” drop down box; choose “Census Tract—140.” A new pull down box will appear.~~
- ~~From the “Select a State” option, select “South Carolina” and the corresponding county and Census Tract for which your site is located.~~
- ~~Once you have selected your Census Tract, click the gray “Add to your selection” button at the bottom of the page. Close the *Select Geographies* box by selecting the “X” in the upper right hand corner.~~
- ~~Next to “Refine your search results,” type in topic or table name “QT P6.” Two options will appear below the box once you have typed in the report~~

number. Select the report related to “2010.” Click on the gray box to the right labeled “Go.”

- A list of only one report should appear that reads “Race Alone or in Combination.” Click the check box next to this option; click on the table title itself to be taken to the report. You may also click on “View” or “Download” to see the report.

ii. The two available exceptions to the prohibition against being located in an area of minority concentration as defined above are identified in 24 CFR 983.57(e)(3). They include:

1. The project is necessary to meet overriding housing needs that cannot be met in the housing market area. To meet this exception, the overriding housing need must not be caused by the fact that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable. For example, the site is integral to the overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”).
2. Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration. To meet this exception, units may be considered comparable opportunities if they have the same household type (elderly, disabled, family, large family) and occupant type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition. Additionally, there must be an assessment of the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration which must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:
 - a significant number of assisted housing units are available outside areas of minority concentration;
 - significant integration of assisted housing projects constructed or rehabilitated in the past 10 years relative to the racial mix of the eligible population;
 - whether there are racially integrated neighborhoods in the locality;
 - programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration;
 - minority families have benefited from local activities (*e.g.*, acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration;
 - a significant proportion of minority households have been successful in finding units in non-minority areas under the tenant-based assistance programs; and
 - comparable housing opportunities have been made available outside areas of minority concentration through other programs.

Units produced under this exception should produce a reasonable

distribution of assisted units each year that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality's population.

- iii. Should a proposal be located in an area of minority concentration, but is eligible for an exception, the applicant must provide the Authority with an opinion letter that adequately addresses which exception applies and why. ~~The Authority will allow information gained from discussions with city/county officials to be part of the letter if clearly relevant to one of the listed exceptions.~~ Documentation should be attached in support of the letter. For example, if a development is located in a designated "Revitalization Area," documentation evidencing the designation must be included. Opinion letters for exception 1 must be prepared and signed by the locality. Opinion letters for exception 2 must be prepared and signed by the Market Study Analyst. ~~Exhibit 4 is provided as a sample letter.~~

C. Environmental Requirements

Completion of the environmental review process, including HUD approval for use of HOME funds, is mandatory before taking action on a site, including the purchase of the site, or making a commitment or expenditure of HUD or non-HUD funds for property acquisition, rehabilitation, conversion, lease, repair or construction activities.

In accordance with 24 CFR Part 58 participants, recipients, owners, developers, sponsors or any third party partners must not take any physical actions on a site, begin construction, commit, expend, or enter into any legally binding agreements that constitute choice limiting actions for any HUD or non-HUD funds before the environmental review process has been completed and an "Authority to Use Grant Funds" has been received from HUD. Any violation of the statutory regulation will result in the automatic de-obligation of a HOME conditional commitment.

1. Awarded applicants will commission environmental consultants to prepare NEPA environmental reviews their applications. An Environmental Consultant/Firm from the Authority's Approved Environmental Consultant List must be used to complete the NEPA environmental review. A NEPA environmental review is required ONLY if a development is awarded HOME funds.
2. Once HOME awardees have been environmentally cleared, the Authority will publish a Notice of Intent (NOI) and a Request for Release of Funds (RROF). Local governments are responsible for their own publishing of these notices.
3. HOME funds will not be awarded to projects which require mitigation of any hazardous materials, other than lead-based paint and/or asbestos, found on, within, or adjacent to the proposed site(s).
4. For projects involving acquisition, an option agreement on a proposed site or property is allowable prior to the completion of the environmental review if and only if the option agreement is conditional in nature so as not to provide legal claim to any amount of HOME funds to be used for the specific project or site until the environmental review process is completed. The required language to meet this requirement is provided below:
"Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of an environmental review and receipt by the SC State Housing Finance and Development

Authority of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58. The parties further agree that the provision of any funds to the project is conditioned on the Authority's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review."

5. If the proposed project is already underway all work must cease immediately once the application for HOME funds has been made. No work or choice limiting actions may occur after the application date. Work may only recommence after an environmental review has been completed and an Authority to Use Grant Funds has been issued.
- ~~6. All Applicants should refer to the Authority's Environmental Review Manual for further information.~~
http://www.schousing.com/library/HOME/Environmental%20Forms/Environmental%20Manual_rev2017.pdf

D. Community Housing Development Organizations (CHDOs)

To qualify for CHDO designation, a Community housing development organization must be a private nonprofit organization that meets the following requirements:

1. Is organized under State or local laws;
2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
 - a. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
 - b. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members;
 - c. The community housing development organization must be free to contract for goods and services from vendors of its own choosing; and
 - d. The officers and employees of the for-profit entity may not be officers or employees of the community housing development organization.
4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1 or 1.501(c)(4)-1), is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code of 1986, or if the private nonprofit organization is an wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 and meets the definition of "community housing development organization;"
5. Is not a governmental entity (including the participating jurisdiction, other jurisdiction, Indian tribe, public housing authority, Indian housing authority, housing finance agency, or redevelopment authority) and is not controlled by a governmental entity. An organization that is created by a governmental entity may qualify as a community housing development organization; however, the governmental entity may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of governmental entity. Board members appointed by a governmental entity may not appoint the remaining two-thirds of the board members. The officers or

- employees of a governmental entity may not be officers or employees of a community housing development organization;
6. Has standards of financial accountability that conform to 2 CFR 200.302, 'Financial Management' and 2 CFR 200.303, 'Internal Controls;'
 7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;
 8. Maintains accountability to low-income community residents by:
 - a. Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and
 - b. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing.
 9. Has a demonstrated capacity for carrying out housing projects assisted with HOME funds. A designated organization undertaking development activities as a developer or sponsor must satisfy this requirement by having paid employees with housing development experience who will work on projects assisted with HOME funds. For its first year of funding as a community housing development organization, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization. An organization that will own housing must demonstrate capacity to act as owner of a project and meet the requirements of §92.300(a)(2). A nonprofit organization does not meet the test of demonstrated capacity based on any person who is a volunteer or whose services are donated by another organization; and
 10. Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

E. Lead Based Paint Requirements

HOME-assisted projects must comply with Lead-Based Paint Regulations. Effective September 15, 2000, the U.S. Department of Housing and Urban Development (HUD) issued regulations designed to protect young children from lead-based paint hazards in housing that is financially assisted by the federal government or being sold by the government. The regulation, "Requirements for Notifications, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance," was published in the Federal Register on September 15, 1999. This regulation appears within title 24 of the Code of Federal Regulations as part 35 (24 CFR Part 35). The requirements apply to housing built before 1978, the year lead-based paint was banned nationwide for consumer use. The regulation sets hazard reduction requirements that give a much greater emphasis than previous regulations to reducing lead in house dust. Specific requirements depend on whether the housing is being disposed of or assisted by the federal government, and also on the type and amount of financial assistance, the age of the structure, and whether the dwelling is rental or owner-occupied.

See the HOME/LIHTC Implementation Manual for information regarding HOME lead-based paint requirements. All applicants requesting HOME funds must complete and submit Lead-Safe Housing Rule Applicability (**Form M-7B**).

F. Rent Levels

Rents for HOME assisted units are determined on an annual basis by HUD and are restricted for the length of the applicable affordability period. The HOME Final Rule requires approval of all rents on an annual basis for developments with HOME units. The approval process is overseen by the Authority's Compliance Monitoring Department. Annual Rent Approval Form M-66 is required to be submitted to Compliance Monitoring staff to begin the approval process. HOME Rent limits are updated annually by HUD and can be found on the Authority's website: <https://www.schousing.com/Home/PartnerIncomeLimits>. The rents, as listed, include all applicable utilities. Utilities paid by tenants must be subtracted from the rents to determine the maximum allowable rent. Rents may increase or decrease from year to year. Applicants must use the HOME Utility Allowances provided on the Authority's website ONLY. These utility allowances are based on the HUD Model. The HOME Utility Allowances can be found here: <https://www.schousing.com/Home/UtilityAllowances>.

G. Affordability Period

New construction projects assisted with HOME funds must remain affordable and in compliance with regulatory requirements for twenty (20) years.

H. Fixed and Floating Units

The owner must elect either "fixed" or "floating" HOME unit designations at the time of application.

1. Fixed units – are specific units that are designated as HOME assisted units and therefore, are subject to HOME rent and occupancy requirements for the duration of the affordability period. The designated HOME units and their specific income restriction never changes.
2. Floating units – are units are designated as HOME assisted and these units may change or float over time as long as the total number of HOME assisted units in the project remains constant and comparable in size, features, and number of bedrooms.

I. HOME Loans and Disbursement of Funds

The Authority's HOME funds are provided as a permanent financing source and therefore may only be disbursed at project completion. HOME funds may only be requested once the following criteria have been met:

1. The project is 100% complete and certificates of occupancy for all buildings have been issued by city/county officials;
2. The project has passed a final inspection completed by the Authority or its designee; and
3. The HOME loan has been closed and all required executed/recorded documents have been submitted to the Authority.

A mortgage and restrictive covenant will be recorded in all cases where HOME assistance is provided. Upon project completion, the rent and occupancy requirements will be enforced by a recorded restrictive covenant amendment running with the property(s) for the duration of the affordability period.

J. Eligible Project Costs

All costs paid for with HOME funds must be reasonable and necessary, included in the application, and approved as part of the development budget. The HOME funds disbursed at project completion may be used to pay off construction loans, bridge financing loans, or guaranteed loan that were used for the following eligible costs:

Development hard costs – These are actual cost of constructing housing and include the following:

1. Costs to meet the new construction standards in §92.251;
2. To demolish existing structures;
3. To make utility connections including off-site connections from the property line to the adjacent street; and
4. To make improvements to the project site that are in keeping with improvements of surrounding, standard projects. Site improvements may include on-site roads and sewer and water lines necessary to the development of the project. The project site is the property, owned by the project owner, upon which the project is located.
5. Costs to construct laundry and community facilities that are located within the same building as the housing and which are for the use of the project residents and their guests.
6. Costs to make utility connections or to make improvements to the project site, in accordance with the provisions of §92.206(a)(3) (ii) and (iii) are also eligible in connection with acquisition of standard housing.

Acquisition costs - Costs of acquiring improved or unimproved real property.

Related soft costs -. Other reasonable and necessary costs incurred by the owner and associated with the financing, or development of new construction or acquisition of housing assisted with HOME funds. These costs include, but are not limited to:

- ~~1-7.~~ Architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups. The costs may be paid if they were incurred not more than 24 months before the date that HOME funds are committed to the project and the Authority expressly permits HOME funds to be used to pay the costs in the written agreement committing the funds;
- ~~2-8.~~ Costs to process and settle the financing for a project, such as private lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal documents, building permits, attorney's fees, private appraisal fees and fees for an independent cost estimate, builders or developers fees;
- ~~3-9.~~ Costs of a project audit, including certification of costs performed by a CPA certified public accountant, that the Authority requires with respect to the development of the project;
- ~~4-10.~~ Costs to provide information services such as affirmative marketing and fair housing information to prospective tenants as required by §92.351;
- ~~5-11.~~ For new construction, the cost of funding an initial operating deficit reserve, which is a reserve to meet any shortfall in project income during the period of project rent-up (not to exceed 18 months) and which may only be used to pay project operating expenses, scheduled payments to a replacement reserve, and debt service. Any HOME funds placed in an operating deficit reserve that remain unexpended after the period of project rent-up may be retained for project reserves if permitted by the Authority;
- ~~6-12.~~ For new construction, costs for the payment of impact fees that are charged for all projects within a jurisdiction;
- ~~7-13.~~ Costs of environmental review and release of funds in accordance with 24 CFR part 58 which are directly related to the project;
- ~~8-14.~~ Eligible costs of project-specific assistance for Community housing development organization costs are set forth in §92.301; and/or
- ~~9-15.~~ If the HOME funds are not used to directly pay a cost specified in this section, but are used to pay off a construction loan, bridge financing loan, or guaranteed loan, the payment of principal and interest for such loan is an eligible cost only if:
 - a) The loan was used for eligible costs specified in this section; and

- b) The HOME assistance is part of the original financing for the project and the project meets the requirements of this part.

K. Ineligible Project Costs

HOME funds may not be used for the following:

1. HOME funds may not be used to reimburse a non-governmental entity for project-related costs incurred after the Applicant has submitted an application for HOME funds and before the environmental review process has been completed, approved by HUD and the Authority in receipt of the Authority to Use Grant Funds;
2. Delinquent taxes, fees or charges on properties to be assisted with HOME funds;
3. Any cost that is not eligible under §§ 92.206 through 92.209;
4. Infrastructure costs in projects where HOME funds will be used for infrastructure only; and
5. Playground equipment.

L. Allocating Costs for Mixed Income and Mixed Use Developments

All HOME funds used in conjunction with a mixed income development shall be used solely for the benefit of the affordable units in the development. A building that is designed in part for use other than residential housing may qualify as affordable housing under the HOME program if, at least fifty-one percent (51%) of the total space is residential and meets the rent and occupancy limitations.

M. Tenant Selection Procedures

Applicants must ensure that tenant selection policies and criteria are written and:

1. Are consistent with the purpose of providing housing for very low and low-income families;
2. Are reasonable, given HOME Program eligibility and acceptance requirements;
3. Consideration is given to the housing needs of families with federal preferences for admission to Section 8 and public housing;
4. Tenants are selected from a written waiting list in chronological order; and
5. Are given prompt written notification of rejection and the grounds for such rejection.

N. Uniform Relocation Act

All HOME projects are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and other HUD requirements such as Section 104(d) of the Housing and Community Development Act. Developments containing residential or commercial buildings that are not vacant at the time of the “Initiation of Negotiations” cannot request HOME funds.

[Applicants must submit an M-52 Notice to Seller for the Acquisition of Property with Federal Funds, executed prior to or at the time of the execution of the option or contract, if the application involves acquiring property.](#)

O. Tenant Protections and Prohibited Lease Terms

The Applicant is required to follow the provisions of 24 CFR Part 92.253 of the HOME regulations for tenant lease protections and execute lease agreements for a minimum of twelve (12) months, unless by mutual consent, the tenant and owner agree to a lesser term. An owner may not terminate the tenancy or refuse to renew the lease of a tenant for rental housing assisted with HOME funds except for serious or repeated violations of the terms of the lease, for violation of applicable federal, state or local law, or for other good cause. Any termination or refusal to renew must be preceded by no less than thirty (30) days written notice specifying the grounds for the action.

Owners may not refuse, except for just cause, to lease a HOME-assisted unit to a family, which holds a rental certificate or voucher or a comparable document under the HOME Program.

The following are prohibited lease terms:

1. *Agreement to be sued* - Agreement by the tenant to be sued, admit guilt or to a judgment in favor of the owner in a lawsuit brought in connection with the lease.
2. *Treatment of Property* - Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law.
3. *Excusing the Owner from Responsibility* - Agreement by the tenant not to hold the owner or the owner's agents legally responsible for actions or failure to act, whether intentional or negligent.
4. *Waiver of Notice* - Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant.
5. *Waiver of Legal Proceedings* - Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant would have the opportunity to present a defense.
6. *Waiver of Legal Trial* - Agreement by the tenant to waive any right to a jury trial.
7. *Waiver of Right to Appeal Court Decision* - Agreement by the tenant to waive their right to appeal or to otherwise challenge in court a decision in connection with the lease.
8. *Tenant Chargeable with Cost of Legal Actions regardless of Outcome* - Agreement by the tenant to pay attorney fees or other legal costs even if the tenant wins the court proceeding by the owner against the tenant. The tenant however, may be obligated to pay costs if the tenant loses.
9. Requirement for tenants to participate in mandatory services.

P. Procurement and Contracting Requirements

Applicants must ensure that every entity and/or individual awarded a contract is not on the list of Parties Excluded from Federal Procurement or Non-Procurement Programs (SAM.gov) as published by the U. S. General Services Administration and HUD Regional and Field Offices' Limited Denials of Participation lists. Applicants must have successfully completed an environmental review and received an Authority to Use Grant Funds notice from HUD before taking any choice limiting actions on a site, such as executing construction contracts, starting construction, or taking any physical actions on a site.

[Applicants must use a competitive sealed bid process when procuring for the general construction contract.](#) Procurement policies or bid selection procedures must comply with the regulations of Section 3, MBE/WBE outreach requirements, and federal labor standards when applicable. Developments subject to Section 3 regulations must include the M-11E Certification of a Section 3 Business Form and the M-11D Section 3 Guidance for Contractors in all bid packages when applicable.

In circumstances where an Identity of Interest relationship exists and the Applicant wishes to act as the general contractor, the applicant must request approval to do so in writing. Requests can be submitted with the application by completing the M-8 Identity of Interest Certification and the M-8A Request for Identity of Interest.

~~Selected g~~ General contractors must meet the following minimum requirements to be awarded HOME construction contracts.

1. Construction companies must have been in business for a minimum of five years and have permanent full-time employees.
 - a. Documentation must be provided that demonstrates the construction company been in business for at least five years of continuous operation, operating under the same business name.
 - b. Documentation that the company is in good standing with the SC Secretary of State
 - c. Copy of most current license issued by SC Department of Licensing, Labor and Regulations.
 - d. Completed W-9
 - ~~d~~. M-9 Debarment Certification
2. Provide a list of similar projects the construction company has successfully completed during the last five years. Include the following information for each project:
 - a. Project Name
 - b. Project Owner
 - c. Project Address
 - d. # of Units and Type (affordable, market rate)
 - e. Construction Start/End dates
 - f. Project Type (New Construction, Rehab, Adaptive Re-Use, Conversion) - Description of Funding Sources
 - g. Color Photo of Completed Projects
3. Provide the construction company's organizational chart (including employee names and titles) and employee roster. The construction company must have full-time permanent employees, including full-time on-site job superintendents/project managers. Provide the following information for each employee:
 - a. Employee Name
 - b. Job Title
 - c. Resumes of all key staff members and principals
 - d. Description of responsibilities and job duties and employment type (i.e. full-time/part-time)

Q. Davis-Bacon Requirements

All HOME-assisted projects containing twelve (12) or more HOME-assisted units shall comply with the Davis-Bacon Act. When funds are used in twelve (12) or more units, the Applicant must comply with the provisions requiring the payment of not less than the prevailing wages in the locality. Refer to the HOME/LIHTC Implementation Manual for more details.

R. Section 3 Requirements

To the greatest extent feasible, HOME recipients, their contractors and subcontractors must provide opportunities for job training, employment, contracting and subcontracting to Section 3 residents and businesses. See 24 CFR Part 135 for regulations enacted in furtherance of Section 3.

Section 3 requirements apply to all contracts and subcontracts for professional and construction services exceeding \$100,000 that were awarded in connection with the HOME funded project. When there are contracts and subcontracts awarded in conjunction with the Section 3 applicable project, then Section 3 requirements apply to all contractors awarded contracts for work in excess of \$100,000. These include all contracts and subcontracts awarded in excess of \$100,000, even those not funded with HOME funds and those that are for non-construction activities.

~~The HUD sponsored Section 3 Business Registry is available online at: <http://www.hud.gov/Sec3Biz>. The registry can be used to search for self-certified Section 3 businesses or to register a business for inclusion as Section 3 eligible.~~

~~Refer to the HOME/LIHTC Implementation Manual for more details.~~

S. Violence Against Women Act

All HOME-assisted projects are required to be in compliance with the Violence Against Women Act (VAWA). VAWA requires the following:

- Notice of Occupancy Rights - explains the protections provided and how to request them.
- Owner Notice of Occupancy Rights and Obligations - for owner/landlords that have units assisted with HOME funds.
- Emergency Transfer Plan - VAWA requires the implementation of an emergency transfer plan which identifies participants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to participants on safety and security.

T. Other Federal Requirements

Applicants shall comply with all other federal requirements that may not be listed in this manual that are outlined in 24 CFR Part 92 and 24 CFR Part 92 Subpart H such as, but not limited to:

1. General Audit Requirements
2. Affirmative Marketing
3. Equal Opportunity and Fair Housing
4. Affirmatively Furthering Fair Housing
5. Conflict of Interest
6. Debarment and Suspension
7. Flood Insurance and Executive Order 12372

U. Monitoring and Compliance

All awarded projects are subject to HOME compliance monitoring requirements. At a minimum, the owners of projects are responsible for conducting the following annually:

1. Maximum rent and utility allowances must be reviewed and recalculated annually upon the anniversary of the lease renewal date. HOME rents are published annually by HUD and are provided on the Authority's website.
2. The HOME Final Rule requires approval of all rents on an annual basis for developments with HOME units. The approval process is overseen by the Authority's Compliance Monitoring Department. Annual Rent Approval (Form M-66) is submitted annually to Compliance Monitoring staff to begin the approval process.
3. The annual income of tenants in HOME projects must be reviewed and verified each year. HOME incomes limits are updated annually by HUD and are provided on the Authority's website.
4. On-site inspections for compliance with Uniform Physical Conditions Standards (UPCS) should be conducted by the owners.
5. At least annually, the Authority will examine the financial condition of HOME-assisted projects with ten (10) or more HOME-assisted units to determine the continued viability of the project.

Exhibit 1- Checklist

**South Carolina State Housing Finance and Development Authority
HOME Program**

HOME Addendum Application Checklist

Applicant Name: _____ Date: _____

Development Name: _____

Applicants must initial each category for which documents are included and complete.

<i>Attachment Item</i>	<i>Initial</i>
HOME Rental Addendum Application	
CHDO Application for Designation with supporting documentation (if applicable)	
HOME Eligibility Certification (Form M-47T) ALL Applications	
URA Requirements Notice to Seller (Form M-52) ALL Applications	
Site and Neighborhood Standards Requirements Form M-40 Site and Neighborhood Standards Certification ALL Applications FFIEC Online Census Data Report ALL Applications Exhibit 4 for Option 1 or 2 (applicable for all projects located in in area of minority concentration – see pages 6-9) Exhibit 4 (if applicable based on the percentage of total minority population for the project's census tract – see pages 6-8)	
Lead-Safe Housing Rule – Applicability Form (Form M-7B) ALL Applications	
Procurement and Contracting Requirements ALL Applications Procurement Policy Required if not requesting an IOI Identity of Interest Certification (Form M-8) If applicable Identity of Interest Request (Form M-8A) If applicable	

Appendix E
20202021 Low-Income Housing Tax Credit Manual

All deadlines listed herein are for 5:00 PM Eastern Standard Time and fall to the next business day if it otherwise would occur on a holiday or weekend.

I. Reservation/Carryover Allocation Procedures

Any reservation or carryover allocation obtained on the basis of false or misleading information shall be void.

A. Reservation Certificates

The Authority will mail Reservation Certificates to all funded developments upon completion of the competitive scoring process. To acknowledge acceptance of the reservation of LIHTCs, Owner must execute and return the Reservation Certificate and pay all fees then due within ten (10) business days of receipt. The Reservation Fee is an amount equal to ten percent (10%) of the annual LIHTC amount reserved for the development. Upon receipt of the Reservation Fee, Construction Inspection Fees, and the executed Reservation Certificate, the Authority will execute the Reservation Certificate and forward a copy to the Owner. The date of the Reservation Certificate is the “Reservation Date.”

Once all Reservation Certificates have been executed and returned, the LIHTC Awards List will be released and posted on the Authority’s website: www.schousing.com.

Issuance of a Reservation Certificate does not guarantee that the development will receive an allocation of LIHTC in the amount stated, or at all.

Any violation of the terms and conditions of the Reservation Certification and/or an untimely submission of documentation referenced in the Reservation Certificate may result in its cancellation.

B. Carryover Allocations

Owners seeking a Placed-In-Service (PIS) allocation the year in which the reservation was made must submit a PIS application on or before the second Monday in December. Developments with a reservation of LIHTC that will PIS after December 31 of the reservation year must submit an Application for a Carryover Allocation to the Authority no later than the date specified in the Reservation Certificate.

The Authority will mail a Carryover Agreement together with a Binding Agreement for signature. The Owner must return the original documents by the due date indicated.

C. Phase I Environmental Site Assessment

Completion of a Phase I Environmental Site Assessment (ESA) report will be a condition of the allocation. The ESA will identify Historical, Controlled and Recognized Environmental Conditions (HRECS, CRECs, and RECs) that impact the suitability of the proposed site and must include the Environmental Professional’s opinion on whether the proposed site requires further examination and the rationale used in making this determination. For proposals with existing buildings built before 1978, the report must also include the results from lead-based paint testing. For any HRECs identified, the Phase I ESA must demonstrate that previous efforts to mitigate the issue have been completed to the satisfaction of the applicable regulatory authority and/or that the site under consideration

meets current criteria established by the regulatory authority and can be used without mandatory controls. For sites with identified CRECs, the Phase I ESA must indicate that the REC has been addressed to the standards and satisfaction of the overseeing regulatory authority and identify the remaining controls in place to mitigate the environmental condition(s).

If the Environmental Professional recommends further examination, the application must include a Phase II ESA. The Phase II ESA must provide a narrative of how the any REC(s) identified will be mitigated using methods recognized and supported by the applicable regulatory authority and the estimated costs of such mitigation.

The report(s) must be prepared by a third-party, independent, licensed environmental professional as defined in 40 CFR § 312.10(b) and addressed to the Authority. The Environmental Professional cannot be a member or affiliate of the Development Team. The report(s) must be prepared in accordance with the American Society for Testing and Materials Practice Standards E-1527-13, or as amended.

II. Verification of 10% Expenditure

The Authority requires owners meet the Verification of Ten Percent Expenditure (10% Test) no later than six (6) months after the Carryover Allocation date. The Authority may permit an extension of this date only under circumstances beyond the Owner's ability to control. In any event, the Authority will not grant an extension longer than ten (10) months after the Carryover Allocation date.

The 10% Test application is due to the Authority within three (3) weeks after the 10% Test deadline. Failure to submit by the due date may result in the cancellation of the LIHTC award.

If any of the required documents are missing/incomplete, the following will apply:

- Prior to the Application deadline – the missing/incomplete document(s) may be submitted without penalty.
- After the Application deadline – the missing/incomplete document(s) may be submitted upon payment of a \$1,000 administrative fee for each business day after the deadline.
- If the missing/incomplete documents are not corrected and resubmitted to the Authority within seven (7) business days following the notification, the development may forfeit its allocation of LIHTCs.

III. Progress Monitoring

A. ~~[reserved]~~ Progress Reports

~~The Owner must submit file quarterly Exhibit L Progress Reports that accurately describe the status of the development. The first (1st) Report will be due on April 7 of the calendar year following Reservation/Carryover. Subsequent reports are due July 7, October 7, and January 7 thereafter until the development reaches a stabilized occupancy of at least ninety three percent (93%) for six (6) consecutive months.~~

~~The Authority will assess a fine of \$1,000 against any development for which Exhibit L Progress Reports are late. Report dates falling on Saturday, Sunday, or state holidays will be due the next business day. Failure to submit the required Exhibit L Progress Report within seven (7) business days of the due date may result in a revocation of the LIHTCs.~~

B. Progress Inspections

Developments will be subject to four (4) construction progress inspections during the construction phase (25%, 50%, 75%, and 100%) and a final Exhibit G inspection.

C. Progress Deadlines

The Authority may grant a forty-five (45) calendar day extension of the deadlines below for a fee of \$1,000 for the first request. The fee for any additional request is \$2,000 and will be for only thirty (30) days at a time. All extension requests must be in writing and submitted not less than one (1) week prior to the deadline along with the required fee. The Authority will only accept and grant extensions for individual categories, not an overall blanket extension for all categories.

Ten (10) Months after the Reservation Date:

Final architect certified development plans and specifications for LIHTC developments are due to the Authority not later than ten (10) months after the reservation date. Final plan and specification requirements are outlined in Appendix B Development Design Criteria.

The Owner entity must have title to the land as evidenced by a copy of the recorded deed and/or land lease.

Twelve (12) Months after the Reservation Date:

The following documents are due not later than twelve (12) months after the Reservation Date:

- a certified copy of the executed, recorded, FINAL construction mortgage document with the recorder’s clock mark date stamp showing the date, book, and page number of recording;
- the original executed and recorded Restrictive Covenants; and
- the executed binding commitment for syndication.

Owners must provide evidence that their development is listed on the South Carolina Housing Search website, www.SCHousingSearch.com.

Fifteen (15) Months after the Reservation Date:

All developments must be under construction. New construction developments must have all footings or a monolithic slab in place as evidenced by photographs submitted with a Progress Report certified by the development architect or engineer. Rehabilitation developments must have begun actual rehabilitation of the units, as evidenced by photographs submitted with a Progress Report certified by the development architect. Rehabilitation and new construction must be continuous and progressive from this date to completion.

IV. Placed in Service Allocation Procedures

The owner must submit a Placed-In-Service (PIS) application and all supporting documentation listed on Exhibit A – Placed in Service Checklist on or before the second Monday in December. Applications not received by this due date may be submitted until the last business day in December, upon payment of an administrative fee equal to \$1,000 for each business day after the second Monday in December.

The Authority will review PIS applications in the order received. If the application is incomplete, the following will apply:

- Prior to the second Monday in December – the documents may be submitted without penalty.

- After the second Monday in December – the documents may be submitted upon payment of a \$1,000 administrative fee for each business day after notification until the documents are submitted.
- If the Authority does not receive the corrected or missing documents and administrative fee within ten (10) business days following December 31, the development may lose its allocation of LIHTCs.

The PIS application must include a Contractor Cost Certification in the form outlined in Exhibit J-2 as to the actual costs incurred in construction of the project. A Certified Public Accountant must perform an audit and issue an opinion letter in accordance with Generally Accepted Accounting Principles and Generally Accepted Auditing Standards and execute the CPA Certification Form. The development team must certify that all costs have been reported for inclusion in the cost certification.

The certification must include a statement that a final copy of all costs incurred has been reviewed and is in accordance with the requirements of the LIHTC Program, and that after careful review and investigation into the eligible basis, the costs that are not includable have been excluded from the eligible basis. The Authority may require an attorney opinion for costs that are questionable as to their eligibility for LIHTC purposes.

The Authority will use industry standards to determine the total actual allowable cost for construction and may reduce the LIHTC allocation. If either the audit or Authority staff finds that the Contractor's actual allowable costs for construction are less than budgeted costs at application and as amended by any approved change order requests, then the Authority may reduce the eligible basis and decrease the amount of LIHTCs. The Authority assumes no responsibility for determining which costs are eligible.

Once submitted Owners may not modify or resubmit a certification. All underwriting decisions based on the submitted certification are final.

After receipt of a complete PIS application, the Authority will inspect the development. All units to be one hundred percent (100%) complete and available for immediate occupancy by the placed in service deadline, as documented by the Certificates of Occupancy or an equivalent provided by the local government entity. Failure to meet either criterion may result in cancellation of the LIHTC allocation.

If the PIS application is complete, the Authority will execute and mail Form 8609(s), but not until the last building in a multi-building development has been placed in service.

Owner must submit an administrative fee of \$100 for each Form 8609 the Authority corrects prior to the issuance of the corrected Form 8609.

V. Project Changes, Transfers and Return of Credits

A. Material Changes Prohibited

If, upon the submission of the Carryover Allocation Documents, the 10% Test application or the PIS application, the Authority determines that the development is not substantially the same as described in the original Tax Credit Application, the development may not receive an allocation of LIHTCs.

At all times after award, the owner is responsible for promptly informing the Authority of

any changes or alterations which deviate from the final plans and specifications approved at award.

B. Transfers

Neither reservations nor carryovers are transferable without the prior written consent of the Authority.

No change in the makeup or identity of a GP in a partnership or its equivalent in a limited liability company is permitted without the prior written consent of the Authority. Without limitation, this prohibition includes indirect transfers through the admission of any “special limited partner(s)” that leads to the eventual exit of a GP or its equivalent in a limited liability company. LIHTCs allocated to developments whose ownership is altered in violation of this provision shall be subject to revocation by the Authority.

C. Return of Credits and Returned Credit Allocation Procedures

LIHTC allocations may be returned only on a date agreed upon by the Authority and the Owner.

D. Design Changes

The applicant may request a waiver of the mandatory design criteria specified in the QAP and Appendix B prior to the adoption of a preliminary resolution.

VI. Compliance Monitoring Procedures

The procedures the Authority will follow in monitoring are outlined in the LIHTC Compliance Monitoring Manual on the Authority’s website: www.schousing.com. The manual includes but is not limited to procedures consistent with the Regulations that address the following areas: record keeping and record retention; certification and review; on-site inspection; and notification as to noncompliance.

Additionally, all LIHTC developments must comply with the following:

A. Mandatory Compliance Training Session for On-Site Management Staff

Once a development reaches 75% construction completion, the Owner must schedule required attendance at a compliance training session for on-site management staff charged with handling the “daily” tasks of property management and program eligibility determinations.

B. Rent Increases:

In addition to maintaining the applicable QAP market advantage requirement, developments cannot increase rent levels without approval from the Compliance Monitoring Department. Rent increases in excess of 5% annually may not be approved.

C. Annual Audited Financial Statements:

All developments, regardless of when funded, must submit audited financial statements and operating expense information not later than June 1st of each year on the Authority’s form.

VII. Developments Utilizing Non-Competitive Tax Credits with Tax Exempt Bond Financing

Developments proposed for financing by private activity bonds may be eligible to receive ~~an approximate four percent (4%) LIHTCs without competing for an allocation of LIHTCs. To~~

~~receive an allocation of tax credits, a bond-financed development must be if~~ eligible to receive a ~~tax-credit-LIHTC~~ allocation under the QAP for the year in which the application for bond financing is filed with the Authority. The Authority will issue a preliminary, non-binding response to an application for the 4% LIHTC stating whether the development is eligible. After the development places in service, the owner will submit a PIS application.

A.—Application Process

~~If LIHTCs are sought as a funding source, the Owner must notify the Authority of this at the time of the application for bond financing. The Authority will evaluate the proposal to determine whether the site and market of the proposed development comply with the QAP threshold requirements. Rehabilitation proposals must meet the QAP minimum rehabilitation standards and all mandatory design criteria. If the review is favorable, the Authority will issue a preliminary, non-binding statement as to whether the development is eligible to receive funding which shall specifically state: (i) that it is based upon information provided to the Authority regarding the development, the accuracy of which has not been finalized; (ii) that it assumes that the development as PIS will exactly match the development described to the Authority; and (iii) that the opinion is preliminary, non-binding, and may not be relied upon by any party.~~

~~The application for non-competitive LIHTC must be submitted to the Authority only after the development is Placed In Service. A Final Cost Certification Package, prepared and certified as to accuracy by a third-party Certified Public Accountant licensed by the South Carolina Board of Accountancy, must accompany this application. This cost certification must follow the format and guidelines identified in the LIHTC Manual. In addition, the CPA must attest that the 50% aggregate basis test has been met to qualify the development for LIHTCs. This requirement shall be met with a signed opinion accompanied by the CPA's detailed calculation of the aggregate basis financed by the tax-exempt bonds.~~

Tax exempt bond developments must meet all threshold ~~participation~~ criteria in the QAP, except the following ~~requirements~~:

Scattered Site:

~~Scattered site developments~~ are eligible will be allowed for applications for non-competitive 4% LIHTCs if the development meets all ~~federal requirements and~~ the following:

- All buildings must be under the ownership of one entity;
- All units must be managed by one management entity;
- All buildings must be developed under one plan of financing and considered a single development by all funding sources;
- The development must be appraised as a single proposed development;
- Each noncontiguous parcel must be located within the same county; and
- Each noncontiguous parcel must contain at least four (4) units per parcel.

Portfolio Transactions:

~~Where the a~~ Application is pooling together multiple properties for acquisition/rehabilitation under one bond issuance, a must be:

- ~~separate application must be submitted~~ separate application must be submitted for each property, and include an appraisal for that single property;
- developed under one plan of financing and considered a single development by

all funding sources; and

- entirely managed by one management entity.

~~The pooled bond deal will not be considered a scattered site development, but must meet all of the following requirements:~~

- ~~1. All buildings must be developed under one plan of financing and considered a single development by all funding sources;~~

- ~~1. All units must be managed by one management entity; and~~

Each property must contain at least twenty-four (24) low-income units.

Required Development Experience for RAD Conversions:

An application proposing to convert public housing developments through the Rental Assistance Demonstration (RAD) program, may request a waiver of the required development experience if the Development Team contracts for the services of an LIHTC consultant who has experience on previous RAD conversions.

Targeting Requirements

~~For family developments, the development must contain a minimum of the following three (3) or more bedroom units: the lesser of twenty five percent (25%) of the total low income units or 35 units.~~

Size Requirements

There is no maximum number of units in any county.

Maximum LIHTCs Per Unit

There is no maximum amount of LIHTCs for any set aside or development type.

Mandatory Design Criteria

~~The applicant may request a waiver of the mandatory design criteria specified in the QAP and Appendix B prior to the adoption of a preliminary resolution. Any waivers requested after the adoption of the preliminary resolution must be due to changed circumstances and must include compelling evidence demonstrating the need for the waiver and why it could not be requested prior to the adoption of the preliminary resolution.~~

Authority-administered HOME funding

Tax exempt bond developments are not eligible to apply for HOME funds.

Financial Underwriting

~~Operating Reserves: Minimum operating reserves must be equal to three (3) months of projected operating expenses. These reserves must be funded at the time the development places in service.~~

~~Developer Fee: For both new construction and rehabilitation developments, developer fee is limited to the lesser of (1) \$3 million or (2) 15% of Total Development Costs less Land, Consulting Fees, Developer Fees, Developer Overhead, Other Developer Costs and Reserves.~~

~~Deferred Developer Fee: The deferred portion of the developer fee may not exceed fifty percent (50%) of the total at application submission.~~

~~Annual Operating Expenses: Projected annual operating expenses must be between~~

~~\$3,600 and \$5,200 per unit per year, excluding reserves.~~

~~With respect to the gross rent floor effective date for each building in the development, the building owner must submit an executed gross rent floor designation (Exhibit N) with the PIS Application.~~

VIII. Program Suspension and Debarment

- A. The following events may result in suspension from participating for funding from any of the Authority administered programs for a period of three (3) years:
1. Developments that fail to meet the 10% Test by the date specified in the carryover document or place-in-service by the Code deadline.
 2. Removal of the General Partner or its equivalent in a limited liability corporation. The Authority may make E~~exceptions~~ due to death, bankruptcy, or cessation of business operations ~~may be allowed.~~
 3. Providing a false or inaccurate Exhibit G certification ~~may result in the suspension of the developer and the architect. The Authority will also file a complaint against the architect with the S.C. Department of Labor, Licensing and Regulation.~~
 4. Failure of a development to remain in compliance with all rules and regulations imposed by the Tax Credit Assistance Program (TCAP) funds or Exchange Program ~~may result in suspension of the GP of a limited partnership or its equivalent in a limited liability corporation.~~
 5. Interference with a LIHTC application for which an individual or an entity is not a part of the Development Team.
- B. Any of the following actions may result in the permanent debarment from participating for funding from any of the Authority administered programs:
1. Any Development Team member who provides false or misleading information to the Authority or the Hearing Officer with regard to a development seeking LIHTC, regardless of when such false or misleading information is discovered. ~~Any reservation or carryover allocation obtained on the basis of such false or misleading information shall be void.~~
 2. Any partnership formation and/or developer agreement, whether written or otherwise, that attempts to circumvent Authority requirements, regardless of when the violation is discovered.
 3. For nonprofit sponsored developments, breach of the requirement for continuous and ongoing material participation ~~is breached, the nonprofit and all of its officers and directors shall be permanently debarred from future participation. In the event that the requirement for continuous and ongoing control over the development is breached, such breach will be reported to the IRS as noncompliance, and Debarment applies to~~ the nonprofit and all of its officers and directors ~~shall be permanently debarred.~~
- C. The Authority may disqualify an application from the current or upcoming application cycle for any of the reasons below.
1. Member(s) of the ~~d~~Development ~~t~~Team or person(s) on behalf of a development team member(s) contacting Board members from the ~~Tax Credit LIHTC preliminary A~~ application submission date through the date of ~~the~~ award of the LIHTCs regarding
 1. —the scoring or evaluation of any applications,
 2. —interpretations or implementation of the QAP; or Appendices~~this Manual, or the implementation of the LIHTC program,~~ or

~~• 3. — the award of LIHTCs, may be suspended from the LIHTC program for the current and following competitive funding cycles.~~

~~2. Any of the following applies to a member of the Development Team:~~

- ~~• debarment from any federal or state program;~~
- ~~• submission of fraudulent information to the IRS or any federal or state affordable housing program;~~
- ~~• failure to meet a requirement resulting in full recapture of LIHTCs;~~
- ~~• failure to comply with laws governing fair housing and accessibility for persons with disabilities resulting in a U.S. Department of Justice finding;~~
- ~~• default on a loan resulting in foreclosure or deed in lieu of foreclosure that leads to premature termination of a mandatory affordability period*;~~
- ~~• abandonment or forfeiture of an affordable housing property*;~~
- ~~• failure to comply with restrictive covenants*;~~
- ~~• removal or withdrawal as General Partner or Managing General Partner of a LIHTC property*; and/or~~
- ~~• return of LIHTCs to an allocating agency*.~~

~~*Items denoted with an asterisk are events for which the applicant may request a waiver no later than January 31, 2021.~~

~~3. A member of the Development Team is responsible for prior instances of any of the following in the previous ten (10) years without a waiver from the Authority requested no later than January 31, 2021:~~

- ~~• Forms 8823s and/or health and safety issues not cured within the established period;~~
- ~~• default or arrearage of at least three months in an affordable housing mortgage or loan;~~
- ~~• outstanding flags in HUD's 2530 National Participation system;~~
- ~~• deferred maintenance, mold, building code violations or other evidence of poor maintenance at properties monitored by the Authority;~~
- ~~• failure to pay Compliance Monitoring Fees;~~
- ~~• failure to submit rent rolls, annual owner certifications, or other required reporting;~~
- ~~• failure to report to the Authority any common areas, buildings or dwelling units that has been out of service for a period exceeding 30 days due to damage or disrepair; and/or~~
- ~~• failure to notify the Authority of a change in property ownership or management.~~

~~Depending on the severity of infraction(s), as determined by the Authority, there may be additional suspensions or debarments. In addition, all application(s) associated with any such member(s) of the development team may be disqualified from funding consideration.~~

D. The Authority, ~~in its sole discretion,~~ may determine other acts ~~to be infractions of the program~~ that require suspension or debarment. Suspensions or debarments based on such acts not otherwise defined shall be conducted as outlined in the ~~South Carolina State Housing Finance and Development~~ Authority's Debarment and Program Suspension Policy.