

South Carolina State Housing Finance and Development Authority

Low-Income Housing Tax Credit Program

2007 Qualified Allocation Plan

The mission of the South Carolina State Housing Finance and Development Authority (the "Authority") is to create quality affordable housing opportunities for the citizens of South Carolina. We expect to create and maintain a positive work culture that reinforces our mission, encourages innovation, and is based on a spirit of cooperation and teamwork. We will work to improve customer service and enhance employee performance by constantly reviewing processes and using technology. The Authority will strive to develop mutually supportive relationships that expand our ability to provide affordable housing while enhancing the value of investments. We will actively seek new and innovative ideas to improve affordable housing opportunities throughout the State.

I. INTRODUCTION and PURPOSE

The Low-Income Housing Tax Credit (the "LIHTC") Program was created by Congress in 1986 to promote the development of affordable housing for low-income individuals and families. The Internal Revenue Service (the "IRS") regulations for the LIHTC Program can be found under Section 42 of the Internal Revenue Code (the "Code"). The Qualified Allocation Plan (the "QAP") has been prepared to comply with Section 42(m)(1)(B) of the Code of 1986, as amended; however the requirements and provisions are not limited to those contained in the Code. Additional procedures and policies used in the administration of the LIHTC Program are described in the LIHTC Manual. The administration and allocation of the LIHTC Program will be in accordance with the QAP criteria described herein as well as the guidelines, procedures, and requirements described within the LIHTC Manual. The LIHTC Manual criteria are incorporated by reference as additional provisions of the QAP.

The Authority, as the designated housing credit agency for the state, is responsible for allocating the LIHTC. As such the Authority is responsible for developing the guidelines and priorities that best address the need for affordable housing throughout the state by adopting a comprehensive QAP. The Authority's goal is to utilize the allotment of LIHTC to the maximum extent possible for creating or rehabilitating existing properties into viable affordable housing developments. The intent of the QAP is to set forth the criteria that the Authority will consider in evaluating developments applying for an allocation of LIHTC. Approval of the QAP by the Governor of the state is required after the public has had an opportunity to comment by written comment or at a public hearing.

The LIHTC provides a financial incentive that offsets initial capital development costs to qualified developments. It is the Authority's goal to ensure that proposed developments satisfy the necessity of providing affordable housing to the targeted population in the locality and to generate the annual revenue necessary to adequately support the annual operations and long-term maintenance to sustain financial health. The fact that an application is accepted for processing or that a development receives a reservation or allocation of tax credit dollars shall not be construed to be a representation or warranty by the Authority as to the feasibility, viability, or lack thereof, of any development.

Housing created through the LIHTC Program must be affordable for low-income individuals and families with a maximum annual income at or below sixty percent (60%) of the Area Median Income (the "AMI"). Section 42(h)(6) of the Code requires that a LIHTC development be subject to "an extended low-income housing commitment". The Authority complies with this requirement by requiring all LIHTC developments to execute and have recorded "Restrictive Covenants" that stipulate the development will comply with income and rent requirements contained within the Code for a minimum of thirty (30) years as well as any other criteria contained within the QAP or LIHTC Manual.

Section 42(m) of the Code requires the Authority to allocate tax credits giving preference to proposals that:

- Serve the lowest income tenants
- Serve qualified tenants for the longest periods
- Contribute to a concerted Community Revitalization Development Plan (the "CRDP")
- Adhere to compliance and monitoring procedures

The following criteria will also be considered in the selection process:

- Site Criteria
- Location Characteristics
- Financial Characteristics
- Development Characteristics
- Targeting Characteristics
- Applicant/Development Team Characteristics
- Are intended for eventual tenant ownership
- Are intended to serve individuals with children
- Give preference to those on public housing waiting lists

The Authority web site contains general and historical information concerning the LIHTC Program under the Housing Partners, Tax Credit section. The Authority's web address is: www.schousing.com. From time to time, the Authority may post bulletins or public notices to the tax credit web page in response to questions and requested clarifications submitted regarding the LIHTC Program. It is the applicant's responsibility to check the web page for updates. The web page provides a list of past LIHTC allocations and existing developments. LIHTC Program information may also be obtained by calling Laura Nicholson at (803) 896-9190, emailing laura.nicholson@schousing.com, faxing (803) 896-9189, or writing SCSHFDA, LIHTC Program, 300-C Outlet Pointe Blvd., Columbia, SC 29210.

II. THRESHOLD EXPERIENCE CRITERIA

In order to participate in the LIHTC program either the developer(s), general partner(s) in a limited partnership or the managing member(s) of a limited liability company must have experience in one LIHTC development or other successful multifamily rental development of at least seventy-two (72) units or two (2) developments of at least thirty-six units. "Experience in one LIHTC development or other successful multifamily rental development of at least seventy-two (72) units," means coordinating the development team in planning, financing and constructing a development through the receipt of Certificates of Occupancy and reaching stabilized occupancy. All developers, general partners or managing members must complete a Previous Participation Certificate (see **Exhibit K**). For developments awarded LIHTCs in which the developer(s), general partner(s) in a limited partnership or the managing member(s) of a limited liability company do not have previous LIHTC experience, the Authority will require that a management company with previous successful LIHTC management experience be hired for a minimum of two (2) years.

Any application submitted by developers, general partners, or managing members who from January 1, 2000 through February 28, 2007, have been removed, debarred, or asked to voluntarily withdraw from a LIHTC partnership and/or have ever returned an entire allocation of LIHTC in South Carolina, other than for reasons beyond their control acceptable to the Authority, is ineligible to participate in South Carolina's LIHTC program.

Any application submitted by developers, general partners, or managing members who have been disqualified from participating in any other state or other allocating agency's LIHTC Program within the past six (6) years, other than for reasons beyond their control acceptable to the Authority, is ineligible to participate in South Carolina's LIHTC program.

Any application submitted by developers, general partners, or managing members who have been reported to the IRS (Form 8823) for uncorrected non-compliance issues by the Authority or other allocating agency's LIHTC administrator, at the Authority's sole discretion, may be ineligible to participate in South Carolina's LIHTC program. The Authority's determination of noncompliance violations is not subject to interpretation (appeal) or final IRS resolution of non-compliance violation.

III. CRITERIA for TIER ONE REVIEW

The Authority, at its sole discretion, may reject a site based on information submitted in the application package, the site review findings, or other information obtained that the Authority determines renders the site undesirable for a LIHTC development.

1. Positive Site Characteristics:

Sites with the following positive site characteristics will be considered “A” sites.

- a) Sites located within two (2) miles by public paved road to no fewer than five (5) services which are appropriate to the proposed tenant population;

Services: Full Service Grocery Store
Convenience Store
Pharmacy
Restaurant
Fire Station
Police Station
Hospital / Health Department
Doctor’s Office (General Practitioners Only)
Public Library (No School Libraries accepted)
Public Schools
Public Park/Playgrounds
Public Transportation

- b) Site is relatively flat with entrance(s) at or above access road grade with negligible water runoff from adjacent properties;
c) Site is compatible with the surrounding land uses.

For the detrimental characteristics listed in sections 2, 3 and 4 below, the Authority defines its determination of “within one-half (1/2) mile” or “within five hundred (500) feet” as the shortest distance, in a straight line, from the closest site boundary line to the detrimental site characteristic.

2. The following Detrimental Development Characteristics are not allowed for any development site. This list is not all inclusive and may be expanded:

- a) Applications proposing an existing development to be subdivided into two (2) or more developments;
b) Applications proposing developments within the same defined market area of existing Authority funded developments (tax credit, tax exempt bonds, etc.) for the same tenant populations that have a history of vacancy rates greater than ten percent (10%). Vacancy rates will be determined by using the second and fourth quarter vacancy rates reported by the property management for an existing development’s previous year’s operations. The Authority will make exceptions to the above requirement if the Authority determines, in its sole discretion, that the reason for the existing development having a history of vacancy rates greater than ten percent (10%) is not an issue of an “existing market” for the tenant population, but other characteristics that may or may not be resolvable (e.g. location, physical appearance, etc.);
c) Applications proposing scattered site developments that are not, in the Authority’s determination, within the same primary market area and/or county boundaries.

3. The following Detrimental Site Characteristics are not allowed for new construction sites. This list is not all inclusive and may be expanded:

- a) Sites within five hundred (500) feet of an easement containing an electric substation, whether it is active or inactive;
b) Sites where any portion contains or permits any easements for overhead electric power lines, regardless of voltage, and/or such electric power lines encumber the proposed site with the exception of the outside perimeter of the site for the distribution of electric service for other unrelated properties. A development proposing to bury all power lines will be exempt from this detrimental determination if documentation is provided from the utility provider stating that lines will be underground.

4. The detrimental site characteristics listed in this section could negatively affect the site’s overall rating dropping it to a “B” or “C”. In addition, the following Detrimental Site Characteristics could cause a proposed site to be excluded from further consideration in the Authority’s sole determination:

- a) Sites where a portion of any building is located within the fall distance of any pole, tower or support structure of a high voltage transmission power line, communications transmission tower, microwave relay dish or tower, or commercial satellite dish (radio, TV cable, etc.). For field analysis, the Authority will use tower height as the fall distance. For the purpose of the QAP, a high voltage electric transmission line is a power line that carries a nominal voltage level greater than 60KV (sixty kilovolts);
- b) Sites less than five hundred (500) feet from any type junkyard, trash heap, dump pile, or other eyesore as determined by the Authority;
- c) Rehabilitation, acquisition with rehabilitation, or adaptive reuse sites where any portion allows any easements or encumbrances for overhead electric power lines, regardless of voltage, and/or such electric power lines run through the proposed site other than the outside perimeter to distribute electric power to unrelated properties;
- d) Sites where a nearby active railroad causes excessive noise and vibration. An Applicant submitting a proposed development within five hundred (500) feet of an active, in use railroad(s) is required to submit, from a qualified professional, an objective third party noise study that addresses the impact of the nearby railroad, specifically the frequency, noise levels, and shock vibrations levels, on the proposed development. The study must adhere to the U. S. Department of Housing and Urban Development (the "HUD") environmental criteria and standard for noise abatement regulation, which states the maximum acceptable day/night average decibel level of sixty-five (65) dBA for exterior noise, along with any other analysis deemed pertinent to the noise study and its conclusion. The study must state the average decibel level on the site is less than sixty-five (65) dBA and must support the placement of the development on the proposed site. Those sites where exterior noise is sixty-five (65) dBA and above but not exceeding seventy-five (75) dBA may be submitted; however, a noise mitigation plan must also be submitted. The mitigation plan must specifically state what measures will be used to reduce the noise levels at the site and the noise study must indicate that the measures to be used will bring the unacceptable noise level at the site down to the acceptable noise level of less than sixty-five (65) dBA. The Authority, in its sole discretion, may approve or reject the site regardless of the conclusions reported in the study;
- e) Sites where the Authority determines the slope/terrain is not acceptable for development;
- f) Sites where existing wetlands, natural, or man-made attributes could have a substantially negative affect on the development (i.e. 100 year flood plain, streams, ravines, drainage, waterways, etc.);
- g) Sites within five hundred (500) feet of pipelines (excluding low pressure natural gas distribution lines, water and sewer lines);
- h) Sites within one-half (1/2) mile of a treatment, storage, or disposal facility for hazardous wastes, a sewage treatment plant, an active or inactive solid waste disposal facility and/or solid waste transfer facility;
- i) Sites within one-half (1/2) mile of an operating industrial plant that may pose a safety risk, hazard, nuisance or other negative impact;
- j) Applications for proposed developments that threaten the economic viability of existing developments funded by the Authority, or RHS. The Authority will have sole discretion in making this determination.

5. Location Characteristics

- a) Proposed developments must be economically viable proposals justified by the market study findings. The capture rate, market advantage, absorption/lease-up period and overall vacancy rate will be critical components in this assessment. The Authority will give weighted "A" (2 points), "B" (1 point), or "C" (0 points) ratings to developments for each of these components. Developments receiving a "C" rating in any of the critical components listed below will be excluded from the competition. Developments receiving a total of six (6) or more points will be considered "A" rated market areas. Developments receiving five (5) or fewer points will be considered "B" rated market areas.
 - Developments with low capture rates:
 - Overall capture rate of (20%) and below will receive an "A" rating;
 - Overall capture rate above (20%) and up to (40%) will receive a "B" rating;
 - Overall capture rate above (40%) will receive a "C" rating.
 - Developments with the highest market advantage:
 - Overall market advantage greater than (10%) will receive an "A" rating;
 - Overall market advantage of (10%) or less will receive a "B" rating.

- Developments in markets where the existing LIHTC developments have an overall vacancy rate as follows:
 - Overall vacancy rate of less than (7%) will receive an “A” rating;
 - Overall vacancy rate of (7%) or more will receive a “B” rating
 - The Authority will not consider funding proposed developments in any market areas where the overall LIHTC unit vacancy rate is ten percent (10%) or greater. Developments proposed in these areas will receive a “C” rating.
- Developments with the shortest absorption/lease-up periods:
 - Overall absorption periods of 0-18 months will receive an “A” rating.
 - Overall absorption periods of 19-23 months will receive a “B” rating.
 - Overall absorption periods of 24 months or more will receive a “C” rating.

IV. CRITERIA for TIER TWO REVIEW

DEVELOPMENT CHARACTERISTICS:

Optional Development Design Criteria Points:

This section allows developers to choose various optional design criteria to be included as part of the development. All developments **must** obtain a minimum of (100) points from this section to avoid disqualification. Although developments may choose to do more, the maximum number of points to be awarded from this section is (100) points.

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|------------|---|---------------|
| 1. | Roof shingles must be architectural style and warranted for a minimum of thirty (30) years. | 10 pts |
| 2. | Attic insulation rated at R-38 or higher. | 10 pts |
| 3. | All units must have a balcony, sunroom, or patio. A sunroom must contain a minimum of (3) window panels and have distinct architectural separation from the living room. | 10 pts |
| 4. | Curbing for paved areas throughout the development site including the parking areas. | 5 pts |
| 5. | Gazebos or covered picnic shelters in appropriate locations. | 5 pts |
| 6. | Gutter systems for all residential buildings. | 10 pts |
| 7. | Irrigation/sprinkler system serving all landscaped areas. | 5 pts |
| 8. | Underground utilities throughout the development site. | 10 pts |
| 9. | Provide in the community room a minimum of two (2) current updated computer systems, manufactured within the last (12) months, to include new computers, new printers, and a new scanner. The computers must be equipped with high speed Internet service (e.g. broadband or cable). It is expected that printer cartridges, computer supplies and ongoing maintenance of the computers and systems will be furnished as part of receiving this preference. | 5 pts |
| 10. | Each unit must have a ceiling fan with light fixture in the living room and an overhead light fixture in each bedroom. All ceiling fans and overhead lights must connect to wall switches. | 5 pts |
| 11. | Appliances to include a refrigerator and a dishwasher that meet Energy Star Standards and a hot water heater with an energy factor greater than 0.61. | 10 pts |
| 12. | Full size refrigerator having a minimum size of eighteen (18) cubic feet. | 5 pts |
| 13. | All units must be pre-wired for high speed (broadband) Internet hook-up with at least one (1) centrally located connection port and connection ports in all bedrooms or wireless computer network. | 5 pts |
| 14. | Over the range mounted microwave oven in all units. | 5 pts |
| 15. | All units must have a Range Queen or comparable extinguishing system over the stove. | 5 pts |
| 16. | Washer/dryer hookups in all units. | 5 pts |
| 17. | A minimum square footage per unit based on the number of bedrooms per unit specified as follows. To qualify, all of the units must meet the minimum square footage per unit. The Authority considers the square footage of an individual unit to be the usable living space measured from the interior wall to interior wall. | 20 pts |

<u>Bedrooms per Unit</u>	<u>Minimum Sq. Ft. per Unit</u>
One	700
Two	850
Three	1,000
Four	1,150

18. Providing bathrooms per unit based on the number of bedrooms according to the following. To qualify, all the units must provide the minimum number of bathrooms as specified. 20
pts

<u>Bedrooms per Unit</u>	<u>Bathrooms per Unit</u>
One	One
Two	Two
Three	Two
Four	Two and a half

19. Additional recreational facility (Only one is needed for points) 5 pts
20. A minimum four (4) camera video security system with two (2) cameras monitoring the exterior site and two (2) monitoring the manager’s office and community center; OR one (1) rental unit set-aside for a security officer. 5 pts

In addition to the above, the following points are for rehabilitation developments only:

21. Replace any one (1) of the following major components: Roof, HVAC, Plumbing, Electrical, Floors, or Walls. The Physical Needs Assessment must support a need for the replacement of the component. 15 pts
22. Install dishwashers in all units. 5 pts
23. Install overhead light fixtures connected to a wall switch in the living room and all bedrooms. 5 pts
24. Install cable hook-ups in living room and each bedroom. 5 pts
25. Replace all existing windows with vinyl or aluminum energy efficient windows. 5 pts
26. Provide (1 and 1/2) bathrooms in all units with (2) or more bedrooms. 10 pts
27. Minimum bedroom size for all bedrooms in each unit is (100) square feet with no bedroom wall shorter than (8) feet in length. The minimum bedroom square footage excludes the closet space. 5 pts
28. Provide a minimum 1200 square foot community building. 5 pts
29. Bring the entire development up to local, state and national building codes. 20 pts

Development Criteria Points:

1. Development size (**choose only one**): 10 pts
 a) Developments at or below (72) total units. 5 pts
 b) Developments above (72) but at or below (96) total units.
 2. Durable construction, with respect to each building, one of the following applies (**choose only one**): 15 pts
 a) Brick/stone veneer (100%), OR brick/stone veneer (40%) and remaining exterior fiber cement. 10 pts
 b) Brick/stone veneer (40%) and remaining exterior siding to be vinyl siding with a thickness of at least .044 mils; or full fiber cement. 5 pts
 c) Full vinyl siding with thickness of at least .044 mils.
 3. Adaptive reuse developments which are viable and economically sound. The definition of “adaptive reuse” is the conversion of an existing non-residential building(s) into a residential building(s). For these points, the architect must certify on **Exhibit G** that the development will meet the following requirements: 5 pts
 a) A minimum of fifty percent (50%) of the square footage of each existing building(s) will be converted to residential use; and
 b) If additional buildings/units are constructed to provide additional space, the total square footage of the previously existing building(s) constitutes a minimum of fifty percent (50%) of the total square footage of the entire development.
 4. Developments located in Qualified Census Tracts (“QCTs”) that contribute to a concerted Community Revitalization Development Plan (“CRDP”) as required by the Code. To receive points, a resolution from the City/County Council of the local governing body must be submitted stating that the development will be a positive contribution to the revitalization effort. The proposed site must be the catalyst for an established revitalization effort or part of an existing revitalization effort. A copy of the City/County revitalization plan indicating that the specific project area is located within the revitalization area must be provided. The CRDP must have been in effect prior to January 1, 2007. 2 pts
 5. Developments, **not** located in a Qualified Census Tract (QCT), but part of a concerted Community Revitalization Development Plan (“CRDP”). To receive points, a resolution from the City/County Council of the local governing body must be submitted stating that the development will be a positive contribution to the revitalization effort. The proposed site must be the catalyst for an established revitalization effort or part of an existing revitalization effort. A copy of the City/County revitalization

plan indicating that the specific project area is located within the revitalization area must be provided. The CRDP must have been in effect prior to January 1, 2007.

2 pts

TARGETING CHARACTERISTICS:

1. Developments that elect to reserve, for the entire term of the LIHTC compliance period, twenty-five percent (25%) of the low-income units to households with incomes at fifty percent (50%) or less of AMI. **10 pts**
2. Developments seeking, for the entire term of the tax credit compliance period, to restrict greater percentages of their low-income units to the 50% **rent** limits. Points will be given to proposals based on the percentage of low-income units restricted to the 50% **rent** limits divided by (10). **10 pts maximum**
3. Developments that elect to serve individuals on waiting lists for public housing. To receive points, the Applicant must include in their marketing plan a description of outreach, marketing and advertising methods used to attract individuals on public housing waiting lists as well as evidence that the public housing agencies have been contacted (i.e. copy of the certified letter sent to the PHA). Applicants must not use minimum income criteria to reject Section 8 Housing Choice Voucher Participants when their income reflects that they can pay their portion of the rent. The site's minimum income needed for a household to pay the rent on the unit will be based on the actual amount that the Section 8 Housing Choice Voucher Participants would have to pay after the subsidy rather than the entire rent on the unit. **10 pts**
4. Points will be given to developments that:
 - a) Submit an acceptable Conversion Agreement that provides for tenant ownership at the end of the initial fifteen (15) year compliance period. In order to receive points, the Applicant must submit a conversion plan that includes a detailed timeline outlining how the tenants will become homeowners. The conversion plan must include all homebuyer counseling programs to be provided along with the financial procedure that will be used to transfer the rental units into single-family homes. The Applicant must execute a Conversion Agreement providing that the units will be converted to tenant ownership at the end of fifteen (15) years; **OR**
 - b) Voluntarily extend the thirty- year compliance period for an additional five- year term. **10 pts**
5. Points will be given to developments designating rental housing for specific tenant populations as outlined in this section. In order to be considered for these points, the development/units must be designed and equipped to serve the needs of the designated tenant population. Such design and equipment must be in addition to the minimum design requirements necessary to comply with state and federally mandated accessibility requirements and must be fully described in the application. A Marketing Plan must be submitted with the Tier Two application to receive these points. Choose only one (1) of the following: **10 pts**
 - a) One hundred percent (100%) of the development is designed for individuals or families with children. To receive this preference at least twenty-five percent (**25%**) of the low-income units must contain three (3) or more bedrooms.
 - b) At least eighty percent (**80%**) of the units are designed, equipped and occupied by older person(s) fifty-five years of age or older. The remaining twenty percent (**20%**) of units must be designed, equipped, and occupied by special needs populations. All new construction developments are limited to one (1) or two (2) bedroom units. All new construction developments, greater than a one (1) story structure must be accessible to all additional stories by elevators. 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 Tier Two application submittal date to service all upper level rental units. Those developments without existing elevators will be required to install elevators. Developments serving (100%) elderly (62 or older) are eligible for these points.
 - c) At a minimum, (10%) of the total units are set-aside for disabled and special needs tenants. Developments seeking points under this criteria should include a letter from the appropriate disability agency regarding the need for these units

FINANCIAL CHARACTERISTICS:

1. Points will be awarded for hard local financial support or committed funds from other funding sources based on the Authority's assessment of the benefit to the development and the commitment of the governing body. An executed award letter from the funding source detailing the approximate dollar value of the contribution or award amount as well as the specific contribution type and terms must be included

with the Tier Two Application. The award or contribution cannot be contingent upon the receipt of any other financing.

0-10 pts

Examples of hard local financial support (may include but not limited to):

Waiver of all water and sewer tap fees or impact fees; waiver of all building permit fees; installation of water and sewer lines; donation of land and/or buildings; city demolition and removal of existing structures, etc.

Examples of other committed funding sources (may include but not limited to):

Federal Home Loan Bank (FHLB), HOPE VI, Community Development Block Grant (CDBG), local HOME Participating Jurisdictions, Federal Historic Tax Credits, State Historic Tax Credits, or State Textile Mill Credits, etc. (Note: For historic credits and textile mill credits, the Authority will accept evidence from the appropriate issuing agency that the development is eligible for these credits).

2. Developments will be assessed negative points when costs are determined to be higher than typically warranted. The Authority will apply cost standards for Eligible Basis per Heated Square Foot (EBHSF) as identified below based on the group average for each type of development submitted in the Tier II funding cycle. Developments with EBHSF exceeding 3.0 standard deviations above the group average will be disqualified. The Authority will use discretion in determining the groups for comparison.

EBHSF greater than 1.0 standard deviation above the group average:

- 5 pts

EBHSF greater than 2.0 standard deviations above the group average:

-10 pts

Authority Discretion and Tie Breaker Criteria:

The following factors will be evaluated, as well as the quality of the development as a whole, across all of the developments.

1. Site Characteristics to include the proposed developments site score from Tier I.
2. Developments with the lowest Authority calculated annual tax credit award per low-income unit. For any development located in a QCT or DDA and receiving the basis boost, the Authority will adjust the annual credit amount to the amount that would be received without the basis boost when making this determination.
3. Developments deemed to have the greatest benefit to the community and best meeting the Authority's goals.

V. MANDATORY DESIGN CRITERIA

The following mandatory design criteria **must be** included in the development design:

For ALL Development Types:

1. Window coverings for each window, including glass doors, must be installed. Metal blinds are not permitted.
2. All kitchen and bathroom interior cabinets are to be solid wood or wood/plastic veneer products with dual slide tracks on drawers.
3. Steel or fiberglass entry doors that are insulated, paneled, and have a peephole.
4. Sidewalk access to all parking spaces.
5. All bedroom closet doors must be side hinged (no bi-fold doors).
6. The front and side areas within twenty (20) feet of all buildings must be fully landscaped. Landscaping may incorporate sod and drought resistant plants and shrubs, etc. Only the back of the buildings may be seeded.
7. A recreation area suitable for proposed tenant targeting:
 - a) For family developments – (a) Playground for children located away from automobile traffic patterns with commercial quality play equipment and at least one permanently anchored, weather resistant bench, with a back, or (b) an exercise room with a minimum of three nautilus-type work-out machines (this room's square footage may be included in the minimum 1,200 sq. ft. community building);

- b) For elderly developments – An exercise room with a minimum of three (3) nautilus type work-out machines (this room’s square footage can be included in the minimum 1,200 sq. ft. community building).
- 8. A development sign at the entrance to the complex.
- 9. Exterior lighting at all entry doors, community buildings, common areas within the building(s), and parking areas.
- 10. Enclosed trash dumpsters and/or compactors. The dumpster must be enclosed by solid fencing on at least three sides. The pad and approach pad to the dumpster must be concrete and not asphalt.
- 11. Anti-fungal shingles with a minimum 25-year warranty.
- 12. The following appliances must be provided in each unit: (a) Stoves with exhaust fan; (b) Full sized refrigerator-freezer having a minimum size of fourteen (14) cubic feet.
- 13. At least thirteen (13) SEER HVAC units must be installed. If the Physical Needs Assessment, completed for a rehabilitation development, does not recommend replacement of existing HVAC units in the development, this mandatory criterion is waived. However, any replacement HVAC units installed in the development must be at least thirteen (13) SEER.
- 14. A laundry facility containing: (a) at least one (1) commercial washer and one (1) commercial dryer per twenty-four (24) units; and (b) adequate seating and at least one (1) table for folding clothes. For developments containing more than one hundred (100) rental units that also provide washer and dryer hookups in all units, a minimum of one (1) commercial washer and one (1) commercial dryer per thirty-two (32) units is required. Single family detached unit, townhouse, or duplex developments must provide a washer and dryer hookup in every unit. Developments providing washers and dryers in all rental units are not required to provide a laundry facility.

For ALL New Construction Developments:

- 1. All units must be equipped with a dishwasher.
- 2. All units must have an overhead light fixture connected to a wall switch in each bedroom and living room.
- 3. A minimum 1200 square foot community building. The square footage counted towards this total may include a leasing office, an equipped exercise room, and an equipped computer center. Laundry rooms and storage/maintenance rooms will not be considered as part of the 1200 square foot minimum.
- 4. All units pre-wired for cable television hook-ups in the living room and one (1) per bedroom.
- 5. All windows must be insulated, double pane glass in either vinyl or aluminum framing. Insulated, double pane glass in wood framing is permitted for rehabilitation developments.
- 6. Units with three (3) or more bedrooms must have a minimum of two (2) full bathrooms.
- 7. The minimum bedroom size for all bedrooms in each unit is (100) square feet with no wall shorter than (8) feet in length. The minimum bedroom square footage excludes the closet space.

For ALL Single Family Developments:

- 1. Concrete driveways, curbing at street and front entry walkways.
- 2. Washer and dryer hookups in each unit.

VI. ADMINISTRATION OF THE QUALIFIED ALLOCATION PLAN

The Authority reserves the right to resolve all conflicts, inconsistencies, or ambiguities, if any, in the QAP or that arises in administering, operating, or managing the reservation and/or allocation of the LIHTC Program. The Authority, at its sole discretion, reserves the right to allocate housing tax credits in a manner not in accordance with this QAP. At such time, or either a reasonable time thereafter, the Authority shall, as required by Section 42(m)(1)(A)(iv) of the Code, provide a written explanation to the general public of its reasons for making such allocation. The Authority further reserves the right, at its sole discretion, to modify or waive, on a case-by-case basis, any provision of this QAP or the LIHTC Manual that is not required by the Code. In any case where compliance with the QAP or LIHTC manual produces unusual hardship or difficulty and the Code or regulations do not require the provision, the application of such provision may be waived in the Authority’s sole discretion upon a showing of substantial need and any other evidence as requested by the Authority.

The Authority reserves the right to withhold the issuance of a Form 8609 for any development or building that is determined at the Authority's sole discretion to not have been constructed in accordance with the representations contained in the development descriptions and certified to in **Exhibit G** by the architect.

VII. AMENDMENTS TO THE QUALIFIED ALLOCATION PLAN

The Authority reserves the right to amend the QAP or LIHTC Manual as needed for the purpose of clarification, ensuring compliance with the Code or regulations, or any change necessary to effect the spirit and intent of the LIHTC Program as determined in the sole discretion of the Authority. All amendments shall be fully effective and incorporated herein immediately. Amendments may reflect changes, additions, deletions, interpretations, or other matters necessary to comply with the Code or regulations. Amendments are not limited to, but may perform such acts as cure ambiguities, supply information on omissions, correct inconsistencies, or facilitate the allocation of LIHTC that would not otherwise be allocated.

VIII. APPROVAL BY THE GOVERNOR

I, Mark Sanford, 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 or LIHTC Manual as described herein without the necessity of further approval.

Signature: _____


Mark Sanford, Governor of South Carolina

Date: _____

12/18/06