

South Carolina State Housing Finance and Development Authority

Low-Income Housing Tax Credit Program

~~2011~~ 2012 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 are 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 populations in the locality and 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 record "Restrictive Covenants" that stipulate the development will comply with income and rent requirements in the Code for a minimum of thirty (30) years as well as any other criteria in 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
- Are located in a Qualified Census Tract (QCT) and contribute to a concerted Community Revitalization Development Plan
- Adhere to compliance and monitoring procedures
- Are intended for eventual tenant ownership
- Are intended to serve individuals with children

- Give preference to those on public housing waiting lists
- Are energy efficient
- Have a historic nature

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

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) 551-4925, or writing SCSHFDA, LIHTC Program, 300-C Outlet Pointe Blvd., Columbia, SC 29210.

II. THRESHOLD PARTICIPATION CRITERIA

1. Development Experience:

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 each. 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, 2001 through ~~February 21, 2011~~ **March 1, 2012** 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.

2. Previous Year's Development Completion Status:

All developers awarded ~~2011~~ ~~2010~~ South Carolina tax credit development(s) must have closed the construction loan and purchased the land in order to submit an application in the ~~2012~~ ~~2011~~ tax credit funding cycle. Evidence of the construction loan closing and the recorded warranty or fee simple deed must be provided to the Authority not later than **March 1, 2012** ~~February 21, 2011~~.

3. Financial Criteria:

The Authority will ~~assess~~ ~~review~~ the financial capacity of the applicant or applicant group (to include all entities and/or persons taking an ownership interest in the development and all guarantors) ~~financial capacity by using based on their most current (dated 2009 or 2010) financial statements. Audited or reviewed financial statements are preferred. However,~~ The Authority will accept financial statements that have been audited, reviewed, or compiled by an independent certified public accountant (CPA). Only a balance sheet dated on or after December 31, 2010 is required. The Authority will accept a compilation report with or without full note disclosures. If notes are omitted, supplementary schedules for all significant assets and liabilities may be required. Financial statements prepared in accordance with accounting principles generally accepted in the United State (U.S. GAAP) are preferred. Statements prepared on the income tax basis or cash basis must disclose that basis in the report. An applicant or applicant group must have a minimum net worth of \$3 million dollars and minimum unrestricted liquid assets of \$1 million dollars. The Authority defines liquid assets as cash, cash equivalents, and investments ~~that are~~ held in the name of the entity(s) and/or person(s) ~~and~~ including cash in bank accounts, money market funds, U.S. Treasury bills, and equities traded on the New York Stock Exchange or NASDAQ. Certain cash and investments will not be considered liquid assets, including, but not limited to: 1) stock held in the applicant's own company or any closely held entity, 2) investments in retirement accounts, 3) cash or investments pledged as collateral for any liability, and 4) cash in property accounts including reserves. The liquidity requirement may be met by a current bank letter of credit. All liquid assets must be identified in the submitted financial statement. If no individual member of an applicant group meets the minimum financial requirements, then members may combine assets to meet the requirements by including a combining schedule in addition to their individual statements. The Authority reserves the right to verify information in the financial statements and all financial capacity statements made by applicants, lenders, accountants, and others, through phone calls and correspondence. If false statements are found to have been made at any point in time, all entities and/or person(s) associated with the application will be debarred from all Authority programs for three (3) years.

4. City/County/Legislative Notification:

Applicants are required to send a letter, not later than March 22, 2011 to the highest elected official of the locality (i.e. Mayor or County Administrator) and the State Representative and State Senator of where the development is to be located. While the applicant is encouraged to provide additional information, the notification letter must include the following:

- a) Contact information for the Applicant;
- b) Development information to include the following:
 1. Total number of units,
 2. Total Acreage of proposed site;
 3. Tenant targeting- family, elderly, etc.;
 4. Address of proposed site; and
- c) A statement offering to meet and discuss the proposed development with them.

III. CRITERIA for ~~TIER ONE~~ APPLICATION 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.

Positive Site Characteristics:

- a) Points will be awarded as listed below for services located within two (2), three (3) or four (4) miles as indicated by accessible public paved road, which are appropriate to the proposed tenant population. Distances should be measured using a computer based mapping system such as Google Maps ~~Streets and Trips, Map Quest,~~ or other similar distance calculating systems. Submitted area site plan to have ¼ mile, ½ mile and 1 mile radius circles shown from center of proposed site. Color photographs of all services to be included with the application and the name of the service should be visible in the photograph. Applicants may include one (1) primary and one (1) alternate positive site service for scoring purposes. All directions must be printed from the mapping system and included in the application for points to be awarded. Directions that do not lead to the service, as stated in the directions provided with the ~~Tier One~~ application, will not be awarded points. Distances are subject to Authority verification and ~~will~~ may be GPS measured and odometer confirmed by third

party site analyst from center of entrance into site to center of entrance into service location. Only one (1) of each service type will be counted for points.

The following services located within TWO (2) MILES of the development site earn three (3) points each:

- Full Service Grocery Store (must be open and available to the general public and operate during regular business hours selling a full range of meats, produce, and dairy products)
- Pharmacy or Drug Store (must be open and available to the general public and operate during regular business hours)
- Convenience Store and Gas Station

Max. 9 pts

The following services located within THREE (3) MILES of the development site earn two (2) points each:

- Restaurant
- Fire Station (Volunteer Fire Station qualifies)
- Full Service Banks or Credit Unions (free standing ATMs do not qualify)
- Public Park or Playground or Recreation Center or Senior Activity Center. They must be open to the general public and available to the targeted tenant population. **Playgrounds at churches, schools, or in gated other neighborhoods and private gyms will not receive points.**

Max. 8 pts

The following services located with FOUR (4) MILES of the development site earn one (1) point each:

- Doctor's Office (General Practitioners only not specialized practices), Emergency Clinics, Urgent Care Facilities, or Hospital (Facilities must be available to the general public and must not be exclusive)
- ~~Police or Sheriff Station or Substation. (these facilities must be operational during regular business hours and be able to respond and provide both emergency and non-emergency services to the proposed development site)~~
- Public Schools

Max. 23 pts

b) Sites should be relatively flat with negligible water runoff from adjacent properties. The development entrance(s) should be at or above access road grade. Topography of the site should be consistent with adjacent sites and buildings. Sites with large hills, mounds and/or berms, steep slopes, ridges and/or valleys should be avoided since these types of site characteristics can increase development costs. Criteria will be determined by a third party site reviewer. **2 pts**

c) Site is compatible with the surrounding land. Surrounding area is defined as within one-quarter (1/4) mile of the subject property. This means the site and multifamily development are compatible with the existing land use pattern. The surrounding area should be residential or an appropriate mix of commercial uses, appropriate to the targeted tenants, and residential uses, single and/or multifamily housing. Criteria will be determined by a third party site reviewer. **2 pts**

d) Water and Sewer utility tie-ins are accessible and within 350 feet of the proposed site. Evidence of such availability must be verified by a letter from the City/County official or utility provider. **2 pts**

OR

Water and Sewer utility tie-ins are accessible and within 351 to 500 feet of the proposed site. Evidence of such availability must be verified by a letter from the City/County official or utility provider. **1 pt**

Detrimental Site Characteristics:

For the detrimental characteristics below, the Authority defines its determination of distance as the shortest distance, in a straight line, from the closest site boundary line to the detrimental site characteristic to determine whether negative points will be assessed.

1. 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 for the same tenant populations within the same defined market area of existing Authority funded developments (tax credit, tax exempt bonds, etc.) 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
 - d) Any site listed on or adjacent to a site listed on the National Priority List under CERCLA.

2. These **detrimental characteristics** will be assessed for each site with no limit to the negative points a site may accumulate.

Three (3) points per item will be deducted for the following:

- a) Sites within five hundred (500) feet of an easement containing an electric substation, whether it is active or inactive.
- b) New construction 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 all power lines will be underground
- c) 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). All fall distances for any tower, support structure or poles as listed above must be shown on the development site plan.
- d) Sites where a nearby active railroad causes excessive noise and vibration. At the ~~Tier One~~ application submission, 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 not be older than two (2) years prior to the **application** ~~Tier One~~ submission date and 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. If a railroad is listed as inactive then documentation from the owner of the railroad must be submitted indicating such.
- e) Sites where the Authority and/or its third party consultant determines the slope/terrain is not acceptable for development. All existing and proposed grades must be shown on the development plan.
- f) Sites where existing wetlands, natural, or man-made attributes could have a substantially negative effect on the development (e.g. 100 year flood plain, streams, ravines, drainage, waterways, etc.). At a minimum, the site should be 70% buildable with the listed conditions found primarily on the

perimeter or fringes of the development site. If wetland areas are found on the interior of the site they should be successfully incorporated into the development's landscaping plan and complement existing green space areas.

- g) 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;
- h) Sites within one (1) mile of an operating hog/chicken/turkey farm or processing plant;
- i) Sites within ~~one half (1/2)~~ **one quarter (1/4)** mile of any ~~State or County jail, prison, detention center~~ **prison or correctional facility that are long-term or permanent stay facilities.**

Two (2) points per item will be deducted for the following:

- a) Sites within five hundred (500) feet of any commercial junkyard or salvage yard; trash heap, dump pile, or other eyesore as determined by the Authority;
- b) Sites within five hundred (500) feet of a pipeline(s) (excluding low pressure natural gas distribution lines, water and sewer lines);
- c) Sites within one-quarter (1/4) mile of adult video/entertainment clubs;
- d) Sites within one-quarter (1/4) mile of bars and night clubs. Full service restaurants that have a bar area within the restaurant are not considered bars/night clubs;
- e) Sites within ~~one half (1/2)~~ **one quarter (1/4)** mile of an operating industrial ~~plant/area~~ **facility including but not limited to: steel manufacturers, oil refineries, ports, chemical plants, plastic manufacturers, airports, automotive and engine parts manufactures and food processing plants.**
- f) Sites that require the execution of voluntary or involuntary cleanup agreements with Department of Health and Environmental Control or any other third party organizations as noted in a Phase II environmental assessment report. A site that has already **fully** completed any cleanup agreements will not incur negative points. Documentation referencing such must be submitted with the Phase II environmental assessment report.

Market Study Criteria:

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 are critical components in the assessment. A market study, **completed by an analyst on the Authority's approved market analyst list, must be submitted with the tax credit application and meet the following requirements:** ~~will be evaluated based on the final recommended changes, if any, of the market analyst. All Tier Two applications submitted without incorporating the required market analyst changes will be eliminated from funding consideration.~~

- a) **Capture Rates:** Developments **must have a capture rate below 40%. Developments with a capture rate at or above 40% will be eliminated.** ~~with the lowest capture rates:~~
 - Family Developments: ~~_____~~
 - Overall capture rate of 0% to less than 10% will receive 3 points;
 - Overall capture rate at 10% but below 20% will receive 2 points;
 - Overall capture rate at 20% but below 35% will receive 1 point;
 - Overall capture rate at 35% but below 40% will receive 0 points.
 - Developments with a capture rate at 40% and above will be eliminated.
 - Older Persons and Elderly Developments:
 - Overall capture rate of 0% to less than 15% will receive 3 points;
 - Overall capture rate at 15% but below 25% will receive 2 points;
 - Overall capture rate at 25% but below 35% will receive 1 point;
 - Overall capture rate at 35% but below 40% will receive 0 points.
 - Developments with a capture rate at 40% and above will be eliminated.
- b) **Market Advantage:** Developments **must have an overall minimum market advantage of 10%. Development not meeting the minimum 10% market advantage will be eliminated.** ~~with the highest market advantage:~~
 - Overall market advantage of 40% or greater will receive 4 points;
 - Overall market advantage of 30% but less than 40% will receive 3 points;
 - Overall market advantage of 20% but less than 30% will receive 2 points;
 - Overall market advantage of 10% but less than 20% will receive 1 point.
 - Overall market advantage of less than 10% will be eliminated.

Note: Developments will be required for one (1) year, beginning the date the placed in service application is received by the Authority, to maintain a **10% the initial** market advantage level. ~~submitted in the Tier Two tax credit application.~~ Prior to a development beginning initial lease-up, the proposed rent levels by bedroom size must be submitted to the Authority. The Authority will provide **its third party** market analyst ~~who completed the development's market study~~ with the proposed **placed in service rents and a** determination will be made by the market analyst as to whether the proposed rents still meet the **10% initial** market advantage percentage. ~~for which points were awarded.~~ If rents do not comply then the rents **MUST** be adjusted to meet the **minimum 10% initial** market advantage percentage ~~for which points were awarded.~~ In the event of a softening or declining market at the time a development places in service the Authority will allow a rent floor at the level of the **rents submitted at initial application submission.** ~~Tier Two rents submitted.~~ **Developments not in compliance will not receive 8609s.**

- c) **Overall Vacancy Rate:** Developments **proposed** in markets where the **overall** existing stabilized LIHTC developments **vacancy rate is ten percent (10%) or greater will be eliminated.** ~~have an overall vacancy rate as follows:~~

~~Overall vacancy rate of less than 5% will receive 3 points;
Overall vacancy rate of 5% but less than 7% will receive 2 points;
Overall vacancy rate of 7% but less than 10% will receive 1 point.
Proposed developments will not be considered for funding in any market areas where the overall LIHTC unit vacancy rate is ten percent (10%) or greater.~~

- d) **Absorption/Lease-Up Periods:** Developments **must have absorption/lease-up period of 15 months or less.** ~~Proposed developments with absorption/lease-up periods of 16 months or more will be eliminated.~~ ~~with the shortest absorption/lease-up periods:~~

~~Family Developments:~~

~~— Overall absorption periods of 0-6 months will receive 3 points;
— Overall absorption periods of 7-9 months will receive 2 points;
— Overall absorption period of 10-12 months will receive 1 point;
— Overall absorption period of 13-15 months will receive 0 points.
— Overall absorption period of 16 months or more will be eliminated.~~

~~Older Persons and Elderly Developments:~~

~~— Overall absorption periods of 0-6 months will receive 4 points;
— Overall absorption periods of 7-9 months will receive 3 points;
— Overall absorption periods of 10-12 months will receive 2 points;
— Overall absorption periods of 13-15 months will receive 1 point.
— Overall absorption periods of 16 months or more will be eliminated.~~

Tax Credit Development Experience:

- a) Owners (which include individual(s), corporation(s), or in the case of a limited partnership, the general partners(s)) will receive points for previous development of successful LIHTC properties that have been completed over the past ten (10) years. The owner may include experience gained as an owner in another firm, but not as an employee of another firm. Experience in LIHTC development (to include 4% and 9% Tax Credits, TCAP and Exchange funded developments) means, coordinating the development team from the planning, financing and construction of a development through the receipt of Certificates of Occupancy and issuance of 8609s. Applicants **must have a current ownership interest** in the development(s) listed for points on **Exhibit K.** Experience will be awarded as follows:

1 point	1 LIHTC project or 1-199 units
2 points	2 LIHTC projects or 200-299 units
3 points	3 LIHTC projects or 300-399 units
4 points	4 LIHTC projects or 400-499 units
5 points	5 LIHTC projects or 500-599 units
6 points	6 LIHTC projects or 600-699 units
7 points	7+ LIHTC projects or 700 plus units

Max 7 pts

- b) Owners (which include individual(s), corporation(s), or in the case of a limited partnership, the general partners(s)) will receive points for the previous development of successful LIHTC properties in South

Carolina. Points will be awarded for previous South Carolina developments that have placed in service over the past ten (10) years **and** have received 8609s **and** are in compliance with all applicable compliance rules and regulations for both Section 42 and the Authority. Applicants **must have a current ownership interest** in the development(s) listed for points on **Exhibit K**. Experience will be awarded as follows:

½ point	1 LIHTC project
1 point	2 LIHTC projects
1½ points	3 LIHTC projects
2 points	4 LIHTC projects

Max 2 pts

For every development listed for **both parts (a) and (b) above**, the general partner(s) must be in compliance with and in good standing with both the Authority and the syndicator/equity provider. **Exhibit K-1** must be completed by the syndicator/equity provider and submitted with **Exhibit K** as part of the **Tier One** application submission. If **Exhibit K-1** is not provided then experience points will not be awarded.

6. ~~TCAP and Exchange Program Completion Status:~~

~~All developers awarded TCAP and Exchange program funds in South Carolina in conjunction with any years' tax credit development that have not met the initial completion and placed in service application requirements as specified in the development's TCAP or Exchange Program Written Agreement will receive negative points. Any Authority approved extensions granted to developers not able to meet the initial completion date and placed in service application requirement do not allow developers an exception in meeting the initial completion and placed in service application deadline.~~

~~5 pts~~

Targeting Characteristics:

a) 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 **along with a signed return receipt**). 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.

2 pts

b) Points will be given to developments that:

~~(i) Submit an acceptable Conversion Agreement, and other documentation as required, 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 as well as other required documentation that includes but is not limited to 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 homeownership. 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 twenty (20) years if receiving state HOME funds;~~

~~5 pts~~

OR

~~(ii) Voluntarily extend the thirty- year compliance period for an additional five- year term.~~

5 pts

c) 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 One** application to receive these points. Choose only one (1) of the following:

5 pts

(i) One hundred percent (100%) of the development is designed for individuals or families with children. To receive these points at least twenty-five percent (25%) of the low-income units must contain three (3) or more bedrooms.

(ii) 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 designating 100% of the units for persons 55 or older are eligible for these points.

- (iii) At a minimum, (10%) of the total units are set-aside for disabled and special needs tenants. Developments seeking points under this criterion should include a letter from the appropriate disability agency regarding the need for these units.

Development Size Characteristics

Total development size (choose only one):

- a) ~~Developments at or below (56) total units.~~ **3 pts**
- b) ~~Developments at or below having (57) to (72) total units.~~ **2 5 pts**
- c) ~~Developments above (72) units but at or below having (73) to (96) total units.~~ **1 3 pts**

Note: New construction developments consisting of 97 units or more may not participate in the competitive 9% tax credit program.

Readiness Issues

~~Written statement from the City/County that the development site is properly zoned and consistent with the proposed use.~~

3 pts

IV. CRITERIA for TIER TWO APPLICATION 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 one hundred ~~ten (110) twenty (120)~~ 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 (items 1-30) is one hundred ~~ten (110) twenty (120)~~.

- 1. Roof shingles must be architectural style anti fungal and warranted for a minimum of thirty (30) years. **8 pts**
- 2. Attic insulation rated R-38 or higher. **3 pts**
- 3. Energy Star rated HVAC systems (15 SEER or greater) in all units. **5 pts**
- 4. All units must have a balcony, sunroom, or patio. A sunroom must contain a minimum of three (3) window panels and have distinct architectural separation from the living room. Patios must be at least 64 sq. ft. Front porches are not considered patios. **10 pts**
- 5. Curbing for paved areas throughout the development site including the parking areas. **5 pts**
- 6. Gazebo (Must be covered and have bench seating; **must be permanently affixed and constructed in place be ADA compliant, accessible and contain a minimum of 100 square feet**) or covered picnic shelter (must have a table and bench seating and **must be ADA compliant and accessible**) in an appropriate location. (May not be selected for points if using this option as a recreation area for older persons under Mandatory Design Criteria, All Development Types, item 6.b) **3 pts**
- 7. Irrigation/sprinkler system serving all landscaped areas. **10 pts**
- 8. Underground utilities (gas/electric, cable and phone) throughout the development site. **5 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 these points. **3 pts**
- 10. Each unit must have an Energy Star ceiling fan with light fixture in the living room and an Energy Star overhead light fixture in each bedroom. All ceiling fans and overhead lights must connect to wall switches. **5 pts**
- 11. Full size Energy Star refrigerator, with ice maker, having a minimum size of eighteen (18) cubic feet. (May not be selected for points if also selecting #30) **5 pts**

- 12. All units 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. 3 pts
- 13. Over the range mounted microwave oven, with re-circulating fan, in all units. 4 pts
- 14. All units must have a Range Queen or comparable extinguishing system over the stove or have element temperature control plates on each stove burner (e.g. Safe-T-element, etc). 3 pts
- 15. 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	750
Two	950
Three	1,100
Four	1,250

- 16. 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 Full
Two	One Full and One ¾ bath
Three	Two Full
Four	Two Full and One-Half

Bathrooms are defined as follows: ½ bathroom contains a toilet and vanity with sink; ¾ bathroom contains a toilet, vanity with sink, and a shower; and a full bathroom contains a toilet, vanity with sink, and a tub/shower combination. ADA units ONLY may have a roll in shower.

- 17. A minimum six (6) camera video security system with four (4) cameras monitoring the exterior site and two (2) monitoring the manager’s office and community center. 7 pts
- 18. One (1) rental unit reserved for a security officer. 5 pts
- 19. Walking trails, minimum 4 feet wide, paved and continuous. Trail should be a minimum 2500 linear feet. At a minimum, install one (1) permanently anchored weather resistant bench with a back at the mid-point of the trail. Sidewalks are not considered walking trails. 10 pts
- 20. Perimeter fencing extending around all sides of the development site, except the main entrance. 5 pts
- 21. The development will be built to meet, at a minimum, the Version 2 Energy Star Certification. 15 pts

The following items are for rehabilitation developments only:

- 22. Replace any one (1) of the following major components: HVAC, Plumbing, or Electrical. The Physical Needs Assessment must support a need for the replacement of the component. 10 pts
- 23. Install Energy Star rated dishwasher in all units. (May not be selected for points if also selecting #30) 3 pts
- 24. Install overhead light fixture connected to a wall switch in the living room and all bedrooms. All light fixtures to be fitted with Energy Star light bulbs. 3 pts
- 25. Provide one and one-half (1.5) bathrooms in all units with two (2) or more bedrooms. (May not be selected for points if also selecting #16) 10 pts
- 26. Minimum bedroom size for all bedrooms in each unit is 120 square feet. The minimum bedroom Square footage excludes the closet space. 5 pts
- 27. Provide 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 counted as part of the 1200 square foot minimum. 10 pts
- 28. Hookups for standard size washers/dryers in all units. (Hookups for stackable washer/dryers does not count) 5 pts
- 29. Energy Star rated windows in all units. 8 pts
- 30. In all units, existing appliances replaced with a full size Energy Star refrigerator, with ice maker, having a minimum size of eighteen (18) cubic feet; and an Energy Star rated dishwasher; and an Energy Star rated hot water heater with an energy factor greater than 0.61. 10 pts

Durable Construction Points

Durable construction with respect to each building, **choose only one** of the following:

- 1. Brick/stone veneer (100%), OR brick/stone veneer (50%) and remaining exterior fiber cement and/or hardiplank. 5 pts
- 2. Brick/stone veneer (50%) and remaining exterior siding to be vinyl siding with a thickness of at

least .044 mils; or full fiber cement.

3 pts

Note: The exterior of the building is defined as the exterior façade from finished grade elevation to eave line. All exterior wall faces must have an excess of brick/stone veneer based on the percentages selected above. This is applicable to all sides of all the buildings. On all exterior walls the brick/stone must extend above all areas of grass, landscaping and other areas of soil or mulch.

Targeting Characteristics

Developments that elect to both rent and income restrict up to twenty-five percent (25%) of the total units to 50% AMI tenants, for the entire term of the LIHTC compliance period. Points will be awarded on a sliding scale rounded to two decimal places.

0-25 pts

Financial Characteristics

The Authority will apply cost standards for Eligible Basis per Heated Square Foot (EBHSF) based on the group average for each type of development submitted in the ~~Tier Two~~ funding cycle. The Authority will use discretion in determining the groups for comparison. Developments with costs that appear to be higher than typically warranted will be reviewed by the Authority's construction cost consultant. The construction cost consultant may take into account building types, site conditions, local requirements, and costs for similar developments in the area. If, based on the consultant's review, the development costs are found to be reasonable and can be substantiated then the development will remain in the competition. If however, after the consultant's review the costs cannot be substantiated or if substantiated are still found to be unreasonable for affordable housing, then the development will be eliminated from the tax credit competition.

~~Applicant(s) must provide letters of reference from at least two (2) tax credit syndicators, at least one of which must include the syndicator's expressed intent to partner with the applicant(s) in the development of a South Carolina tax credit development.~~

IV. TIE BREAKER CRITERIA

The following factors will be used in the order they are listed to break a tie. If a tie is broken using the first factor then the other factors will not be applied and so on.

1. Developments with the highest site scores ~~from Tier One.~~
2. ~~Developments with the highest market study scores from Tier One.~~
3. Any developments involved in a tie and ~~not~~ located in the following towns/cities areas, as determined by the Authority, ~~would~~ will not be considered for funding in the 2012+ tax credit cycle ~~over developments located in the following areas: Aiken, Bluffton, Columbia, Conway, Edgefield, Florence, Greenville, Myrtle Beach, North Charleston, Port Royal, Rock Hill, Spartanburg, Summerville, and Union.~~ The Authority will determine the exact location of the development.
4. ~~Developments proposed for funding in the following underserved counties: Abbeville, Allendale, Bamberg, Barnwell, Cherokee, Chester, Chesterfield, Clarendon, Colleton, Dillon, Dorchester, Fairfield, Greenwood, Hampton, Jasper, Lee, Marion, McCormick, Newberry, Oconee, Orangeburg, Pickens, Saluda, and Williamsburg.~~
5. Development design and affordability. This will be measured using the following development characteristics: (1) lowest affordable rents; (2) highest point score of amenities; (3) most durable construction; and (4) square footage as outlined herein. The Authority will calculate a weighted average of the square footage by bedroom size by project to all new construction developments, for new construction developments submitted, or to all rehabilitation developments, for all rehabilitation developments submitted. This calculation will be done regardless of set-aside or tenant types. For tie breaker purposes, the Authority will use the weighted averages up to a maximum sq. ft. per unit of 850 for 1 bedroom units, 1100 for two bedroom units, 1250 for three bedroom units, and 1450 for four bedroom units.
~~Developments providing units with larger square footages. The Authority will calculate a weighted average of the square footage by bedroom size by project to all new construction developments, for new construction developments submitted, or to all rehabilitation developments, for all rehabilitation developments submitted. This calculation will be done regardless of set-aside or tenant types.~~

6. Sites located in a Community Revitalization Development Plan (CRDP) area. The CRDP must have been adopted not later than ~~January 1, December 31, 2011~~. Evidence of such must be verified in writing by a City/County official and submitted with the ~~Tier One~~ application. The proposed development must be part of an existing and ongoing revitalization of the area.
7. **Eventual Homeownership:** Provide a detailed narrative of how homeownership will be achieved. Submit an acceptable Conversion Agreement, and other documentation as required, that provides for tenant ownership at the end of the initial fifteen (15) year compliance period. The Applicant must submit a conversion plan as well as other required documentation that includes but is not limited to 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 homeownership. The Applicant must execute a Conversion Agreement providing that the units will be converted to tenant ownership at the end of fifteen (15) year tax credit compliance period or the twenty (20) year compliance period if receiving state HOME funds.
8. Sites considered as having Historic Character. Historic Character generally means any development consisting of one or more structures (1) (a) individually listed in the National Register of Historic Places; or (b) located in and contributing to a National Register Historic District and (2) the rehabilitation of which will be completed in such a manner as to be eligible for federal and state historic rehabilitation tax credits. The historic character of a site may be established by documentation from the South Carolina Department of Archives and History with the ~~Tier One~~ application **submission**.
9. Developments located in a Qualified Census Tract (QCT) that contribute to a concerted Community Revitalization Development Plan (CRDP). The CRDP plan must be included with the ~~Tier One~~ application **submission**.
10. **If Applications are still tied after all above tie breakers have been applied, the Authority will utilize a lottery system. All Application identification numbers, ONLY for those Applications still tied for funding, will be placed in a drum and the Executive Director shall draw projects at random until all funds are exhausted.**

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 must be solid wood or wood/plastic veneer products with dual slide tracks on drawers. New cabinets must have solid wood dual sidetrack drawers and no laminate or particleboard fronts for doors or drawer fronts. Cabinets shall meet the ANSI/KCMA A1 61.1 performance and construction standard for kitchen and vanity cabinets. Cabinets shall bear the certification seal of KCMA (Kitchen Cabinet Manufacturers Association).
3. All entry doors must be metal-clad wood, steel or fiberglass doors that are insulated, paneled, and have a peephole. Deadbolt locks are required in entry doors. Dead bolt locks on entry doors should have "thumb latch" on interior side. Double keyed dead bolt locks are prohibited. The minimum clear width of all exterior doors shall be 34 inches.
4. Bi-fold and sliding interior doors are prohibited. All doors must be side hinged.
5. A landscaping plan must be submitted indicating areas to be sodded and landscaped. Landscaping plan(s) must follow any applicable landscape municipal ordinance. At a minimum, sod shall be installed on the front and side areas to a point twenty (20'-0") feet from the building(s). Landscaping may incorporate sod and drought resistant plants and shrubs. All disturbed areas not sodded must be seeded.
6. A recreation area suitable for proposed tenant targeting:
 - a) For family developments – (i) Playground for children located away from automobile traffic patterns with commercial quality play equipment (the playground area must have a minimum of four (4) separate pieces of equipment or a structure that encompasses a minimum of four (4) pieces of equipment) accessible to handicapped traffic and at least one permanently anchored, weather resistant bench, with a back, or (ii) 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 older persons developments – (i) An exercise room with a minimum of three (3) nautilus type work-out machines (this room's square footage may be included in the minimum 1,200 sq. ft.

community building), or (ii) a minimum of one gazebo, with seating, equipped with an Energy Star ceiling fan with light fixture.

7. A new development sign at the entrance(s) to the complex affixed with a Fair Housing logo.
8. Exterior lighting fixtures at all entry doors including individual apartment units, community buildings and common areas within the building(s). The fixtures at the individual apartment units are to be controlled from the interior of the unit.
9. 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. The trash dumpster/compactor must be ADA accessible and located on an ADA accessible route.
10. Roofing materials shall be anti-fungal shingles with a minimum 25-year warranty.
11. The following Energy Star appliances must be provided in each unit: Full sized refrigerator-freezer, with ice maker, having a minimum size of fourteen (14) cubic feet.
12. At least fourteen (14) 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 fourteen (14) SEER. All refrigeration lines must be insulated. All developments must have central heat and air. Window units are not allowed for any development type.
13. 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.
14. Each unit must be equipped with a 5 lb. ABC rated dry chemical fire extinguisher readily accessible in the kitchen and mounted to accommodate handicapped accessible height in accessible units.
15. Wall switch controlled Energy Star rated overhead lighting is required in all rooms.
16. Sites located in a Radon Zone-1 (highest level) will require Radon Resistant New Construction Practices. Rehabilitation projects must meet the Radon Mitigation Standards as required by the Environmental Protection Agency.
17. All new construction developments must submit a complete site specific soils report and boring site plan, not more than one year old at the time of submission of final plans and specifications, bound within the project specifications. Rehabilitation projects adding any new building foundations must submit a foundation specific soils report. The soils report and boring site plan must reflect the results of laboratory tests conducted on a minimum of one (1) soil boring per planned building location and a minimum total of two (2) soil borings at the planned paved areas of the development. A registered professional engineer or a certified testing agency with a current license to practice in the State of South Carolina must prepare the report. Rehabilitation projects adding any new building foundations must also submit a foundation specific soils report and boring site plan as stated above.
18. Metal flashing or 20 mil polyethylene when used in conjunction with a self- adhering polyethylene laminate flashing, must be installed above all exterior door and window units.
19. Mailboxes, playground and all exterior project amenities must be ADA accessible.
20. Exterior wall insulation must have an overall R-11 minimum for the entire wall assembly and roof or attic insulation must have an R-30 rating minimum.
21. Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. All shower units without a tub must have minimum dimensions of 30-inch width by 48-inch length (ADA approved shower). All tubs in designated handicap accessible units must come complete with "factory- installed grab bars".
22. Mirror length must extend to top of vanity backsplash with top of mirror a minimum of 6'-0" above finish floor. Framed decorative mirrors or medicine cabinets with mirrors are allowed with a minimum size of 14" x 24" and must be hung with the top of mirror a minimum of 6'-0" above finish floor. Vanity cabinets or a medicine cabinet shall be provided in all units. All cabinets in designated handicap accessible units must be installed at ADA mounting heights.
23. Water heaters must be placed in drain pans with drain piping plumbed to the outside.
24. Pipe all Temperature & Pressure (T&P) relief valve discharges direct to exterior of building and elbow down to spill at 6" above finish grade.
25. Exterior shutters (new not recycled) are required on all 100% vinyl siding buildings. Only existing rehabilitation developments may have 100% vinyl building exteriors.
26. Roof gable vents must be made of aluminum or vinyl materials.

27. All attics must be vented.
28. Carpet and Resilient flooring materials must meet minimum FHA standards.
29. A minimum of two hard-wired battery back-up smoke detectors are required per unit.
30. Pre-finished fascia and soffits must be vinyl covered, aluminum and/or perforated cementitious panels with vents.
31. Gutter and downspout systems complete with splash blocks will be supplied surrounding all residential buildings.
32. At a minimum, all developments must meet the 2006 International Energy Conservation Code.

For ALL New Construction Developments:

1. All units must be equipped with an Energy Star rated dishwasher and an Energy Star rated hot water heater with an energy factor of 0.62 for gas or 0.93 for electric and will have manufacturer's data sheet submitted with plans.
2. All units must have Energy Star rated windows and will have manufacturer's data sheet submitted with plans.
3. All units must have an Energy Star rated HVAC system and will have manufacturer's data sheet submitted with plans.
4. Lighting must be in all common area corridors, stairwells, and the community room. Interior light fixtures to be fitted with Energy Star light bulbs.
5. Low flow water saving features must be used- low flow showerheads, low flow kitchen and bathroom faucets, and low flow toilets and will have manufacturer's data sheet submitted with plans.
6. Washer/dryer hookups in all units.
7. A minimum 1200 square foot community building. Entire facility must be ADA compliant. 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 counted as part of the 1200 square foot minimum. For developments proposing the second phase of a previously completed contiguous tax credit development, the requirement for an additional 1200 square foot community building is waived. However, it is required that laundry facilities be provided to the new phase and must be constructed on the site of the proposed phase. The mandatory laundry facility requirements under Section V. Mandatory Design Criteria, item 14 must be met.
8. All units pre-wired for cable television hook-ups in the living room and one (1) per bedroom.
9. Units with three (3) or more bedrooms must have a minimum of two (2) full bathrooms.
10. The minimum bedroom size for the primary bedroom in each unit must be at least 168 square feet. All other bedrooms must be a minimum 120 square feet. The minimum bedroom square footage excludes the closet space.
11. All older persons (55+ years) and elderly developments will be one-story structures, or if greater than one story, all stories will be accessible by elevators.
12. All sidewalks and walkways shall be a minimum of 36" in width and made of concrete and shall provide access to all parking spaces, front entryway doors, common amenities and driveways and shall be ADA compliant.
13. Sliding glass doors are prohibited.
14. Water closets must be centered, at a minimum, 18 inches from sidewalls or vanity/lavatories.
15. Public use stairway components, such as stringers, treads, and risers must be constructed from steel or concrete. Handrails and pickets must be constructed from steel or aluminum.
16. Patio and porch/balcony components used as part of the building shall have concrete slabs or decks and must be constructed so that no wood is exposed. Concealment shall be with materials such as aluminum or vinyl siding or cementitious materials. Structural wood columns shall be at a minimum 6" x 6" pressure treated columns concealed as noted above with properly sized fiberglass, high density urethane or aluminum columns. Decorative rails and/or guard rail systems used at porches and patios shall be code compliant systems of vinyl, fiberglass or metal. Wood railings are not allowed.
17. Wall Framing: Sound proofing or sound batt insulation is required between the stud framing in party walls. A sound rating of STC 54 is required.
18. Fluorescent lighting is required in the kitchen.

For ALL Single Family, Townhouse, and Duplex Developments:

1. All detached single family homes must contain a minimum of three (3) bedrooms and two (2) full bathrooms.
2. All townhouses must contain a minimum of two (2) bedrooms and one and one-half bathrooms. At a minimum, a half bathroom must be located on the first floor.

3. All duplexes must contain a minimum of two (2) bedrooms and one and one-half bathrooms.
4. Developments must have concrete driveways, curbing at street and front entry walkways.
5. Developments must have a washer and dryer hookup in each unit.

For ALL Rehabilitation Developments:

Any of the following mandatory items (not to include repainting of the entire unit) replaced on or after January 1, 2006 are not required to be replaced as part of the rehabilitation.

1. Replace and install new flooring in each unit. At a minimum, tile must be VCT or better.
2. Entire unit (all rooms and ceilings) must be repainted.
3. New bathroom fixtures must be installed to include the following:
 - a) New tub and new shower, re-glazing not allowed. Three piece surround insert is acceptable. All caulking must be replaced.
 - b) Replace sink, vanity and plumbing fixtures with new. Vanity to include, at a minimum, a pull out drawer and/or storage area.
 - c) New toilet.
 - d) Install new re-circulating exhaust fan.
 - e) Install new water supply valves.
4. New kitchen fixtures must be installed to include the following:
 - a) Dual track sliding drawers.
 - b) New double sink and plumbing fixtures.
 - c) New stove with re-circulating exhaust fan.
 - d) New Energy Star rated refrigerator, with ice maker that is a minimum of 14 cubic feet.
 - e) Install new water supply valves.
5. All entry doors must be steel or fiberglass doors that are insulated, paneled, and have a peephole.
6. New Energy Star hot water heaters with an energy factor greater than 0.61.
7. Replace all windows with insulated, double pane glass in either vinyl or aluminum framing.
8. All units wired for high speed (broadband) Internet hook-up with at least one (1) centrally located connection port or wireless computer network. All wires to be hidden.
9. Units with existing washer/dryer connections must replace and install new water supply fixtures and valves.
10. All older persons (55+ years) and elderly acquisition/rehabilitation developments may have more than one-story, provided that existing elevators, receiving regular maintenance, are in good working condition as of the ~~Fier Two~~ Application submittal date and service all upper level rental units. Those developments without existing elevators will be required to install elevators.
11. Window blinds and exterior window screens to be replaced if damaged or missing.
12. Replace all damaged and worn interior doors, jams, frames, and hardware.

For ALL Adaptive Reuse Developments:

The definition of “adaptive reuse” is the conversion of an existing non-residential building(s) into a residential building(s). The architect must certify on **Exhibit G** that the development will meet the following requirements:

1. A minimum of fifty percent (50%) of the square footage of each existing building(s) must be converted to residential use; and
2. If additional buildings/units are constructed to provide additional space, the total square footage of the previously existing building(s) must constitute a minimum of fifty percent (50%) of the total square footage of the entire development.

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 arise 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 **not to have been constructed in accordance with the representations** contained in the development descriptions and certified to in **Exhibit G** by the architect.

The QAP and LIHTC Manual are intended to provide sufficient information to prospective LIHTC applicants. However, due to the complexity of the program and the housing development process in general, not every potential circumstance is covered in the QAP or LIHTC Manual. The Authority will interpret the policies and guidelines contained in the QAP and LIHTC Manual upon review of an application for tax credits, and may accept or reject an application based on its interpretation. Applicants are strongly encouraged to seek guidance from Authority staff regarding any situation not explicitly addressed in the QAP or LIHTC Manual prior to submitting an ~~Tier One or Tier Two~~ application. However, the Authority reserves all rights in processing the applications. The applicants are solely responsible for the contents of their applications and cannot rely on any representation by Authority staff.

By submitting an application to the Authority, the applicant waives, holds harmless, and releases any claim or cause of action against the Authority or its staff related to or arising under the processing or scoring of any application or for the award of any tax credits under this program, and further the applicant covenants not to sue the Authority or its staff related to or arising under the processing or scoring of any applications or for the award of any tax credits under this program. The applicant further agrees to indemnify the Authority for any claim or cause of action brought against the Authority related to or arising under the applicant's ~~Tier One or Tier Two~~ application.

VII. RECONSIDERATION PROCESS

Any applicant wishing to request a reconsideration of a scoring decision of the Authority ~~of either the Tier One or Tier Two Tax Credit Application~~ may do so in writing to be delivered to the attention of the Executive Director. Applicants may **ONLY** ~~appeal~~ **request reconsideration for** applications in which they have an ownership interest. Requests must be sent via hand delivery **or** overnight courier ~~or facsimile~~. An e-mail courtesy copy is appreciated, but does not constitute a timely request for reconsideration. Reconsideration requests must be received by the Authority by 5:00 p.m. (EST) within three (3) business days of the date of the posting of the point scores for the ~~Tier One and/or Tier Two~~ applications on the Authority's website. Determination letter(s) regarding point scores will be mailed the same day as posting of the point scores. Reconsideration requests must specifically identify the grounds for the reconsideration request. Only the application and documents then-existing in the Authority's file will be considered. No additional documentation will be accepted by the Authority unless it explains previously submitted documentation. The burden is on the applicant to demonstrate any errors in the review and/or point scoring process.

~~The Authority will provide applicants confirmation via facsimile and/or email (if the applicant specifically requests and consents in writing to e-mail notification) acknowledging receipt of the request for reconsideration.~~ An Executive Committee, to include the Executive Director, will make a determination on the reconsideration request within seven (7) business days, and the Authority will provide a copy of the written determination to the applicant via **U.S. Postal Service and** e-mail. ~~facsimile and/or (if the applicant specifically requests and consents in writing to e-mail notification).~~ If the Executive Committee deems that a meeting and/or conference call is necessary, such a meeting and/or conference call will be scheduled within the seven (7) business day time period. The Executive Committee will not be made up of any staff involved with the initial point scoring of the tax credit application.

VIII. 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 affect 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~~, **Nikki R. Haley**, 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~~, Nikki R. Haley, Governor of South Carolina

Date: _____