

South Carolina State Housing Finance and Development Authority

Low-Income Housing Tax Credit Program

2013 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 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's website 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 between January 1, 2006 and February 1, 2013, 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, 2006 through February 1, 2013, 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 seven (7) 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 2012 South Carolina tax credit development(s) must have closed the construction loan and purchased the land in order to submit an application in the 2013 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 February 1, 2013.

3. Financial Criteria:

The Authority will assess 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) based on their financial statements. Entities and/or persons serving as guarantors must verify their guarantor capacity in writing. The Authority will accept financial statements audited, reviewed, or compiled by an independent certified public accountant (CPA). Only a balance sheet dated on or after December 31, 2011 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 \$5 million dollars and minimum unrestricted liquid assets of \$500,000 dollars. The Authority defines liquid assets as cash, cash equivalents, and investments held in the name of the entity(s) and/or person(s) 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 also be met by a current irrevocable letter of credit, provided the supporting bank letter includes sufficient information as to the duration of and restrictions, if any, on the borrowing authority of the applicant. The letter of credit must remain in force from the date of the letter through construction loan closing. 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 1, 2013 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. Although not required, it is recommended that all letters be sent via certified mail with a signed return receipt. 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. Type of construction- rehabilitation, new construction, adaptive reuse;
 2. Total number of units;
 3. Total Acreage of proposed site;
 4. Tenant targeting- family, elderly, etc.;
 5. Address of proposed site; and
- c) A statement offering to meet and discuss the proposed development with them.

III. CRITERIA for 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 one (1), two (2), or three (3) 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 or other similar distance calculating systems. Submitted area site plan must have ¼ mile, ½ mile and 1 mile radius circles shown from center of proposed site. Color photographs of all services must be included

with the application and copies of the application and the name of the service must be visible in the photograph. Applicants may include a maximum of one (1) primary and one (1) alternate positive site service of each service type 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 Application, will not be awarded points.** Distances are subject to Authority verification and are 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. All positive site services must be open to the general public and operational at the time the Authority's site visit is made or points will not be awarded.

The following service located within ONE (1) MILE of the development site will earn four (4) points:

- Full Service Grocery Store (must operate with regular business hours selling a full range of meats, produce, and dairy products) **Max. 4 pts**

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

- Full Service Grocery Store (must operate with regular business hours selling a full range of meats, produce, and dairy products) Note: these points are not eligible if points were taken for stores within 1 mile.
- Pharmacy or Drug Store (must operate with regular business hours)
- Convenience Store and Gas Station **Max. 9 pts**

At least four (4) of the following services located within THREE (3) MILES of the development site earn two (2) points each:

- Restaurant
- Entertainment Venues: museums, sports arenas, theaters, and cinemas.
- Retail Shopping Areas: malls or strip malls that have a minimum of four retail stores
- 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)
- Public Schools- elementary, middle or high schools
- 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 other neighborhoods, and private gyms will not receive points.

Max. 8 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 of the proposed site to the closest site boundary line of 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 and submitted with the application.
- d) Sites where a nearby active railroad causes excessive noise and vibration. A map should be included with the application submission showing the distance from the site boundaries to the railroad tracks. At 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 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. Sites with an exterior noise level at or above 75 dBA may not be submitted for funding consideration. 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. Those sites where the noise levels as outlined in the Noise Study Report can achieve levels of 65 dBA or less will not be assessed negative points. However, 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 80% 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 (1) mile of an operating commercial hog/chicken/turkey farm or processing plant. As part of the application submission, Applicants should identify and provide the name(s) and location of any such facility within one (1) mile of where the development is proposed.
- h) Sites within one-half (1/2) mile of a treatment, storage, or disposal facility for hazardous wastes, an active or inactive solid waste disposal facility and/or solid waste transfer facility.
- i) Sites within one-quarter (1/4) mile of a sewage treatment plant.
- j) Sites within one-quarter (1/4) mile of any jail, prison, detention center or correctional facility. This does not include a temporary holding facility at a location where the primary purpose is not a jail, prison, detention center or correctional facility.

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-quarter (1/4) mile of an operating industrial facility including but not limited to: steel manufacturers, oil refineries, ports, chemical plants, plastic manufacturers, airports, automotive and engine parts manufacturers 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:

- a) **Capture Rate:** Developments must have a capture rate at or below 30%. Developments with a capture rate above 30% will be eliminated.
- b) **Market Advantage:** Developments must have an overall minimum market advantage of 10%. Developments not meeting the minimum 10% market advantage will be eliminated. Developments will be required for three (3) years, beginning the date the placed in service application is received by the Authority, to maintain a minimum 10% market advantage level. 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 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% market advantage percentage. If rents do not comply then the rents MUST be adjusted to meet the

minimum 10% market advantage percentage. 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 the initial application submission. **Developments not in compliance will not receive 8609s.**

- c) **Overall Vacancy Rate:** Points will be awarded to proposed developments in market areas where the overall existing and stabilized LIHTC vacancy rates are the lowest based on the following scale:
 - i. Overall vacancy rate of less than 6%:
 - ii. Overall vacancy rate of 6% but less than 10% or more:
 - iii. Developments proposed in markets where the overall LIHTC development vacancy rate is 10% or greater will be eliminated.
- d) **Absorption/Lease-Up Periods:** Developments must have absorption/lease-up periods of 12 months or less. Proposed developments with absorption/lease-up periods of more than 12 months will be eliminated.

1 point
½ point

Tax Credit Development Experience:

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 seven (7) years, January 1, 2006 to January 1, 2013. 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 72-199 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

For every development listed 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 application submission. If **Exhibit K-1** is not provided then experience points will not be awarded.

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 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.
- b) Points will be given to developments that voluntarily extend the thirty- year compliance period for an additional five- year term.
- 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 which outlines the outreach efforts to be utilized for targeting tenants must be submitted with the application to receive these points. Choose only one (1) of the following:
 - (i) One hundred percent (100%) of the development is designed for individuals or families with

2 pts

5 pts

5 pts

- 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 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 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:

Applications for developments consisting of fewer than 16 units will not be considered in any funding set-aside for the competitive tax credit funding cycle.

New construction developments, including adaptive reuse developments, will be awarded points based on the total development size as follows:

- a) Developments at or below 56 total units. 3 pts
- b) Developments having 57 to 64 total units. 2 pts
- c) Developments having 65 to 72 total units. 1 pt

New construction developments, including adaptive reuse developments, consisting of 73 total units or more may not participate in the competitive 9% tax credit program.

Rehabilitation developments will be awarded points based on the total development size as follows:

- a) Developments at or below 56 total units. 3 pts
- b) Developments having 57 to 80 total units. 2 pts
- c) Development having 81 to 96 total units. 1 pt

Rehabilitation developments consisting of 97 total units or more may not participate in the competitive 9% tax credit program.

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) 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). Developments awarded credits must incorporate into the development all of the items chosen for points. As part of the placed in service application submission, the Authority will require manufacturer's data sheets as confirmation that items chosen meet the standards as outlined.

- 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 all bedrooms. 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

The maximum allowed per unit square footage for new construction units is as follows:

<u>Bedrooms per Unit</u>	<u>Maximum Sq. Ft. per Unit</u>
One	850
Two	1,100
Three	1,250
Four	1,400

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 ¼ 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, on-site manager or maintenance person. The unit(s) will be treated either as community space and non-revenue generating or as an income eligible unit(s) which will be subject to compliance monitoring. Each unit(s) must be designated in the tax credit application. **5 pts**
19. Walking trails, minimum 4 feet wide, paved and continuous. Trail should be a minimum 1250 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 development entrance(s). **5 pts**
21. The development will be built to meet, at a minimum, the Version 3.0 Energy Star Certification. **15 pts**
22. Provide an easily-accessible area that serves the entire development and is dedicated to the collection and Storage of non-hazardous material for recycling, to include paper, corrugated cardboard, glass, plastics, and metals. Property management is responsible for ensuring of proper disposal and removal of the recyclables. **5 pts**

The following items are for rehabilitation developments only:

- | | | |
|-----|--|--------|
| 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 room 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 do 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 efficient hot water heater with an energy factor greater than 0.61 for gas or 0.93 for electric. | 10 pts |

Durable Construction:

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

- | | | |
|----|---|-------|
| 1. | Brick/stone veneer or stucco minimum 70% and remaining exterior fiber cement and/or hardiplank. | 4 pts |
| 2. | Brick/stone veneer or stucco minimum 50% and remaining exterior fiber cement and/or hardiplank. | 3 pts |
| 3. | Brick/stone veneer or stucco minimum 30% and remaining exterior fiber cement and/or hardiplank | 2 pts |
| 4. | Brick/stone veneer or stucco minimum 50% and remaining exterior siding to be vinyl siding with a thickness of at least .044 mils; or full fiber cement. | 1 pt |

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.

Rent Targeting:

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 strives to ensure aesthetics and livable standards in its affordable housing developments in order to ensure that the developments funded are durable and marketable to tenants for the entire compliance period. However, it is also the Authority's objective to allocate its annual allocation of tax credits in a manner that creates as many affordable housing units as possible. Because tax credits are limited, cost per type of unit and construction costs per square foot are important factors in analyzing applications. 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 funding cycle. The Authority will use discretion in determining the groups for comparison, i.e. garden style, single family, townhouse type developments will be compared to each other to determine similar development costs. Developments with costs that appear to be higher than typically warranted will be reviewed by the Authority's construction cost consultant. The costs reviewed will include both hard and soft costs. The construction cost consultant will analyze building types, site conditions, local requirements, and costs for similar developments in similar areas of the state. 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.

Under no circumstances, regardless of construction type, set-aside, or tenant targeting will the Authority fund developments in excess of the following Total Development costs per unit:

- Rehabilitation- \$115,000 per unit

- New Construction- \$175,000 per unit

Under no circumstances, regardless of construction type, set-aside, or tenant targeting will the Authority fund developments in excess of the following tax credits per unit:

- Rehabilitation:
1 bedroom: \$8,000 2 bedroom: \$10,000 3 bedroom- \$10,500 4 bedroom- \$11,000
- New Construction:
1 bedroom: \$12,500 2 bedroom- \$16,000 3 bedroom- \$18,000 4 Bedroom- \$19,500

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.
2. Market Rate Advantage: Developments representing rents with the highest market rate advantage will receive preference. Developments may propose rents at higher than a 25% market rate advantage however the Authority will cap the rate at 25% for the tie break review. The market rate advantage percentage will be taken out to two (2) decimal places for evaluation purposes.
3. Sites located in a community revitalization plan area will receive preference. The Authority will accept a plan or Resolution adopted or passed by the local government which designates a targeted area for a mix of housing, retail, and/or public services. The targeted areas cannot be an entire local jurisdiction, nor can it be a site level designation. Consolidated or Comprehensive Plans for a City or County will not satisfy this provision unless they designate a targeted area for a mix of housing, retail and/or public services. The plan or Resolution must have been approved and adopted by the local government at a public meeting not later than November 15, 2012. A letter from the Mayor, City Manager, Planning or Zoning Director must be included with the plan or Resolution which states that the proposed development site would be part of an existing and ongoing revitalization for the area which promotes affordable housing developments.
4. Rent per Heated Square Foot: The Authority will calculate each development's rent per heated square foot as follows. The numerator, total gross monthly income, is the sum of the proposed net rent times the number of units, for each bedroom size. Net rents are limited to a maximum rent advantage of 25%, as determined in Tiebreaker #2. The denominator, total heated square feet (HSF), is the sum of the HSF per unit times the number of units, for each bedroom size. HSF means residential living space only, and does not include any heated common space. The total heated square footage of all units is limited to the lesser of (a) the maximum allowed per unit square footage or (b) the actual square footage submitted. The Authority will calculate the quotient to four decimal places.
5. Owners (which include individual(s), corporation(s), or in the case of a limited partnership, the general partners(s)) who have previously developed a minimum of one LIHTC development in South Carolina between January 1, 2006 and February 1, 2013. 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.
6. Developments that provide letters of positive support from the City Manager, Mayor or County Administrator for the proposed development.
7. 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 application submission.
8. Developments located in a Qualified Census Tract (QCT) that contribute to a concerted community revitalization plan (CRP). The CRP plan must be included with the application submission.
9. 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 the fifteen (15) year tax credit compliance period or the twenty (20) year compliance period if receiving state HOME funds.

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 an impartial Authority employee will draw developments at random until all funds are exhausted. The drawing will be open to the public, supervised by Internal Audit staff, with results posted on the Authority's tax credit webpage.

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. All retention and/or detention ponds must be fenced in unless a letter is provided from the Department of Health and Environmental Control (DHEC) that a fence is not required. The storm water retention/detention basin design, maintenance and management shall be the sole responsibility of the owner/developer and shall be in strict accordance with all applicable federal, state, local and environmental regulations governing storm water retention/detention basins.
7. 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.
8. A new development sign at the entrance(s) to the complex affixed with a Fair Housing logo.
9. 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.
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. The trash dumpster/compactor must be ADA accessible and located on an ADA accessible route.
11. Roofing materials shall be anti-fungal shingles with a minimum 25-year warranty.

12. 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.
13. 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.
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.
15. 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.
16. Wall switch controlled Energy Star rated overhead lighting is required in all rooms.
17. 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.
18. 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.
19. 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.
20. Mailboxes, playground and all exterior project amenities must be ADA accessible.
21. 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.
22. 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".
23. 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.
24. Water heaters must be placed in drain pans with drain piping plumbed to disposal point as per the latest approved addition of the International Plumbing Code.
25. Pipe all Water Heater Temperature & Pressure (T&P) relief valve discharges to disposal point as per the latest approved edition of the International Plumbing Code.
26. Exterior shutters (new not recycled) are required on all 100% vinyl siding buildings. Only existing rehabilitation developments may have 100% vinyl building exteriors.
27. Roof gable vents must be made of aluminum or vinyl materials.
28. All attics must be vented.
29. Carpet and Resilient flooring materials must meet minimum FHA standards.
30. Each bedroom and hallway, etc. must have, as required by Code (local, state or Federal) a hard-wired battery back-up smoke detector.
31. A carbon monoxide detector must be installed in each unit with gas mechanical systems or gas appliances. Units with an attached garage must also have a carbon monoxide detector installed. A combination unit smoke detector and carbon monoxide detector can be used to meet this requirement.
32. Pre-finished fascia and soffits must be vinyl covered aluminum and/or perforated cementitious panels with vents.

33. Gutter and downspout systems complete with splash blocks will be supplied surrounding all residential buildings.
34. 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 efficient rated hot water heater with energy factor of 0.61 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. Where ADA accessible routes, walkways, etc. are required within the development, clearly marked ramps, crosswalks, signage, etc. shall be furnished in accordance with ADA regulations.
13. Sliding glass doors are prohibited.
14. Water closets must be centered, at a minimum, 18 inches from sidewalls, vanity/lavatories and bath tubs.
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. Columns must be installed on metal brackets/clips to prevent water seepage into the 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 bathroom. 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 bathroom.
4. Developments must have concrete driveways, curbing at street and front entry walkways.
5. All new construction 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 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.
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 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 application.

VII. RECONSIDERATION PROCESS

Any applicant wishing to request a reconsideration of a scoring decision of the Authority may do so in writing to be delivered to the attention of the Executive Director. Applicants may ONLY request reconsideration for applications in which they have an ownership interest. Requests must be sent via hand delivery or overnight courier. 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 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.

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. 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

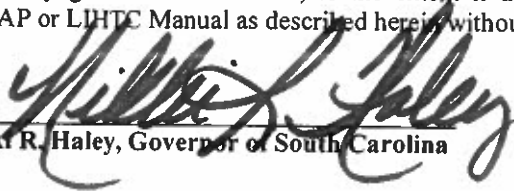
The Authority reserves the right to amend the QAP or LIHTC Manual as needed for the purpose of clarification, ensuring compliance with the Code or regulations, or any change necessary to affect the spirit and intent of the LIHTC Program as determined in the sole discretion of the Authority. All amendments 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.

IX. APPROVAL BY THE GOVERNOR

I, 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: _____

A handwritten signature in black ink, appearing to read "Nikki R. Haley", written over a horizontal line.

Nikki R. Haley, Governor of South Carolina

Date: _____

11-21-12