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AGENCY: State Fiscal Accountability Authority, Executive Director

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SUBJECT: Annual Report of State Housing Tax Credits

Section 12-6-3795(C)(4) of the South Carolina Code of Laws provides that the State Housing Finance and Development Authority must furnish no later than January 31 of each year an annual report of South Carolina housing tax credits allocated pursuant to this section, which must include for the preceding calendar year the total amount of tax credits allocated. The annual report must be furnished to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the House Ways and Means Committee, the Joint Bond Review Committee, and the State Fiscal Accountability Authority. The State Housing Finance and Development Authority provided its report for calendar year 2024 on January 31, 2025.

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AUTHORITY ACTION REQUESTED:

Receive as information the Annual Report of State Housing Tax Credits from the State Housing Finance and Development Authority.

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ATTACHMENTS:

1. January 31, 2025 Letter from Richard A. Hutto, CPA
2. 2024 Annual Report of State Housing Tax Credits
3. §12-6-3795, South Carolina Code of Laws



South Carolina State Housing Finance and Development Authority  
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SCHousing.com

C. Todd Latiff  
Chairman

Richard A. Hutto  
Executive Director

January 31, 2025

The Honorable Thomas C. Alexander  
President of the Senate  
213 Gressette Bldg.  
Columbia, SC 29201

The Honorable G. Murrell Smith, Jr.  
Speaker of the House of Representatives  
506 Blatt Bldg.  
Columbia, SC 29201

Dear Senator Alexander and Representative Smith,

According to S.C. Code § 12-6-3795, SC Housing is to provide an annual report of South Carolina housing tax credits allocated each calendar year no later than January 31<sup>st</sup>. The annual report has been broken out into two reports.

The first report is a list of developments that received a preliminary determination letter of state tax credits. Act 202 allows for an annual amount of \$20,000,000 in state tax credits to be allocated each year. In 2024, SC Housing allocated \$7,984,404.00 in annual state tax credits in the Bond program and \$10,943,772.00 in annual state tax credits to developments awarded in the 9% Low Income Housing Tax Credit program.

S.C. Code § 12-6-3795 (B)(5)(b) allows any recaptured, revoked, canceled or otherwise recovered state tax credits to roll over for future years. The unused portion and the recovered portion of state tax credits total \$20,287,566.93, which will be rolled over to use in 2025.

The second report contains a list of placed-in-service developments that were issued the final amount of annual tax credits totaling \$16,316,824.00.

Please let me know if you have any questions or need anything further.

Sincerely,

A handwritten signature in blue ink that reads "ROD".

Richard A. Hutto, CPA  
Executive Director

Enclosures

Cc: The Honorable Harvey S. Peeler, Jr., Chairman, Senate Finance Committee, Joint Bond Review Committee  
The Honorable Bruce W. Bannister, Chairman, House of Representatives Ways and Means Committee  
Mr. S. Grant Gillespie, Executive Director, State Fiscal Accountability Authority

## State Tax Credit Allocation Summary

<b>2022</b>	
2022 Allotment	\$ 20,000,000.00
SCT Allocated 2022	\$ (14,524,869.00)
STC Remaining 2022	<u>\$ 5,475,131.00</u>
<b>2023</b>	
2023 Allotment	\$ 20,000,000.00
STC Remaining 2022	\$ 5,475,131.00
2023 Total Available	<u>\$ 25,475,131.00</u>
STC Allocated 2023 - Bonds	\$ (8,558,254.00)
*Remaining 2023 - unused from Act 88	\$ 16,916,877.00
**Recovered -S.C. Code § 12-6-3795 (B)(5)(b)	\$ 2,287,718.18
Total Remaining 2023	<u>\$ 19,204,595.18</u>
<b>2024</b>	
2024 Allotment	\$ 20,000,000.00
STC Remaining 2023	\$ 19,204,595.18
2024 Total Available	<u>\$ 39,204,595.18</u>
STC Allocated 2024 - Bonds	\$ (7,984,404.00)
STC Allocated 2024 - 9% - Rural	\$ (1,905,168.00)
STC Allocated 2024 -9% - Non Rural	\$ (9,038,604.00)
Total STC Allocated 2024	<u>\$ (18,928,176.00)</u>
**Recovered -S.C. Code § 12-6-3795 (B)(5)(b)	\$ 11,147.75
Total Remaining 2024	<u>\$ 20,287,566.93</u>
<b>2025</b>	
2025 Allotment	\$ 20,000,000.00
STC Remaining 2024	<u>\$ 20,287,566.93</u>
2025 Total Available	<u>\$ 40,287,566.93</u>
2025 TEB STC Amount (60%)	\$ 24,172,540.16
2025 9% STC Amount (40%)	\$ 16,115,026.77

\* Act 88 consisted of \$16,916,877 (remaining from 2023) and \$12,889,152 (1.B.1 List) totaling \$29,806,029. STCs allocated under Act 88 total \$10,997,150.92. Pursuant to S.C. Code §12-6-3795 (B)(5)(b), the total amount of unallocated 2023 tax credits is included in this line item. However, unallocated tax credits from Act 202's 1.B.1. list have not been included in this line item due to Act 202's restrictions.

\*\*Recovered STC - For 2024, \$11,147.75 unused at PIS (May River Village III \$2,018; Creekside Village \$9,129.48 & Shannon Park \$0.27). For 2023, \$2,204,359 (Garden Park) and \$83,359.18 unused at PIS (Filbin Creek \$69,243; Woodford Trace \$2,001; The Refinery \$7,359; Waterford Pointe \$0.18 & Waters at Ribaut \$4,756)

# Preliminary Determination Amount of Annual State Tax Credits - 2024

	Date STC Letter Sent	Year of QAP	Program	ID	Development Name	City	County	Developer	Amount of Annual Tax Credits on STC Letter	TC Units	Public Benefit
1	6/10/2024	2024	TEB	52303	A.C.T.S. Community Apartments	Abbeville	Abbeville	Bruce Baird, RDOOR Housing	\$ 350,000.00	40	New Construction of 40 older person units at 50% AMI. 40 - 1 bedroom.
2	6/10/2024	2024	TEB	52308	Poplar Square	Sumter	Sumter	Craig Cobb, DGA Capital, LLC	\$ 750,000.00	100	Rehab of 100 family units at 60% AMI. 8 - 1 bedroom, 60 - 2 bedroom, 32 - 3 bedroom
3	6/10/2024	2024	TEB	52311	Avery Landing	Greenville	Greenville	Katessa Archer, Dominionium	\$ 2,065,500.00	153	New Construction of 153 family units at 60% AMI. 18 - 1 bedroom, 72 - 3 bedroom, 63 - 4 bedroom
4	6/10/2024	2024	TEB	52315	Oak Grove Apartments	Columbia	Richland	Renee Sandell, Paces Foundation	\$ 670,000.00	96	New Construction of 96 family units at 60% AMI. 8 - 1 bedroom, 48 - 2 bedroom, 34 - 3 bedroom, 6 - 4 bedroom
5	6/10/2024	2024	TEB	52319	Willowbrook at Wateree	Columbia	Richland	Renee Sandell, Paces Foundation	\$ 748,733.00	102	New Construction of 102 older persons units at 60% AMI. 51 - 1 bedroom, 51 - 2 bedroom
6	6/10/2024	2024	TEB	52321	Edgewood School Apartments	Ninety Six	Greenwood	Alex Walker, DreamKey Partners	\$ 537,154.00	75	New Construction of 75 elderly unit at 50% AMI. 75 - 1 bedroom units
7	6/10/2024	2024	TEB	52324	Livewell Terrace Apartments	Bluffton	Beaufort	Parker Zee, Woda Cooper Development, Inc.	\$ 1,912,010.00	120	New Construction of 120 family units, 30 units at 40% AMI, 60 at 60% AMI and 30 units at 80% AMI. 30 - 1 bedroom, 60 - 2 bedroom, 30 - 3 bedroom
8	6/10/2024	2024	TEB	52327	Pinehaven Villas	Columbia	Richland	Jackson Reed, Vitus	\$ 951,007.00	80	Rehab of 80 family units at 60% AMI. 10 - 1 bedroom, 52 - 2 bedroom, 18 - 3 bedroom
9	11/15/2024	2024	9% - Rural	24023	Indigo	Orangeburg	Orangeburg	Wiley A. Tucker, III. Prestwick Companies	\$ 1,066,584.00	40	New Construction of 40 family units, 4 units at 20% AMI, 36 units at 60% AMI. 8 - 1 bedroom, 20 - 2 bedroom, 12 - 3 bedroom
10	11/15/2024	2024	9% - Rural	24055	Oak Place	Anderson	Anderson	Holly Douglas	\$ 838,584.00	56	Rehabilitation of 56 family units at 60% AMI. 40 - 2 bedroom, 16 - 3 bedroom
11	11/15/2024	2024	9% - Non Rural	24001	Danbury Commons	Spartanburg	Spartanburg	Kevin Connelly, Connelly Development'	\$ 445,515.00	48	New Construction of 48 older person units, 5 units at 20% AMI, 1 units at 50% AMI, 41 units art 60% AMI, 1 unit at 70% AMI. 16 - 1 bedroom, 32 - 2 bedroom
12	11/15/2024	2024	9% - Non Rural	24003	Magnolia Arbor	Sumter	Sumter	Kevin Connelly, Connelly Development'	\$ 389,421.00	50	New Construction of 50 family units, 5 units at 20% AMI, 15 units at 50% AMI, 17 units at 60% AMI, 13 units at 70% AMI. 6 - 1 bedroom, 32 - 2 bedroom, 12 - 3 bedroom
13	11/15/2024	2024	9% - Non Rural	24010	The Franklin	Anderson	Anderson	Wiley A. Tucker, III, Prestwick Companies	\$ 941,674.00	68	New Construction of 68 family units, 8 units at 20% AMI, 6 units at 50% AMI, 54 units at 60% AMI. 20 - 1 bedroom, 24 - 2 bedroom, 24 - 3 bedroom
14	11/15/2024	2024	9% - Non Rural	24030	Davis Pointe	Sumter	Sumter	Gregg Bayard, Parallel Housing	\$ 541,117.00	58	New Construction of 58 units, 6 units at 20% AMI, 6 units at 40% AMI, 34 units at 60% AMI, 12 units at 70% AMI. 24 - 1 bedroom, 24 - 2 bedroom, 14 - bedroom.
15	11/15/2024	2024	9% - Non Rural	24031	Sawmill Crossing	Summerville	Dorchester	Parker Zee, Woda Cooper Development, Inc.	\$ 390,037.00	42	New Construction of 42 family units, 5 units at 20% AMI, 4 units at 30% AMI, 33 units at 60% AMI. 6 - 1 bedroom, 25 - 2 bedroom, 11 - 3 bedroom
16	11/15/2024	2024	9% - Non Rural	24037	Cooper Crest Apartments	North Charleston	Charleston	Jay Bernstein, Fitch Irick	\$ 3,000,000.00	101	New Construction of 101 family units, 11 units at 20% AMI. 10 units at 40% AMI, 15 units at 50% AMI, 50 units at 60% AMI, 15 units at 70% AMI. 24 - 1 bedroom, 50 - 2 bedroom, 24 - 3 bedroom, 3 - 4 bedroom.

## Preliminary Determination Amount of Annual State Tax Credits - 2024

17	11/15/2024	2024	9% - Non Rural	24059	The Alliance	Greenville	Greenville	Taylor Davis, NHE Inc.	\$ 1,399,780.00	100	New Construction of 100 family units, 10 units at 20% AMI, 11 units at 30% AMI, 68 units at 60% AMI, 11 units at 70% AMI. 12 - studio, 31 - 1 bedroom, 29 -2 bedroom, 28 - 3 bedroom
18	11/15/2024	2024	9% - Non Rural	24095	The Poinsette Senior Apartments	Charleston	Charleston	Tracy Doran	\$ 389,990.00	88	New Construction of 88 older person units, 20 units at 20% AMI, 23 units at 50% AMI, 20 at 60% AMI, 25 units at 80% AMI. 12 - studio, 56 - 1 bedroom, 20 - 2 bedroom
19	11/15/2024	2024	9% - Rural	24042	Belle Haven	Gaffney	Cherokee	Drew Schaumber, Schaumber Development, LLC	\$ 1,541,070.00	64	New Construction of 64 family units, 7 units at 20% AMI, 57 units at 60% AMI. 12 - 1 bedroom, 23 - 2 bedroom, 29 - 3 bedroom

Bond STC Issued:     \$ 7,984,404.00

9% - Rural Issued:     \$ 1,905,168.00

9% - Non-Rural Issued: \$ 9,038,604.00

**Total STC Issued:     \$ 18,928,176.00**

## Final Amount of Annual State Tax Credits Issued at Placed-in-Service - 2024

	Date STC Letter Sent	Year of QAP	Program	ID	Development Name	City	County	Developer	Amount of Annual Tax Credits on STC Letter	TC Units	Public Benefit	Credits Issued at PIS	Credits Issued Date	PIS Date
1	12/1/2021	2020	9%	20020	Parkside at Butler	Mauldin	Greenville	Taylor Davis, NHE Inc.	\$ 756,403.00	72	New Construction of 72 family units. 7 u its at 30% AMI, 15 units at 50% AMI, 50 units at 60% AMI. 18 1 bedroom, 36 - 2 bedroom, 18 - 3 bedroom.	\$ 756,403.00	1/4/2024	2/28/2023
2	6/30/2021	2021	4%	42105	Lawsons Ridge	Spartanburg	Spartanburg	Kevin Connelly, Connelly Development	\$ 1,940,935.00	228	New Construction of 228 family units. 50 units at 40% AMI, 122 units at 60%, 56 units at 70% AMI. 60 - 1 bedroom, 96 - 2 bedroom, 54 - 3 bedroom, 18 - 4 bedroom.	\$ 1,940,935.00	1/17/2024	5/26/2023
3	11/13/2020	2020	9%	20007	Springfield Apartments	Darlington	Darlington	Michael Delev, Weaver Investment	\$ 324,763.00	72	Rehab of 72 family units at 60% AMI. 28 - 1 bedroom, 44 - 2 bedroom.	\$ 324,763.00	1/19/2024	11/29/2022
4	10/22/2021	2021	9%	21057	Swansgate III	Myrtle Beach	Horry	Drew Schaumber, Schaumber Development, LLC	\$ 628,385.00	64	Rehab of 64 older person units at 60% AMI. 58 - 1 bedroom, 6 - 2 bedroom	\$ 628,385.00	1/30/2024	7/20/2023
5	8/18/2021	2021	Bond/Act 88	52113	The Sullivan	Greenville	Greenville	Drew Schaumber, Schaumber Development, LLC	\$ 1,893,101.00	180	New Construction of 180 family units at 60% AMI. 45 - 1 bedroom, 69 - 2 bedroom, 51 - 3 bedroom, 15 - 4 bedroom	\$ 1,889,573.00	1/30/2024	5/19/2023
6	12/1/2021	2020	9%	20019	May River Village III	Bluffton	Beaufort	David Bennett, BBR Development	\$ 294,153.00	24	New Construction of 24 family units at 60% AMI. 4 - studio, 12 - 1 bedroom, 2 - 2 bedroom, 6 - 3 bedroom	\$ 292,135.00	2/14/2024	9/12/2023
7	12/1/2021	2020	9%	20012	Bay Pointe III	Myrtle Beach	Horry	Brad Queener, Bradley Developers	\$ 798,841.00	70	New Construction of 70 family units at 60% AMI. 34 - 2 bedroom, 36 - 3 bedroom	\$ 798,841.00	3/14/2024	4/11/2023
8	9/24/2021	2021	9%	19023	Creekside Village	Easley	Pickens	Mark Richardson, Greenway Residential Development	\$ 630,803.48	60	New Construction of 60 family units. 12 units at 50% AMI, 48 units at 60% AMI. 42 - 2 bedroom, 18 - 3 bedroom.	\$ 621,674.00	4/10/2024	12/12/2022
9	11/13/2020	2020	9%	20002	Willow Creek Apartments	McCormick	McCormick	Thompson Kurrie, Hallmark Development	\$ 192,086.00	24	Rehab of 24 elderly person units at 60% AMI. 24 - 1 bedroom	\$ 192,086.00	4/19/2024	8/9/2023
10	12/1/2021	2020	9%	20008	Westview Terrace	Spartanburg	Spartanburg	Adrian Iglesias, GH Development	\$ 588,305.00	48	New Construction of 48 family units at 60% AMI. 24 - 2 bedroom, 24 - 3 bedroom	\$ 588,305.00	4/25/2024	7/26/2023
11	12/1/2021	2020	9%	20025	Brushy Creek	Easley	Pickens	Max Elbe, Lowcountry Housing Communities	\$ 751,318.00	60	New Construction of 60 older person units at 60% AMI. 24 - 1 bedroom, 36 - 2 bedroom	\$ 751,318.00	5/9/2024	4/25/2023
12	3/5/2021	2021	9%	19022	Forest Glen	Clinton	Clinton	Mark Richardson, Greenway Residential Development	\$ 705,676.00	60	New Construction of 60 family units. 12 units at 50% AMI, 48 units at 60% AMI. 42 - 2 bedroom, 18 - 3 bedroom.	\$ 705,676.00	8/5/2024	9/27/2023
13	11/9/2021	2021	4%/Act 88	42114	Abbott Arms	Cayce	Lexington	Craig Cobb, DGA Capital, LLC	\$ 1,322,089.00	100	Rehab of 100 family units at 60% AMI. 20 - 1 bedroom, 60 - 2 bedroom, 20 - 3 bedroom	\$ 1,322,089.00	8/6/2024	1/9/2023
14	10/22/2021	2021	9%	21036	West End Manor	Union	Union	George Baker, Cahec Management	\$ 184,676.00	28	Rehab of 28 elderly person units at 60% AMI. 28 - 1 bedroom	\$ 184,676.00	8/23/2024	12/29/2023
15	10/22/2021	2021	9%	21037	Pembroke Apartments	Pamplico	Florence	George Baker, Cahec Management	\$ 174,572.00	24	Rehab of 24 family units at 60% AMI. 8 - 1 bedroom, 16 - 2 bedroom.	\$ 174,572.00	8/23/2024	11/27/2023
16	10/22/2021	2021	9%	21038	Lincoln Apartments	Walterboro	Colleton	Gerald Krueger, American Community Developers, Inc.	\$ 566,123.00	64	Rehab of 64 family units at 60% AMI. 16 - 1 bedroom, 24 - 2 bedroom, 16 - 3 bedroom, 8 - 4 bedroom.	\$ 566,123.00	8/29/2024	12/31/2023
17	12/1/2020	2020	Bond	51903	Waters at West Ashley	Charleston	Charleston	Michael Nguyen, Atlantic Housing Foundation	\$ 701,306.00	99	Rehab of 99 family units at 60% AMI. 6 - studio, 7 - 1 bedroom, 34 - 2 bedroom, 42 - 3 bedroom, 10 - 4 bedroom.	\$ 701,306.00	8/30/2024	4/26/2023
18	12/1/2021	2020	9%	20011	Gentry Place	Pickens	Pickens	Hollis Fitch, Fitch Irick	\$ 641,266.00	60	New Construction of 60 family units. 5 units at 30% AMI, 15 units at 50% AMI, 40 units at 60% AMI. 42 - 2 bedroom, 18 - 3 bedroom.	\$ 641,266.00	10/17/2024	6/23/2023
19	12/22/2021	2021	4%	42136	Shannon Park	Goose Creek	Berkeley	Thomas Attridge, Standard Companies	\$ 1,011,720.27	96	Rehab of 96 family units at 60% AMI. 26 - 1 bedroom, 44 - 2 bedroom, 24 - 3 bedroom, 2 - 4 bedroom.	\$ 1,011,720.00	10/23/2024	1/1/2023
20	9/23/2021	2021	4%	42120	Bluehouse Commons	Ladson	Charleston	Brad Queener, Bradley Developers	\$ 1,329,756.00	120	New Construction of 120 family units at 60% AMI. 12 - 1 bedroom, 69 - 2 bedroom, 39 - 3 bedroom.	\$ 1,329,756.00	12/2/2024	5/7/2024
21	9/22/2020	2020	Bond/Act 88	51907	Eastside Apartments	Charleston	Charleston	Charlie Irick, Fitch Irick	\$ 895,222.00	64	New Construction of 64 family units. 16 units at 50% AMI and 48 units at 60% AMI. 32 - 2 bedroom, 16 - 3 bedroom, 16 - 4 bedroom	\$ 895,222.00	12/30/2024	2/17/2024
<b>Total Awarded:</b>									<b>\$ 16,331,499.75</b>		<b>Total Issued:</b>	<b>\$ 16,316,824.00</b>		

**SECTION 12-6-3795.** South Carolina housing tax credit.

(A) As used in this section:

(1) "Eligibility statement" means a statement authorized and issued by the South Carolina State Housing and Finance Development Authority certifying that a given project qualifies for the South Carolina housing tax credit, including any preliminary determination thereof.

(2) "Federal housing tax credit" means the federal tax credit as provided in Section 42 of the Internal Revenue Code of 1986, as amended.

(3) "Median income" means those incomes that are determined by the federal Department of Housing and Urban Development guidelines and adjusted for family size.

(4) "Project" means a housing project that has restricted rents that do not exceed thirty percent of income for at least forty percent of its units occupied by persons or families having incomes of sixty percent or less of the median income, or at least twenty percent of the units occupied by persons or families having incomes of fifty percent or less of the median income.

(5) "Qualified project" means a qualified low-income building as that term is defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is located in South Carolina and receives approval for tax credits from the South Carolina Housing and Finance Development Authority provided pursuant to this section.

(6) "Taxpayer" means a sole proprietor, partnership, corporation of any classification, limited liability company, or association taxable as a business entity that is subject to South Carolina taxes pursuant to Section 12-6-510, Section 12-6-530, Chapter 11, Title 12, or Chapter 7, Title 38.

(7) "Federal 9 percent tax credit" means the federal housing tax credit described in Section 42(b)(1)(B)(i) of the Internal Revenue Code.

(8) "Federal 4 percent tax credit" means the federal housing tax credit described in Section 42(b)(1)(B)(ii) of the Internal Revenue Code.

(9) "Credit period" has the meaning defined in Section 42(f)(1) of the Internal Revenue Code.

(10) "State housing authority" means the South Carolina State Housing Finance and Development Authority.

(11) "Department of Revenue" means the South Carolina Department of Revenue.

(B)(1) A state tax credit pursuant to this section may be claimed against income taxes imposed by Section 12-6-510 or 12-6-530, bank taxes imposed pursuant to Chapter 11, Title 12, corporate license fees imposed pursuant to Chapter 20, Title 12, and insurance premium and retaliatory taxes imposed pursuant to Chapter 7, Title 38, to be termed the South Carolina housing tax credit, and is allowed with respect to each qualified project placed in service after January 1, 2020, and before December 31, 2030, in an amount not to exceed the federal housing tax credit allowed with respect to such qualified project, subject to the limitations of item (5). In computing a tax payable by a taxpayer pursuant to Section 38-7-90, the credit allowed pursuant to this section must be treated as a premium tax paid pursuant to Section 38-7-20.

(2)(a) If under Section 42 of the Internal Revenue Code of 1986, as amended, a portion of any federal housing tax credit taken on a project is required to be recaptured, the taxpayer claiming any South Carolina housing tax credit with respect to such project also is required to recapture a portion of any South Carolina housing tax credit authorized by this section. The state recapture amount is equal to the proportion of the South Carolina housing tax credit claimed by the taxpayer that equals the proportion the federal recapture amount bears to the original federal housing tax credit amount subject to recapture.

(b) In the event that recapture of any South Carolina housing tax credit is required, any return submitted to the Department of Revenue, as provided in this section, shall include the proportion of the South Carolina housing tax credit required to be recaptured, the identity of each taxpayer subject to the recapture, and the amount of South Carolina housing tax credit previously allocated to such taxpayer. Any recapture of the South Carolina housing tax credit is reported in the same manner as any recapture of the federal housing tax credit.

(3) The total amount of the South Carolina housing tax credit allowed by this section for a taxable year may not exceed the taxpayer's income tax liability. Any unused South Carolina housing tax credit may be

carried forward to apply to the taxpayer's next five succeeding years' tax liability. The taxpayer may not apply the credit against any prior tax years' tax liability.

(4) The South Carolina housing tax credit and any recaptured tax credit, must be allocated among some or all of the partners, members, or shareholders of the entity owning the project in any manner agreed to by such persons, regardless of whether such persons are allocated or allowed any portion of the federal housing tax credit with respect to the project.

(5)(a) The South Carolina housing tax credit allowed for any project must supplement but not supplant the federal housing tax credit and must be limited to an amount necessary only to achieve financial feasibility of the project.

(b) The total amount of all South Carolina housing tax credits that may be allocated in any calendar year must not exceed twenty million dollars, plus the total of all unallocated tax credits, if any, for any preceding years, and the total amount of any previously allocated tax credits that have been recaptured, revoked, canceled, or otherwise recovered but not otherwise reallocated.

(c) Of the dollar limitation prescribed in subitem (b), the total amount of South Carolina housing tax credits allocated to qualified projects utilizing the federal 9 percent tax credit must not exceed forty percent of the dollar limitation prescribed in subitem (b). Of the South Carolina housing tax credits allocated to qualified projects utilizing the federal 9 percent tax credit, no less than fifty percent of the South Carolina housing tax credits must be allocated to qualified projects located in an eligible rural area as designated by the United States Department of Agriculture, with the remainder allocated to (i) qualified projects serving older persons or persons with special needs, irrespective of rural eligibility criteria; (ii) qualified projects supporting workforce development as certified by the South Carolina Department of Commerce, irrespective of rural eligibility criteria; and (iii) other qualified projects, irrespective of rural eligibility criteria.

(d) Compliance with the dollar limitations of subitems (b) and (c) must be determined by the total amount of South Carolina housing tax credits allocated for one full year of the credit period applicable to each qualified project, and not the total amount of South Carolina housing tax credits allocated for the entire credit period applicable to each qualified project. Compliance with the dollar limitations of subitems (b) and (c) must be determined within each calendar year at the time the state housing authority makes a preliminary determination of any qualified project's eligibility for the South Carolina housing tax credit.

(e) In addition to the dollar limitation of subitem (b), allocation of any South Carolina housing tax credit to any qualified project utilizing the federal 4 percent tax credit is conditioned on among other things availability and allocation to the extent necessary for the qualified project of any state ceiling made pursuant to Article 3, Chapter 11, Title 1.

(C)(1) The state housing authority shall promulgate rules establishing criteria upon which the eligibility statements are issued which must include consideration of evidence of local support for the project. The eligibility statement must specify the amount of the South Carolina housing tax credit allowed, and must include: (i) the annual amount of South Carolina housing tax credit allocated to the qualified project for each year of credit the period; and (ii) the total amount of South Carolina housing tax credit allocated to the qualified project for the entire credit period.

(2) The state housing authority may not issue an eligibility statement until the taxpayer provides a report to the state housing authority detailing how the South Carolina housing tax credit will benefit the tenants of the project, once placed in service, including without limitation, reduced rent, and why the South Carolina housing tax credit is essential to the financial feasibility of the project.

(3) The state housing authority must establish uniform criteria for allocating the South Carolina housing tax credit to eligible projects pursuant to a competitive process that promotes highest value and greatest public benefit. The state housing authority must establish the criteria required by this section as part of any qualified allocation plan adopted to administer the federal housing tax credit, which must include without limitation: (i) written notice by the state housing authority to the county and city within which any project is proposed to be located; (ii) following such notice, an opportunity for public comment on the proposed project at a public hearing conducted by the state housing authority no less than ten business days following notice of such public hearing, notification of which must be made by publication in a newspaper



of general circulation in the county and city within which the proposed project is to be located; and (iii) an opportunity for the county and the city within which the project is proposed to be located to provide comment within no less than ten business days following such public hearing. The criteria established pursuant to this section, and any qualified allocation plan, are subject to the prior review and comment of the Joint Bond Review Committee.

(4) The state housing authority must furnish no later than January thirty-first of each year an annual report of South Carolina housing tax credits allocated pursuant to this section, which must include for the preceding calendar year the total amount of South Carolina housing tax credits allocated, and for each project, the project name and location, the amount of the South Carolina housing tax credits allocated to the project, project ownership, total number of units assisted, and the public benefit achieved by the project. The annual report must be furnished to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, the Chairman of the House of Representatives Ways and Means Committee, the Joint Bond Review Committee, and the State Fiscal Accountability Authority.

(D) The Department of Revenue, in consultation with the state housing authority, may adopt rules and policies necessary to implement and administer the provisions of this section; provided, however, that the state housing authority has the responsibility for: (i) allocation and administration of the South Carolina housing tax credit; and (ii) ensuring that the limits prescribed by subsection (B)(5)(b) and (c) are not exceeded.

(E) Notwithstanding any other provision of law, the provisions of this section and administration thereof are subject to the oversight, and review and comment as appropriate, of the Joint Bond Review Committee.

HISTORY: 2020 Act No. 137 (H.3998), Section 2, eff May 14, 2020; 2022 Act No. 202 (H.5075), Section 1.A, eff May 16, 2022.

Editor's Note

2020 Act No. 137, Sections 1 and 4, provide as follows:

"SECTION 1. This act may be cited as the 'Workforce and Senior Affordable Housing Act'."

"SECTION 4. This act takes effect upon approval by the Governor and first applies to qualified projects that receive an eligibility statement pursuant to Section 12-6-3795 thereafter."

2022 Act No. 202, Sections 1.B, 1.C, provide as follows:

"[SECTION 1.]B. 1. Notwithstanding the limitations prescribed by Section 12-6-3795(B)(5)(b), (c), and (d) in SECTION 1. A., the General Assembly hereby provides a one-time authorization of South Carolina housing tax credits in an amount necessary but not exceeding one hundred million dollars for qualified projects approved before December 31, 2021, by the State Fiscal Accountability Authority or the South Carolina State Housing and Finance Development Authority, as applicable. Any allocations of South Carolina housing tax credits made pursuant to this provision are subject to the review and comment of the Joint Bond Review Committee. No later than thirty days following enactment hereof, the South Carolina State Housing and Finance Development Authority must identify and report to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, the Chairman of the House of Representatives Ways and Means Committee, the Joint Bond Review Committee, and the State Fiscal Accountability Authority all qualified projects to which this one-time authorization of South Carolina housing tax credits is proposed to apply. The report must be made in such form and substance as may be directed by the Joint Bond Review Committee. Nothing in this provision grants any rights to, or in the processes used in the determination of, allocation of this one-time authorization of South Carolina housing tax credits. Decisions made pursuant to this provision are final and are not subject to judicial or administrative review.

"2. This subsection B takes effect upon approval by the Governor.

"C. This SECTION takes effect upon approval by the Governor and first applies to tax years beginning after 2021."

2023 Act No. 88, provides as follows:

"Whereas, Act 137 of 2020 amended the South Carolina Code to enact the "Workforce and Senior Affordable Housing Act" by adding Section 12-6-3795 so as to allow a taxpayer eligible for the Federal Housing Tax Credit to claim a South Carolina Housing Tax Credit; and

"Whereas, following the enactment of Act 137 of 2020 and through December 31, 2021, preliminary determinations of eligibility for the South Carolina Housing Tax Credit totaled approximately \$100 million annually and approximately \$1 billion for the ten-year term of the South Carolina Housing Tax Credit, far exceeding the estimated fiscal impact on the general fund at the time of enactment of approximately \$2.1 million annually and \$20.6 million for the ten-year term of the South Carolina Housing Tax Credit; and

"Whereas, following study and a determination that the actual fiscal impact of the South Carolina Housing Tax Credit on the general fund was not sustainable, Act 202 of 2022 amended Section 12-6-3795 to, among other things, limit the South Carolina Housing Tax Credit; and

"Whereas, Section 1.B.1 of Act 202 of 2022 provided for a one-time authorization of South Carolina Housing Tax Credits in an amount necessary but not exceeding \$100 million dollars to ratify amounts reflected in preliminary determination statements for qualified projects approved before December 31, 2021, with any allocations of South Carolina Housing Tax Credits made pursuant to this provision subject to the review and comment of the Joint Bond Review Committee; and

"Whereas, in accordance with Section 1.B.1 of Act 202, the South Carolina State Housing Finance and Development Authority provided a report to, among others, the Joint Bond Review Committee identifying all qualified projects to which the \$100 million one-time authorization provided in Section 1.B.1 of Act 202 of 2022 was proposed to apply; and

"Whereas, on August 23, 2022, the Joint Bond Review Committee determined that the amount of South Carolina Housing Tax Credits applicable to projects qualified for the one-time authorization provided pursuant to Section 1.B.1 of Act 202 of 2022 was \$87,110,848; and

"Whereas, it has been asserted that escalations in costs of construction and materials, increases in interest rates, and other factors have negatively impacted the financial feasibility of certain projects to the extent that such projects face a threat that they cannot be completed in the absence of supplemental funding; and

"Whereas, there remains available \$12,889,152 in South Carolina Housing Tax Credits pursuant to the one-time authorization provided in Section 1.B.1 of Act 202 of 2022; and

"Whereas, there remains available for the tax year ending December 31, 2023, a total of \$16,916,877 in South Carolina Housing Tax Credits, comprised of the amounts of \$6,726,825 and \$10,190,052 for allocation pursuant to Section 12-6-3795 to qualified projects utilizing the federal four percent tax credit and the federal nine percent tax credit, respectively; and

"Whereas, there is available no less than \$25 million in undesignated funding held in the South Carolina Housing Trust Fund established pursuant to Article 4, Chapter 13, Title 31 of the South Carolina Code. Now, therefore,

"Be it enacted by the General Assembly of the State of South Carolina:

"SECTION 1. The General Assembly hereby provides a one-time authorization of South Carolina Housing Tax Credits pursuant to and for the purposes described in this joint resolution in an amount necessary but not exceeding \$29,806,029, comprised of \$12,889,152 remaining available from the one-time authorization of South Carolina Housing Tax Credits provided in Section 1.B.1 of Act 202 of 2022, and a total of \$16,916,877 remaining available for allocations for the tax year ending December 31, 2023, pursuant to Section 12-6-3795. In addition to the foregoing, the General Assembly hereby authorizes pursuant to and for the purposes described in this joint resolution an amount necessary but not exceeding \$25,000,000 from the undesignated balance held in the South Carolina Housing Trust Fund established pursuant to Article 4, Chapter 13, Title 31 of the South Carolina Code, as nonrecurring, one-time funding, and not as South Carolina Housing Tax Credits. No later than June 30, 2023, the State Housing Finance and Development Authority must develop a plan to allocate the South Carolina Housing Tax Credits and nonrecurring, one-time funding made available pursuant to this joint resolution as supplemental financial support to certain multifamily housing projects that had by March 31, 2023, received a tentative allocation of South Carolina Housing Tax Credits pursuant to Act 202 of 2022. The plan, and any project allocations proposed thereunder, must be submitted to the Joint Bond Review Committee for review and comment prior to

awarding any South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution.

"SECTION 2. The plan must be provided in such form and substance as the Joint Bond Review Committee may prescribe, and must include for each project, the project name and location; the amount of any South Carolina Housing Tax Credits, state ceiling, or both, previously allocated to the project; project ownership; the total number of units assisted; any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding proposed to be made available to the project pursuant to this joint resolution; and any supplemental amount of state ceiling, if any, proposed for allocation to the project. The plan must further include for each project a disclosure of every affiliate or other related legal entity having a direct or beneficial interest in the development of the project.

"SECTION 3. Any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution must be limited to the amount necessary to provide supplemental financial support to projects that (1) are under construction; and (2) have demonstrated independently verified costs exceeding original estimates as a consequence of escalations in costs of construction and materials, increases in interest rates, and such other extenuating factors as may be recommended by the State Housing Finance and Development Authority, subject to the review and comment of the Joint Bond Review Committee; provided, however, that no single project may receive an allocation of more than the lesser of (1) the actual amount of South Carolina Housing Tax Credits and nonrecurring, one-time funding made available pursuant to this joint resolution necessary to achieve financial feasibility of the project based on the independently verified costs exceeding the original estimate for the project; or (2) twenty percent of the South Carolina Housing Tax Credit reflected on the eligibility statement, as defined in Section 12-6-3795(A)(1), previously furnished for the project by the State Housing Finance and Development Authority; further provided, however, that the State Housing Finance and Development Authority may recommend, subject to the review of the Joint Bond Review Committee, a de minimus adjustment not exceeding five percent beyond the limitations of this SECTION to promote financial feasibility of the project in marginal circumstances. Project sponsors must have requested consideration of and provided justification for any costs in excess of original estimates to the State Housing Finance and Development Authority no later than March 31, 2023.

"SECTION 4. The plan must conform with such provisions of the Qualified Allocation Plan and the State Ceiling Allocation Plan as the State Housing Finance and Development Authority may recommend to be applicable to any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution; provided, however, that priority must be given to projects with highest rates of completion and earliest dates that the projects are expected to be placed in service.

"SECTION 5. Nothing in this joint resolution grants any rights to, or in the processes used in, the determination of any South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution.

"SECTION 6. The State Housing Finance and Development Authority may require, as a condition of any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to the plan required by SECTION 1 and this joint resolution, an agreement from the project sponsor that the South Carolina Housing Tax Credits and any nonrecurring, one-time funding allocated to the project are deemed final, without recourse.

"SECTION 7. Any unallocated South Carolina Housing Tax Credits and nonrecurring, one-time funding made available pursuant to this joint resolution may be carried forward for allocation beyond the current tax year ending December 31, 2023, provided the unallocated South Carolina Housing Tax Credits and nonrecurring, one-time funding are limited to the purposes and subject to the provisions of this joint resolution.

"SECTION 8. The allocation requirements of Section 12-6-3795(B)(5)(c) are suspended for the tax year ending December 31, 2023.

"SECTION 9. The provisions of Article 4, Chapter 13, Title 31 of the South Carolina Code are suspended in the amount of \$25 million for the tax year ending December 31, 2023, and beyond December 31, 2023, but only to the extent of any amounts carried forward pursuant to SECTION 7 of this joint resolution.

"SECTION 10. In addition to the other amounts made available by this joint resolution, the General Assembly hereby authorizes the State Housing Finance and Development Authority to allocate an amount necessary but not exceeding fifty percent of the federal low-income housing tax credit allocated to this State for the tax year ending December 31, 2023, as supplemental financial support to certain multifamily housing projects utilizing federal nine percent tax credits as defined in Section 12-6-3795(A)(7) that had by March 31, 2023, requested consideration of and provided justification for any costs in excess of original estimates to the State Housing Finance and Development Authority. Any allocations of federal tax credits made pursuant to this SECTION must be included and coordinated within the plan required pursuant to SECTION 1, and are subject to, without limitation, the same requirements, determinations, limitations, and other provisions as are applicable to the State Housing Tax Credits included in SECTIONS 1 through 7 of this joint resolution.

"SECTION 11. This joint resolution takes effect upon approval by the Governor."

Effect of Amendment

2022 Act No. 202, Section 1.A, rewrote the section, providing a one-time authorization of South Carolina housing tax credits for certain projects approved before 2022.