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Charleston County Legislative Delegation

November 12, 2020

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South Carolina State Housing Finance and Development Authority
Attn: Ms. Bonita Shopshire, Executive Director
300-C Outlet Pointe Blvd.
Columbia, South Carolina 29210

Dear Ms. Shopshire:

We are grateful for your leadership at SC Housing to support individuals and families in Charleston County and throughout the State of South Carolina with affordable and workforce housing. These efforts have made life-changing impacts in the lives of our constituents.

Moreover, we are proud to have passed the Workforce and Senior Affordable Housing Act (H.B. 3998), which creates a state LIHTC equal to the amount of the federal LIHTC received by a taxpayer. This Act will greatly advance our efforts on housing affordability and help to deliver additional affordable and workforce homes in South Carolina.

The Qualified Allocation Program (QAP) defines how the LIHTC shall operate and the 2021 Draft QAP includes a number of significant changes for which we believe will further enhance the program. However, we have learned that as currently drafted, language regarding flood zones in the QAP could eliminate Charleston County from consideration for any LIHTC developments.

The below signed members of the Charleston County Delegation requests the removal of the following language from the QAP to ensure access to the LIHTC program throughout coastal communities:

Page 16, Item 2(e) – Potential rejection if “improvements would be located within 50 feet of either a FEMA-designated 100 or 500-year flood zone.”

This language is a new addition to the Draft QAP and could unfairly prevent Charleston County and other coastal communities from securing LIHTC. A vast majority of Charleston County is

located in the 100 or 500 year flood plains and the 500 year flood zone rule would eliminate most of the Lowcountry from consideration.

While we appreciate improvements to the QAP in recent years, we have trouble understanding how this language was included within the 2021 Draft QAP. While flooding is an important consideration when it comes to development, this language would likely eliminate an entire region of the State from affordable and workforce housing development. We are certain this was not the goal of SC Housing and do not believe this language should be included in the QAP.

In addition, we request the removal of three Items in the Draft QAP:

- ***Remove Page 16, Item 3(a) - Potential disqualification of "Sites within one (1) mile of a development funded in a previous LIHTC cycle that has not placed in service and achieved 90% physical occupancy as of the application deadline."***

We are concerned that this creates a roadblock to affordable and workforce housing and fails to meet our goal to be thoughtful about density and development in our cities. There may be situations where denser areas near transit may make sense for multiple affordable and workforce housing developments. Couple this with the delays in development resulting from the COVID-19 pandemic, and this Item creates unnecessary barriers to housing affordability in our communities.

- ***Remove Page 16, Item 2(d) – Potential disqualification of "Any site listed on or adjacent to a site...that requires the execution of voluntary or involuntary cleanup agreements with Department of Health and Environmental Control (DHEC) or other third party organizations as noted in a Phase II environmental assessment report (unless fully completed)."***

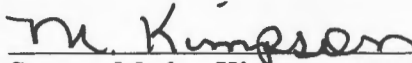
This new addition to the QAP would not only create a new barrier to affordable and workforce housing, but it would also prevent the cleanup of sites and the improvements of the surrounding property and environment. Moreover, this requirement is logistically not feasible in relation to acquisitions as the developer is required to complete the application based on what the future development is prior to taking title in order to enter into a VCC program.

- ***Page 17, Item 3(d) – Potential rejection if "Sites where a portion of any building would be located within the fall distance (based on tower height) of any...water tower, fire tower, billboard, or other elevated structure..."***

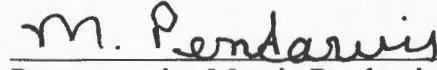
We believe strongly in the safety of any new development. However, a potential development opportunity should not be eliminated without an applicant provided the opportunity to demonstrate the safety of nearby structures or, detail a plan to remedy any safety concerns related to the nearby structure.

Again, we strongly encourage you to make the recommended changes to support housing affordability in Charleston County and throughout South Carolina. Thank you for your consideration and please contact us with any questions.

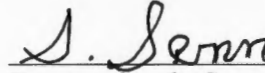
Sincerely,



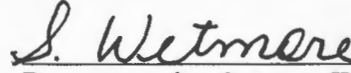
Senator Marlon Kimpson



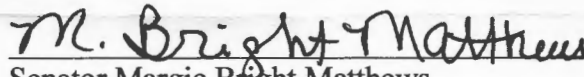
Representative Marvin Pendarvis



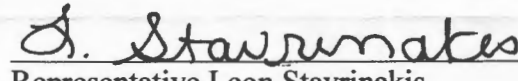
Senator Sandy Senn



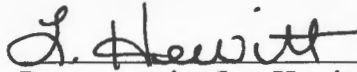
Representative Spencer Wetmore



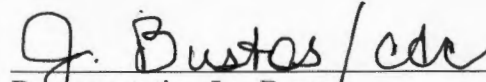
Senator Margie Bright Matthews



Representative Leon Stavrinakis



Representative Lee Hewitt



Representative Joe Bustos

cc: Robert D. Mickle, Jr., Chairperson, Board of Directors, S.C. State Housing Finance and Development Authority
Kim Wilbourne, LIHTC Manager, S.C. State Housing Finance and Development Authority
The Honorable John J. Tecklenburg, Mayor, City of Charleston