

# City of Charleston

JOHN J. TECKLENBURG  
MAYOR

November 10, 2020

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

Dear Bonita:

Thank you for your efforts at SC Housing to improve the availability and accessibility of affordable housing across the State of South Carolina. The State's Low Income Housing Tax Credit Program (LIHTC) is critical in meeting the affordable housing needs in the City of Charleston, as well as in communities statewide.

We are thankful to have seen improvements in the Qualified Allocation Program (QAP) in recent years. However, there are major areas of concern in the 2021 QAP as currently drafted. As you are aware, the City of Charleston has seen only three (3) developments selected for LIHTC over the last three to five years. We fear that urban areas like Charleston will face even greater difficulties under the 2021 Draft QAP.

There are four new changes to the 2021 Draft QAP which cause concern and which we recommend removal:

- ***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."***

First, this new addition to the QAP unnecessarily restricts affordable housing in urban areas where there is great need. We share a goal of being thoughtful about how cities grow and where density makes the most sense, including areas near public transit, health care, and other community benefits. Unfortunately, this Item runs counter to our shared goal.

This Item alone may prevent future LIHTC development to advance in the City of Charleston. For reference, the width of the Charleston Peninsula, where the majority of affordable housing development has been located in our City, is approximately one (1) mile wide. It is conceivable that this new language could entirely prevent the selection from any new LIHTC development on the Peninsula.

As we are amidst COVID-19 and the numerous challenges the pandemic has presented to the progress of development, we should not create a new roadblock to affordable housing development as this would.

- ***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)."***

Secondly, this new addition to the QAP creates new barriers to the creation of affordable housing, especially in urban communities. It is inevitable that environmental concerns may be present in a number of projects given the limited amount of sites available to affordable housing developers. By eliminating these sites from potentially being cleaned up and developed into affordable housing, we are limiting the availability of affordable homes to individuals and families in need.

Alternatively, by allowing such sites (i) a developer is making a commitment to clean up the site and (ii) it is for the betterment of surrounding property and the environment.

In addition, 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. Therefore, this requirement logistically is not feasible in relation to acquisitions.

In the past, a site in need of environmental remediation or adjacent to a site that required remediation or cleanup could be considered (even though remediation or clean-up program was not complete) as long as there is evidence the site can be remediated. Evidence could include a site management plan or letter from a professional environmental engineer.

- ***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."***

Third, this new addition to the Draft QAP creates yet another barrier to affordable housing and we recommend removal. Eliminating sites from affordable housing development that have remedies to potential flooding issues limits the amount of affordable housing we can build in South Carolina. While it is important that we make decisions about development with flooding at the top of mind, we should not reject projects which may have solutions to flooding and as a result, restrict affordable housing in areas of need. This is especially important in the coastal communities in South Carolina.

- ***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..."***

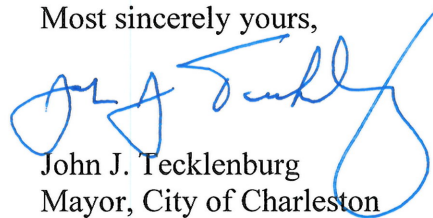
Fourth and final, this new addition to the Draft QAP could potentially limit affordable housing developments in more dense urban areas where billboards and other taller structures may be located. While safety is paramount, a potential development opportunity should not be eliminated

without an applicant being provided the opportunity to i) demonstrate the safety of nearby structures or ii) detail a plan to remedy any safety concerns related to the nearby structure.

Again, the City of Charleston is interested in ensuring urban communities have a fair opportunity to access Low Income Housing Tax Credits as they are critical to enabling both non-profit and private-sector developers build affordable homes for persons of low and moderate incomes. Urban communities have not fared well in recent years and have also seen an increase in population. The housing need in urban communities increase as the population grows and we need the LIHTC to assist in meeting the demand for affordable housing.

Thank you for the opportunity to share this important information and for your consideration of our recommendations. Should you have questions regarding what we have enclosed, please contact me or Geona Shaw Johnson at 843-724-3768.

Most sincerely yours,



John J. Tecklenburg  
Mayor, City of Charleston

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

Geona Shaw Johnson, Director,  
Department of Housing & Community Development, City of Charleston