

Johnson, Leanne 6-9248

From: Nicholson, Laura 6-9190
Sent: Friday, September 16, 2016 2:39 PM
To: Johnson, Leanne 6-9248
Subject: RE: Comments on Developer Forum and 2017-2018 QAP

Please add these QAP comments to the 2017 tax credit webpage. Thanks,

Laura Nicholson, Development Director
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-----Original Message-----

From: Donnie Richardson [<mailto:tobutch51@yahoo.com>]
Sent: Thursday, September 15, 2016 11:40 PM
To: Nicholson, Laura 6-9190
Cc: Johnson, Leanne 6-9248; Butch Richardson
Subject: Comments on Developer Forum and 2017-2018 QAP

Comments on Developer Forum and 2017-2018 QAP

Ms Nicholson,

I was in attendance at the Developer Forum held Tuesday. The meeting was very helpful and informative. You did a great job in covering the items that were under consideration for possible changes. I did not speak at the Forum but would like to offer some comments on items that were mentioned.

Our company, Olympia Construction, has enjoyed the opportunity to develop and build affordable housing in South Carolina. We are very experienced and work in a number of states with over 80 affordable housing properties developed during the years of the program.

- 1. Additional Set Aside - While some set asides are needed and even required, too many set asides are not necessarily good for the overall program. Creating an additional Urban Set Aside further divides funding into smaller segments. We understand the intent but believe there are other ways to accomplish what is desired without another set aside.
- 2. Basis Boost - many areas of the state need and benefit from the basis boost. We would favor leaving the boost for all projects statewide. However, if a sliding scale is considered, I would agree with you that smaller projects, often found in rural, lower rent areas, need the boost more than large projects.
- 3. Positive Site Characteristics - We believe that the site Services and the associated points that have been used for the past couple of years has eliminated many needy SC Communities from competing for funds. It has been too restrictive, driven developers to the few sites that can achieve a decent score and served to cause an increase in land costs. Considering eliminating the Entertainment Venues is a very good start to making this section more reasonable and actually concentrating on things that families and the elderly really want and need. We agree with others who also felt that additional options to choose from should be added to some sections. Dollar General or Dollar Tree were mentioned and these are good examples of what our residents like and can benefit from. The mileage is also too restrictive and not

practical. 1/2 mile should be dropped from the criteria leaving 1 mile to 3 miles. This would still bring good sites and services to our affordable housing complexes and serve people across the state better.

- 4. Alternative services - Positive Site Characteristics - we agree with some of the comments regarding placing some additional or alternative services in the Application that could serve the project and receive points should a service be deemed by the agency as not meeting the criteria for some reason. An additional form to include these might be a way to accomplish this and should be easy to implement into the application.

- 5. We understand Market advantage but have concerns about raising it to 35%. With the restrictions that are already found in the Services Section (mentioned in 3 and 4 above), this added percentage further enhances the problems that already exist and are created by the Site Characteristics/Services Section.

- 6. We agree that eliminating the caps that were in place for tax credits per unit based on bedrooms is a good idea (Bottom of page 12 current QAP). As stated, other caps that are already in place serve to control this anyway.

Thank you for the opportunity to comment.

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