Public comments received on the Draft 2018 Small Rental Development Program (SRDP) and SC Housing’s responses to the comments:

**Comment:** There should be no limit on how much SRDP funding is allowed per county.

**SC Housing Response:** SC HTF is one of the SRDP funding resources. Pursuant to the *South Carolina Housing Trust Fund Act § 31-13-445*, no more than 20% of trust fund monies expended in a fiscal year may be for projects in any one county. To ensure the Authority does not break SC State Law, the determination was made that no county, in any given year, can receive more than 20% of available SRDP funds. In addition, the Authority must consider the affordable housing needs of the entire state therefore, the limitation of funding helps ensure that funding is available for proposals throughout the entire State.

**Comment:** The application deadline date of April 6, 2018 is too early.

**SC Housing Response:** SC Housing will change the application deadline to **April 27, 2018**. This change will also push back the SRDP Workshop to Wednesday, March 14, 2018. More information will be forthcoming.

**Comment:** Developing two separate projects proposed for the same target population (family, elderly, etc.) adjacent to one another during the same funding year and within the same market area should be allowed.

**SC Housing Response:** The Authority believes developing a proposal and reaching sustained minimum occupancy levels should occur prior to the construction of a second phase of the same type of proposal. Developing projects for the same population on adjacent sites during the same funding year appears to be an attempt to circumvent maximum unit totals, funding caps, as well as other established minimum and maximum criteria.

**Comment:** The requirement that all sites must be contiguous should be eliminated as it will prevent development of single family scattered sites; especially those sites that nonprofits bought, demolished and cleared using the Authority’s Neighborhood Initiative Program (NIP) funds.

**SC Housing Response:** SC Housing will allow scattered site projects as long as all of the sites are within a 1000 foot diameter.

**Comment:** The total development cost per unit of $160,000 cannot be achieved in the South Carolina markets.

**SC Housing Response:** SC Housing will allow the maximum **TDC to be $175,000** per unit with all costs subject to a third party review.

**Comment:** Eight (8) as a minimum number of units is too many.

**SC Housing Response:** The Authority has designed this program to assist in attracting development to parts of the state that are rural and do not have access to federal funds through entitlement areas and/or local Participating Jurisdictions (PJs). Requiring a minimum of eight (8) affordable units up to 24 units appears appropriate for such an outcome.
Comment: There needs to be more flexibility in the number of units that are income and rent restricted at the 80% and 30% AMI levels.

SC Housing Response: The number of units restricted to specific income and rent levels at 80%, 60%, 50%, or 30% are specified by the state and federal regulations which govern the three funding sources.

Comment: The minimums set for liquid assets and net worth are too high.

SC Housing Response: As the responsible entity and administrator for the entirety of funding for each and every project, the Authority must take steps to ensure Applicants are financially solvent and have the financial wherewithal to overcome any development set-back. The financial criteria threshold amounts specified in the draft SRDP Manual dated 12-15-2017 have been reduced once already.

Comment: If all funds are not depleted, consider funding more than one (1) project per applicant instead of having a Round 2.

SC Housing Response: SC Housing will include this suggestion in the SRDP Manual. All criteria will be followed including no one (1) county receiving more than 20% of all SRDP funds.

Comment: If an applicant has developed affordable housing utilizing Low-Income Housing Tax Credits (LIHTC), will that previous development experience satisfy the criteria that the experience must be obtained through the successful completion of affordable housing utilizing at least one (1) governmental funding source?

SC Housing Response: Yes.

Comment: Would SC Housing allow an applicant to use a general contractor with which they have an identity of interest, so long as the proper identity of interest disclosure paperwork is completed and proper procurement processes are followed?

SC Housing Response: Award recipients also wishing to act as their own general contractor may request an exception to be made by the Authority to allow an identity of interest. The Authority will make exceptions on a case-by-case basis. Such determinations will take into consideration the capacity of the general contractor, in addition to past performance of the identity of interest entities.

Comment: Would construction of a small on-site office be considered eligible construction costs under SRDP?

SC Housing Response: It is allowable for projects containing 24 units to construct a small, approximately 500 sq. ft., on-site office under SRDP and such costs will be considered acceptable. TDC must still remain at or below $175,000 per unit.