

**Harmon, Amy 6-8713**

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**From:** Nicholson, Laura 6-9190  
**Sent:** Tuesday, September 25, 2018 11:44 AM  
**To:** Harmon, Amy 6-8713  
**Subject:** FW: Comments to 2019-2020 QAP

Please have these comments added to the 2019 tax credit QAP comments section. Thanks,



**Laura Nicholson, Development Director**  
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**From:** Holly Douglas [mailto:[holly@hollidaydev.com](mailto:holly@hollidaydev.com)]  
**Sent:** Tuesday, September 25, 2018 10:27 AM  
**To:** Nicholson, Laura 6-9190  
**Subject:** Comments to 2019-2020 QAP

Good morning Laura,

Please see below comments/suggestions for revision of 2019-2020 QAP:

**Remove Support Letter as Point Item**

Zoning should be sufficient means for municipalities to guide land development/uses. A support letter as a point item encourages NIMBY. If a site is zoned for multifamily, a city should not be able to impair an application by withholding a support letter.

**Two-Tier Application**

Two-tier application system would allow for more quality applications to be submitted and save both developers and the Authority time and money. This could be implemented without much additional burden to SCSFHDA staff by limiting requirements of first tier to entity information, a self-score on most critical point items (site) + evidence of site control. Only apps submitted at prelim would be eligible for full submission, and evidence of zoning due at full submission.

It can cost tens of thousands of dollars to submit an application, and if only two deals are permitted in a county it can be an expensive endeavor to submit an app that may be DOA because site score in that particular county is not competitive because of the county cap. First tier could be due 6-7 weeks in advance of full app, allowing applicants time to complete necessary third party reports should they elect to proceed with a full application. This could also ultimately limit the number of full applications SCSFHDA has to review (and thus the time and costs associated with the review) if developers only proceed with their "best" applications in March.

**Vocational center**

Should count as public school if part of public school system even if serving primarily adults. These schools greatly benefit our adult residents.

**Cost caps re-instated**

Sensible cost caps should be re-instated to ensure prudent use of the credit. However, costs should NOT be considered a scoring criteria as this would unquestionably lead to lower quality housing if folks tried to cut corners to get funded.

Related comment- Eliminate sliding scale for credits/units. Encourages smaller deals.

**More deals in urban areas**

Deals in markets deemed underserved continue to be funded in General Pool. It seems fewer deals have been submitted in GP in larger MSAs over past few years. Urban pool should be expanded, and/or emphasis should be shifted in general pool as well to building more rental housing in larger and/or faster growing markets. Support suggestion put forth at forum that these larger/fast growth markets are now the "underserved" areas.

Or- eliminate underserved pool and let those counties compete in GP as was done pre-2012.

**Extended Use comment**

Regarding discussion of longer affordability periods- if longer extended use periods are introduced and/or become a point item, developers seeking those points must submit a pro forma demonstrating that property will maintain positive cash flow for the entire extended use period-- i.e. if applicant receives points for 25 yr. extended use, must maintain DSC of at least 1.0x through that date.

Would also suggest that owners be permitted to lift the income (not rent) restrictions to some level higher than 60% in years following initial 15-yr compliance so the community can increase market capture and remain financially viable as it ages (suggest raising to lower range of workforce housing income levels, 80-100%)

**Keep point for in-state experience**

As is the case in every other state, South Carolina's LIHTC program is unique. Requiring SC experience for developers requesting this funding- the single most impactful resource available to build affordable housing in our state - is just prudent practice. Doing one deal with an experienced developer allows someone new to the program to get familiar with SC's quality/design/underwriting standards through a means other than trial and error. Strategic partnerships are created successfully every year to submit applications in South Carolina, and this reduces the instances of projects with major delays or issues related to developer inexperience. This should also reduce burden on the Authority at both development and compliance monitoring levels.

Kind regards,  
Holly Douglas

Holliday Development  
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