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November 1, 2019

Chris McMillan, Tax Credit & Bond Manager
Sara Martinez, Director of Development
South Carolina State Housing Finance and Development Authority
300-C Outlet Pointe Blvd.
Columbia, SC 29210

Re: SCSHFDA Draft 2020 LIHTC QAP

Dear Mr. McMillan and Ms. Martinez,

NAI Columbia is a full service commercial real estate (CRE) firm having merged with NAI Earle Furman (Greenville, SC) this year, and together, providing more than 50 years of brokerage, property management, development and consulting services to the Carolinas. As a member of the NAI Global Network and a consistent Top Producer, my 30-year career in CRE has allowed the production of over \$400 Million in sales with a large concentration in pre development parcels in SC. In review of the draft QAP I have been asked to provide an opinion based on my experience as both a CRE Broker and active Real Estate Developer regarding the following:

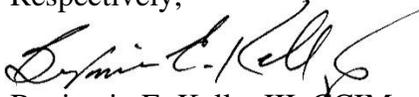
Mandatory Site Requirement, Item 2 (i): Sites containing wetlands or located in a flood plain. This provision is not applicable in the following counties so long as the site is no less than 80% buildable: Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Horry and Jasper. Percentage of buildability may require confirmation by a qualified independent third party consultant. If the Authority determines confirmation is needed, costs of such consultant will be the responsibility of the Applicant.

I offer the following as to protecting and preserving wetlands which will hopefully be taken into consideration regarding not only preserving wetlands, but also the development of more and better located affordable housing. With an already competitive applicant selection process, disqualifying site locations which contain wetlands in 38 of the 46 counties in SC could potentially conflict with the QAP's objective by restricting the development of affordable housing. The requirement's intention of conservation by excluding wetland impacted sites across the state, in my opinion, creates less protection for said resources. By denying the consideration of a site with wetlands other types of more intensive use may develop and degrade or mitigate an isolated wetland. In case of mitigation the wetland may be lost. Federal, State and Local

regulations are in place requiring developers to integrate wetlands into open spaces with buffer zones. A requirement by SCSHFDA to integrate the wetlands into an environmentally enhancing and aesthetically pleasing residential project offers the opportunity to provide an additional level of protection and enhance water quality in the long run.

In conclusion, my experience indicates that a lot of infill and hard to develop sites which have the potential of scoring well based on the availability of services for the desired clientele of low-income housing would be excluded from consideration because of the wetland impact restriction. Unfortunately, the desired intent of the ordinance as proposed may have the opposite effect on the development of affordable housing in the most needed and desired areas.

Respectively,



Benjamin E. Kelly, III, CCIM
Principal | Senior Broker