



November 4, 2019

South Carolina State Housing Finance and Development Authority  
300-C Outlet Pointe Blvd  
Columbia, SC 29210

Re: 2020 Draft QAP

Dear SC Housing,

Thank you for the opportunity to provide comments for consideration in finalizing the 2020 QAP. Please find our comments below:

## **V. THRESHOLD PARTICIPATION CRITERIA**

### **E. Applicant Qualification thru H. Required Capacity**

We recommend a Qualification Determination Period prior to the application deadline for developers to request approval of their Development Team, including the Management Entity. A developer may submit information as it relates to Items E-H under this section and receive a Qualification Determination Letter from the agency so they may be confident that their Team meets all of the Threshold Criteria.

## **VI. NEW CONSTRUCTION SCORING CRITERIA**

### **A. Positive Site Characteristics**

The first paragraph mentions that scoring for Items 7 and 8 will occur within one week after the application deadline to determine the scores for each application. The scoring for these two items should be based on a printout or screenshot of the data, to be included in the application, which has a date of no more than two months prior to the application deadline. New data which could appear after the deadline will not affect this score positively or negatively. This helps developers make informed decisions on which sites to pursue and submit an application.



### **E. Cost Containment**

Vertical construction costs should be further defined than just “all costs from the footers up”. Does this include underground plumbing in the slab, radon mitigation systems, stone base, etc.? Further defining items identified as vertical construction will ensure that the agency is reasonably comparing the same costs across applications.

Developers are awarded points for decreasing the cost/unit by awarding the maximum number of points to those applications that have costs less than or equal to 90% of the average requests. This will encourage a “race to the bottom”, which could result in awarded deals being under-sourced when actual costs are incurred. We feel maximum points should be awarded, as it relates to costs, to those applications falling within 95% and 105% of the average costs of all applications.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "CH", is written over the typed name and title.

Charlie Heritage  
Managing Partner