

SENATOR TOM DAVIS
SENATE DISTRICT 46
BEAUFORT AND JASPER COUNTIES

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September 22, 2023

Mr. Richard Hutto
Interim Executive Director
South Carolina Housing Authority
300 Outlet Pointe Boulevard C
Columbia, South Carolina 29210
richard.hutto@schousing.com

VIA EMAIL AND REGULAR MAIL

Re: Amendments to Qualified Allocation Plan ("QAP") used by the South Carolina Housing Authority to allocate state and federal Low-Income Housing Tax Credits ("LIHTC")

Mr. Hutto:

For the reasons and as set forth herein, I ask the Authority to consider revising its QAP so that projects in Beaufort and Jasper counties ("the counties") have a fair and reasonable chance of qualifying for an allocation of state and federal LIHTC credits. The counties have unique geographic features and architectural/cultural standards that make the application of some of the existing QAP criteria unduly prejudicial to developers seeking credits to build affordable housing. The 13 requested revisions herein would mitigate that bias and create a more level playing field.

Distances to Services and the Nature of the Services

The current QAP criteria are based on drivable routes of very short distances to grocery, pharmacy, and shopping experiences, schools, etc. Revisions:

1. Add the availability of mail order, delivery, and transportation options.
2. Increases distances for counties covered by water, streams, rivers, wetlands, and marshes.
3. Remove the requirement that the full-service grocery be part of a chain.
4. Eliminate requirement for a pharmacy (mail order and delivery commonly used).
5. Remove the requirement of a nearby big-box store (the counties favor local stores).
6. Add an "as the crow flies" distance to allow for growth and road improvements.

The existing QAP criteria promotes proximity to large brand-name commercial developments that have been disfavored by the counties to maintain their culture and environment – an approach that has contributed to hem being the third largest area for tourism dollars in South Carolina.

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Jobs

The current criteria for scoring points for jobs is a static number of jobs within a small area – a bias in favor of large urban areas – something that the counties' geography precludes. Revisions:

7. Increase the measurement area to allow for opportunities in areas without large urban centers and brick-and-mortar headquarters to score points.
8. Add a water coverage component/calculation to distances to account for the fact that the geography of the counties creates greater distances to jobs (and services).
9. The location of many jobs in the counties are in extremely high-cost land locations (e.g., the ocean) and thus further away from affordable housing than in other parts of the state; the distance requirements should be adjusted in an equitable manner.
10. Consider the economic impact of the area. Beaufort County is behind only Horry and Charleston counties in terms of tourism, one of the state's largest economic drivers.

Market Advantage

Beaufort County Area Median Income is the highest in South Carolina, yet with HUD adjustments, it is lower than Charlotte and Charleston, Rents for affordable housing are based on the HUD AMI. As a result, affordable rents in Beaufort County have a large market-rate advantage. Revision:

11. Create points for the difference (as a percent) between fair market/payment standard or average market rents and proposed affordable rents for a development.

Affordable Housing Shortage

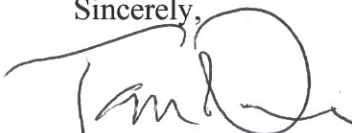
12. Jasper County has not had a new LIHTC development since 2008. Revision: Five points is not an equitable adjustment. Points awarded should be equal to the number of years since the last award for new construction.

Other Credits

13. The criteria in IV.E. of the QAP unfairly favors specific development types that are unique to urban areas. This bias toward a certain type of development should be removed.

I appreciate your consideration of these requested revisions to the QAP.

Sincerely,



Tom Davis

