

From: Zee, Parker [REDACTED]
Sent: Monday, September 11, 2023 10:41 AM
To: TaxCreditQuestions
Subject: [External] 2024 Draft QAP Comments

Good morning,

We commend SC Housing's change to mandatory site requirements to permit sites requiring environmental cleanup in instances where mitigation is deemed appropriate for residential use but not yet completed. There are many good real estate properties that could have otherwise been disqualified for something as minor as contaminated soil from an event that occurred many decades ago.

However, with this change, SC Housing needs to remove the Brownfields Cleanup Credit as an eligible Other Types of Tax Credits for 5 points, or clarify that the Brownfields Cleanup Credit can only qualify for 5 points if the cleanup has already occurred. The combination of this change to mandatory site requirements and giving 5 points for the Brownfields Cleanup Credit will encourage developers to find properties that require environmental cleanup. This presents several concerns including higher site work costs which will likely outweigh the benefit of a Brownfields Cleanup Credit, higher soft costs for the additional 3rd party reports and inspections associated with voluntary cleanup activities, and this could place developments and residents in less desirable areas or adjacent to worse surrounding uses. While there is benefit to permitting developers to apply for such properties when appropriate for residential development, developers should not be encouraged and rewarded for looking for such properties. This is a significant change from the intent of the 2023 QAP and could be a detriment to the eventual tenants as it could encourage site selection in suboptimal areas and will likely lead to worse credit efficiency and less overall affordable units.

Thank you for your consideration of this comment.



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