

SENATOR TOM DAVIS
SENATE DISTRICT 46
BEAUFORT AND JASPER COUNTIES

COMMITTEES:
AGRICULTURE AND NATURAL RESOURCES
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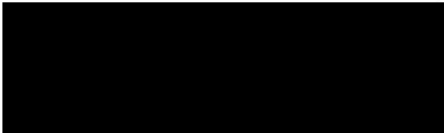


BEAUFORT OFFICE:



September 24, 2024

Mr. Richard A. Hutto
Interim Executive Director
South Carolina State Housing Finance
and Development Authority



Via email only

Re: Proposed Changes to 2025 SC QAP Scoring Criteria

Mr. Hutto:

I am writing to propose changes to the 2025 SC Housing Qualified Allocation Plan (QAP) scoring criteria to ensure Jasper County's eligibility for tax credits. The current criteria unfairly disadvantage rapidly growing rural areas like Jasper County, particularly Hardeeville, which has seen substantial population growth and an increasing need for affordable housing. Hereinafter set forth are my specific proposed changes for your consideration.

Proposed Changes to 2025 SC QAP Scoring Criteria for Jasper County

1. Proximity to Amenities and Jobs (Paragraph III.A.1 - Rural Area - Distance to Amenities): Currently, proximity to a pharmacy is a critical scoring factor for tax credit allocation. With the growing use of online services like Amazon delivering prescriptions, reliance on physical pharmacy locations is outdated. In 2023, I successfully advocated for combining proximity to Retail and Pharmacy into one scoring criterion, which allowed developments in Hardeeville to compete more fairly. ***Recommendation: Please maintain this combined scoring for Pharmacy and Retail or remove Pharmacy as a standalone criterion entirely.***

2. Area Employment (Paragraph III.A.2 - Employment Proximity): Hardeeville currently scores 0 out of 10 possible points under this criterion, despite Jasper County having over 12,000 workers and Hardeeville having 3235 workers. Hardeeville's competitors score significantly higher in this category, putting the community at a disadvantage when housing is desperately needed. For example, the \$7.6 billion Hyundai Metaplant in Bryan County, Georgia, is already

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1/13

shifting workforce dynamics in the Lowcountry. Workers from Hardeeville now have a shorter commute to this state-of-the-art facility than to Hilton Head Island or Bluffton, further highlighting the region's need for more housing to ensure these workers live and pay taxes in South Carolina. This Bryan County investment will produce 300,000 electric vehicles a year, underscoring the urgent need for affordable housing options to keep talent in South Carolina. **Recommendation: Remove static distance-to-jobs scoring criteria for Group B counties, relying instead on third-party market studies to assess the demand for affordable housing. Alternatively, create a "Group C" for smaller, rural counties, excluding distance-to-jobs as a scoring criterion and establishing a set-aside for these counties.**

3. Land Donation (Paragraph III.B): Under the current plan, local governments must own land by July 31st to qualify for land donation points. This requirement creates unnecessary risks for municipalities that do not maintain real estate portfolios. **Recommendation: Allow local governments to demonstrate control over a site by the Preliminary Tax Credit Application deadline rather than requiring ownership. A contract, purchase agreement, or commitment to acquire the land should suffice.**

4. Affordable Housing Shortage (Paragraph III.D): The current cap of 10 points for communities with affordable housing shortages is insufficient to overcome scoring disadvantages in other areas, locking out Jasper County. **Recommendation: Award 15 points to developments in communities that haven't received a tax credit award for new construction during the last 15 funding cycles.**

5. Leveraging (Paragraph III.G): Recommendation: Allow the per-unit value of land donated by local governments to count toward the point thresholds for tax credit eligibility.

Additional Recommendations

1. Non-profits (Paragraph II.C): The current requirement for non-profits to employ three full-time staff members for housing development excludes capable organizations from participating. For example, Coastal Community Development Corporation (CCDC) in Beaufort and Jasper Counties, a financially sound 501(c)(3), cannot meet this requirement but is highly effective in affordable housing development through its board and volunteer committees. **Recommendation: Remove the requirement for non-profits to employ full-time housing development staff to allow smaller organizations to participate in the tax credit program.**

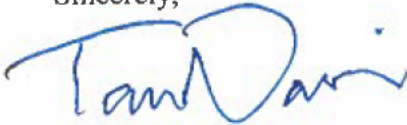
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2/13

Mr. Hutto
Page 3
September 24, 2024

2, Distance to Services: Rural counties like Jasper and Beaufort are penalized for the significant acreage of natural resources that increase driving distances to services and amenities. ***Recommendation: Measure distances to services "as the crow flies" rather than by driving routes to account for these natural barriers.***

These changes will create a fairer scoring process and enable fast-growing communities like Hardeeville in Jasper County to compete more equitably for tax credits. Thank you for your attention to these important issues, and I look forward to discussing these recommendations further.

Sincerely,



Tom Davis

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3/1/3