

From: Will McCauley [mailto:will@creativebuilders.net]
Sent: Tuesday, October 23, 2018 2:24 PM
To: Nicholson, Laura 6-9190
Subject: Identity of Interest for General Contractor
Importance: High

Dear Laura,

I hope that you are having a great afternoon. We thank you for the opportunity to submit the following public comment with regards to Tax Credit Manual (pg 22), under Underwriting Standards, section 5 “Contractor Cost Limits”. Please see my attached letter for comment.

Thank you again for your time and consideration.

Best Regards,

Will McCauley | President
“Building a Better Tomorrow...Today”
Creative Builders, Inc. | 200 East Broad Street, Ste. 150 | Greenville, SC 29601
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Creative Builders, Inc.

200 East Broad Street Suite 150
Greenville, South Carolina 29601
Tel: 864.233.1631 Fax: 864.235.1176

October 23, 2018

Dear Laura,

I would like to respectfully ask you to **Please** consider my request to remove the requirement as defined in the LIHTC manual (p. 22) stating "If there is an identity of interest between the Applicant and General Contractor, as defined in the LIHTC Manual, the Contractor Profit and Overhead is limited to six percent (6%) of the Hard Construction Costs."

Creative Builders, Inc. has been working successfully with the State Housing Authority since the inception of the program. Frankly, this is the reason I have been asked by four (4ea) separate S.C. developers to come alongside as a minority partner to help insure the success of their projects.

We utilize the *Design·Build·Partner* approach to make sure we're building to the exact requirements of the QAP design criteria while meeting the IRS deadlines for PIS. HUD understands the value of a good contractor with their "must be approved qualifications" and "BSPRA" requirements in the 221D-4 program. Dropping the profit and overhead to 6% does not come at a cost to me personally in my *minority* interest of the deal but rather a cost to our employees and the risk that Creative Builders, Inc. takes on in building these developments.

In previous years the language stated that SC Housing maintained the right, at its sole discretion, to require a Contractor Cost Certification. Now that a contractor cost cert. is required in 2019, the restriction from 8% to 6% is unnecessary and punitive. I would ask to please consider at the very least an alternative metric of measurement such as "an identity of interest no greater than 50% ownership in the project by majority owner of the Construction Company".

Thank you for your time and consideration. I look forward to hearing back from you and pray that you find this request to be reasonable and acceptable.

Sincerely,

Creative Builders, Inc.



William H. McCauley, III

President

Building a better tomorrow ...today!