

Harmon, Amy 6-8713

From: Nicholson, Laura 6-9190
Sent: Monday, October 01, 2018 11:09 AM
To: Harmon, Amy 6-8713
Subject: FW: Gaylord and Dorothy Donnelley Foundation Letter of Support
Attachments: 2018-09-27 GDDF LIHTC QAP Letter.pdf

Please add to the 2019 QAP comments webpage. Thanks,



Laura Nicholson, Development Director
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From: Mary Jo Harney [<mailto:maryjo@gddf.org>]
Sent: Monday, October 1, 2018 11:06 AM
To: Nicholson, Laura 6-9190
Cc: David Farren; Kerri Forrest; Amelia Holcombe
Subject: Gaylord and Dorothy Donnelley Foundation Letter of Support

Dear Laura,

The Gaylord and Dorothy Donnelley Foundation would like to offer this letter with recommended changes to South Carolina's Qualified Allocation Plan (QAP). Please see the attached letter for full recommendation.

Best,

J. David Farren
Executive Director
Gaylord & Dorothy Donnelley Foundation
35 E. Wacker Drive, Suite 2600
Chicago, IL 60601
(312) 977-2700
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Supporting land conservation, artistic vitality, and collections in the Chicago region and Lowcountry of South Carolina.
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With conservation in mind, please think twice before printing this email – thank you.



GAYLORD AND
DOROTHY DONNELLEY
FOUNDATION

September 28, 2018

Laura Nicholson
Housing Finance & Development Authority
South Carolina Housing Finance & Development Authority
300-C Outlet Pointe Blvd.
Columbia, SC 29210

Dear Ms. Nicholson,

On behalf of The Gaylord and Dorothy Donnelley Foundation, I would like to offer this letter with recommended changes to South Carolina's Qualified Allocation Plan (QAP).

The Foundation's mission is to support land conservation, artistic vitality, and regional collections for the people of the Chicago region and the Lowcountry of South Carolina. We support more than 40 arts and cultural organizations in the Lowcountry, predominantly in the Charleston/ Berkeley/ Dorchester region.

In 2016, the Foundation invited Artspace, the nation's leading non-profit developers for the arts, to conduct a feasibility study and market survey to assess the potential success of an affordable multi-use facility in the Charleston region. The research corroborates what other recent studies show: the Charleston metro area is experiencing a housing affordability crisis. While our region has experienced positive economic growth over the past decade, including healthy 12% wage growth, housing costs have risen dramatically faster. Median home sale prices have risen 27% over the same period, and average rent is up 49%. More than half of all renters in the region are spending more than 30% of their monthly income on housing costs.

The ripple effects this is causing in our region's economy, and our community overall, are dramatic. Many long-time residents of modest and moderate means, including artists, are being priced out of their neighborhoods. Working professionals in the creative sector are living farther from employment centers resulting in hiring challenges for employers, increased traffic congestion, and difficulty accessing important services. The arts is but one example of the challenges facing workers in the non-profit sector and service industries. Many of our other residents rely on these workers for critical social services, healthcare, economic assistance, and in other areas that impact the quality of life in the region.

We are urgently seeking solutions to make financing possible for more affordable housing developments in the Charleston region. Low Income Housing Tax Credits (LIHTC) present an excellent opportunity, if several changes are made to the QAP to make applications from our region more practical and competitive.

1. Given high land costs in rapidly growing and space constrained areas of our state, we request a significant increase, or removal of, current QAP caps on number of units and per unit cost within a development. The current caps are economically impractical for our region, resulting in developers choosing not to apply, and ultimately limiting affordable housing development.
2. Mixed use and mixed income developments, including multi-tenant, multi-use creative spaces, produce the healthiest communities with the highest quality of life and are the most economically viable ways to create affordable housing. Every project provides job opportunities before, during, and after construction. As such, we request the next QAP include an incentive mechanism for developing this type of community using LIHTC dollars to finance the affordable units within a larger development.

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3. Several items in the site characteristics scoring system work against space constrained, geographically dense areas. Proximity requirements from railroad tracks, substations, and bars are particularly challenging for our area while multiple positive attributes – specifically medical facilities and schools with different specializations – should be able to count more than once.
4. We are grateful for the creation of the large-urban set-aside and support its further expansion and enhancement. More dollars in the set-aside would incentivize more applications, as would allowing more municipalities to participate. A mechanism to rotate the municipalities receiving these dollars would ensure a more equitable distribution of LIHTC funds throughout the state.

Thank you for your time and consideration of our requests. We look forward to further collaboration between SC Housing and the broad coalition of Charleston Metro Area stakeholders who are committed to addressing the housing affordability crisis in our region.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. David Farren', written in a cursive style.

J. David Farren
Executive Director