From:	Robert M. Nettles
To:	TaxCreditQuestions
Cc:	Easton, Tracey 6-8771; McMillan, Chris 6-9196
Subject:	2021 Draft QAP Comments
Date:	Tuesday, November 10, 2020 3:18:12 PM

There are a few provisions in the draft QAP that do harm to affordable housing in South Carolina. Mandatory Site Characteristics

2.d. Disqualifying sites because there are environmental matters requiring a clean up disqualifies potential sites that are desirable, safe, healthy and totally suitable for housing. Before a decision to purchase property requiring cleanup the developer must first run DHEC-mandated environmental tests and determine the degree of cleanup (may be a single leaking barrel to total contamination) and cost to clean up. If the budget can handle the cost a cleanup contract will assure the site is safe, healthy and totally suitable for the multifamily housing. The determination that the site is suitable for multifamily housing is made by the state agency possessing the expertise to make such decisions. Let DHEC do its job. Remember, developers will not select sites that cost too much to clean up. And recognize SC Housing has the ultimate deterrent to developers selecting overly difficult sites: debarment.

2.e. Did someone who has never been east of I-95 write this provision? And whoever wrote this has no concept of what makes up a wetlands. The disqualification of any site within 50 feet of a FEMA 100 or 500 year flood zone disqualifies a very large portion of eastern South Carolina. For an example of this craziness go to

https://www.arcgis.com/apps/View/index.html?

appid=85e7120f96fa4a44a64d337141eea744. It is a FEMA Flood Map of Charleston County. Please note only the light gray areas <u>are not</u> disqualified sites. Check similar websites for Jasper, Beaufort, Colleton, Georgetown, and Horry Counties. Then go to the second tier of counties. The legislative delegations in a lot of counties would be upset to find affordable housing cannot be built in their counties.

Additionally, there are two major problems with a 50-foot distance to a flood zone. First flood zone maps are computer generated and drawn on the flood maps; there are no metes and bonds, no benchmarks, no point to measure from, no way to accurately measure exact distances to the line. Engineers and surveyors "scale" the FEMA maps and guestimate where the flood zone line should be drawn on their plat. So measuring 50 feet on something that does not lend itself to close measurement is irrational. Secondly, in hilly/mountainous areas, property within 50 feet of a raging river, much less near a flood zone line, may be 10, 20, 30 feet higher. Again an irrational measure.

Flood zones show location, severity, and odds of temporary flooding. Flooding is a shortterm phenomenon. Wetlands are permanent areas where moisture persists. It can be a marsh, a ditch, or a low spot. A wetlands can be as large as the Congaree Swamp and as small as a low spot in a backyard. A drainage ditch on any site can be a wetlands. They can be marked on the ground and mapped. Wetlands mitigation is permitted (fill in a small area of wetlands and pay to have other wetlands created). Our legislature and Congress have determined the statues of wetlands. And being within 50 feet of a wetlands is a random way of disqualifying a site. The most desirable sites are waterfront or have views of marsh, water, or rivers: all wetlands. Remember, every city and county has required setback requirements for wetlands. Let the cities, counties, DHEC and Army Corps of Engineers do their jobs. They are qualified.

3.a The provision protecting projects under construction or newly placed in service is a reasonable. However, I would like to make one addition to the provision. The 90% occupancy rule should not protect poor management. The protection should last a maximum of two years from the placed in service date. If the property has not reached 90% occupancy in two years the owner and the management company are not doing their jobs and SC Housing should not shelter them. Remember, for a proposed new project, near a mismanaged project, to receive a reservation of tax credits the SC Housing-required market study must support the demand. There is a need for affordable housing in that area. Do not deny local residents affordable housing because a developer/management company is not doing its job.

Robert M. Nettles, Esq. Howell Linkous & Nettles, LLC Post Office Box 1768 (29402) 106 Broad Street Charleston, South Carolina 29401

