

Memo

To: South Carolina State Housing Finance & Development Authority

From: Brookdale Place, LP

Date: 4/9/2025

Re: Need for State Tax Credit Narrative

Due to the high interest rates on conventional debt, increased construction costs many of which are the result of new tariffs in place on construction materials imported from other countries, increased municipality fees and requirements imposed by the municipalities to develop affordable housing, lower equity pricing for federal tax credits, as well as having restricted rents throughout the 35-year tax credit compliance period, which limits the amount of cash flow a development can generate, there is a need for additional funding to cover the short-fall of funds. Additional leveraged funds have been committed to the development, however, even with these funds there is still a funding gap and a need for State Tax Credit for Brookdale Place.

Columbia is considered an urban county and has an average median income above the state's average median income level. However, Brookdale Place is a planned family development marketed to those with incomes between 20% and 70% of the average income, based on family size. The proposed rents, which we feel are marketable in this area, will allow tenants an affordable place to live while not overburdening them with a higher rent.

Due to the above factors, we are requesting State Tax Credits for the Brookdale Place development to help fill the funding gap.