

## **Explanation for Exhibit K – Return of a LIHTC award**

In August 2022, the principals were compelled to return a full allocation of credits for The Jessamine, a proposed 60-unit family community in Florence, SC. The principals were in the process of finalizing permitting for The Jessamine after receiving a 2021 LIHTC award when the county became aware of a strong contingency of NIMBYism from residents in the nearby Florence Country Club neighborhood. The county instituted a moratorium and proceeded with rezoning of the site to block the project, despite having provided zoning compliance letters and local funding support. The principals immediately began to fight the illegal actions of the county but were ultimately forced to return the 2021 award of credits when it became clear they could not meet the carryover deadlines for the 2021 9% round. The principals of DHD Jessamine, LLC, two of whom are principals for this application, are now in a federal fair housing lawsuit with Florence County over this matter. The owner/former seller of the Jessamine site has also sued the county over its illegal actions.

Supporting documents from the lawsuit, DOJ's filing on the case, and an article from the *New York Times* on the case is provided to further illuminate the timeline for why these credits were returned.

### **Update of Explanation for Exhibit K**

As of submission of this application, we are expecting a trial date of late summer or early fall, 2025.