

Oakland Place Apartments

Given the significant increase in construction costs, interest rates, and construction delivery periods most affordable housing developments cannot rely on federal tax credit funding alone. Regarding Oakland Place Apartments, the above backdrop also applies as construction hard cost remain north of \$200k per unit while interest rates continue to be significantly additive to construction budgets. Despite maximizing federal tax credits at the pricing levels outlined in the QAP, this development still faces a significant funding gap (refer to application budget sources and uses, Tab 9 for details). State tax credits would greatly benefit the project by bridging this gap, allowing for a comprehensive new construction that will significantly improve the quality of housing and provide a safe, high-quality standard of living for families in the Oakland Place Apartments community.

Benefits

For these reasons state tax credits from SC Housing coupled with federal credits are essential to delivering a financially feasible project that provides the following benefits.

- **Increased Affordable Housing Quality:** By providing tax credits, governments create powerful incentives for developers to invest in affordable housing. These credits help offset the costs associated with construction, renovation, and maintenance, enabling developers to enhance the quality of existing affordable housing while still keeping rents at accessible levels.
- **Diverse Housing Options:** LIHTC properties provide a range of housing options, including but not limited to apartments, townhomes, garden apartments, and scattered sites. This diversity helps create a mixed-income community promoting economic diversity and reducing the concentration of poverty in specific areas.
- **Community Investment:** Demolishing and constructing new affordable properties can serve as a catalyst for local economic growth by improving property quality and enhancing neighborhood appeal. The demolition and redevelopment of Oakland Apartments, located in a revitalization area of Florence, represents more than just an improvement in housing conditions—it is an invitation for broader community development. Developing these apartments helps uplift the entire area, signaling to businesses, entertainment venues, and investors that the neighborhood is on a positive trajectory. As property quality improves, it often draws new amenities and services, fostering a more vibrant and economically diverse community.
- **Enhances Property Value:** Contrary to common misconception, studies have shown that the presence of well-managed LIHTC properties can have a positive impact on surrounding property values. This is because these developments contribute to neighborhood stability and revitalization.
- **Improves Quality of Life:** Affordable housing is a crucial component of a community infrastructure. It helps individuals and families maintain stable living conditions, which can have positive effects on education, employment, and overall quality of life.
- **Community Stabilization:** Contributes to community stabilization. LIHTC properties often properties have long-term affordability restrictions, ensuring that the housing remains affordable for an extended period. This stability benefits both residents and the community.

- **Public-Private Partnership:** LIHTC facilitates public-private partnerships, encouraging collaboration between government entities and private developers. This collaboration results in a more effective and sustainable affordable housing solution.

Local Support from The Housing Authority of Florence, SC

- The Housing Authority of Florence, SC supports our efforts and has provided a Housing Assistance Payment (HAP) commitment for 100% of this project.
- The Housing Authority of Florence, SC has been a long-standing local authority with more than 50 years of service to the residents of Florence, SC.