Eureka Mills

Narrative in Support of Requesting State Tax Credits

Under the provisions of the 2025 QAP and associated appendices, the owner of a project requesting state low-income housing tax credits (STC) is required to provide a to SCHousing detailing the following.

How the STC will benefit the tenants.

The state tax credit is essential to the feasibility of this project, which will provide much needed affordable housing for tenants in this area. The inclusion of the state tax credits will allow the developer to offer units for rent at rates well below market rents in this area. Furthermore, due to the high cost of development in the current environment of high construction costs and interest rates, this project would not be financially feasible at any rental rate – market or affordable – and would not be able to be built without these credits. That would leave tenants with fewer options for quality housing that they can afford and would leave the community with a blighted property.

Why the STC is essential to the financial feasibility to the project.

The proposed project has maximized all available funding resources, including mortgage sizing, federal LIHTCs, and the inclusion of approximately $3.95 million in mill credits to reduce the need for state tax credits. Even with all of these measures in place, the proposed project would not be feasible at all if the requested amount of state tax credits are not awarded to this project.

Provide evidence of local support.

Please refer to the letter of support from Chester County showing their support for this project and the request for state tax credits. The County has approved a rezoning for this proposed project that increased the allowable density on the site to allow for the development of a new, modern, quality affordable housing development. The award of state tax credits is essential in furthering this County's effort.