

Lockhart Landing Limited Partnership

State Tax Credit Request Narrative

To: South Carolina State Housing Finance and Development Authority

From: Lockhart Landing Limited Partnership

We are requesting state tax credits for the Lockhart Landing Initial Application #25021. We are requesting this resource to help fill the funding gap. Lockhart Landing is a 56-unit LIHTC development marketing to those with AMIs between 20% and 60%. The Applicant has requested the maximum federal LIHTC allocation and without State credits, financing would not be possible. The Lockhart Landing site is located in a USDA – designated rural area and a qualified census tract (QCT). The state tax credits are needed for both financial feasibility and will benefit the residents. In addition to utilizing tax credits in the financing, the newly proposed community will also bring additional housing to a market that is lacking in affordable housing. Rents are at a reduced rate and will have a 26.14% Market Rate Advantage and a capture rate of 8.5% of the market area. All current comparable communities are mostly/fully occupied. Local support is also included in the Applicant's application.

The Applicant complies with the following:

A. Projects must comply with all of the following for owners to initially claim the state tax credit (STC).

1. Consists of one or more building(s) qualified for federal LIHTC under Internal Revenue Code Section 42.
2. All buildings placed in service after January 1, 2020 and before December 31, 2030.
3. Has restricted rents that do not exceed 30% of income for at least
 - 40% of units occupied by households with incomes of 60% or less of the median income, or
 - 20% of units occupied by households with incomes of 50% or less of the median income.
4. The owner provides a report (Report) to SC Housing detailing
 - how the STC will benefit the tenants (including, but not limited to, reduced rent),
 - why the STC is essential to the financial feasibility of the project, and
 - provide evidence of local support.

In the interest of timely implementation, as of these policies being issued there is no prescribed Report format. Instead owners submit relevant documentation and staff may follow up.
5. Application must request the maximum amount of federal LIHTC before requesting STC. STCs are only meant to be the last resource in the application and only meant to cover any gap remaining after all other sources have been maximized. SC Housing reserves the right to increase the amount of federal tax credits requested.
6. Public Hearing was conducted no less than ten business days from public notice and community was given no less than ten days to provide comment to SC Housing.
7. Receives an Eligibility Statement from SC Housing.
8. Those awarded STCs also must comply with any applicable SC Housing Bulletin(s) and decisions made during application review.