

Memo

To: South Carolina State Housing Finance & Development Authority

From: Parkside Commons, LP

Date: 4/17/26

Re: Need for State Tax Credit Narrative

Due to 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 and state tax credits, as well as having restricted rents throughout the 35-year tax credit compliance period including 10% of the total units at 20% rents, 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.

Dillon is considered a rural county and has an average median income below the state's average median income level. Parkside Commons is a planned family development and rents that can be charged in a rural area will be lower than the maximum achievable rents that could be obtained in a more urban area. The application rents are set at a level we feel are comparable to other similar developments in the market area. The proposed rents allow tenants an affordable place to live while not overburdening them with a higher rent. There are limited affordable housing options in Dillon but all of them maintain a high occupancy with many having waiting lists.

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