

State Tax Credit Justification Report

Brighton Trace

Location: 4809 Bluffton Parkway, Bluffton, SC

Developer: Taft-Mills Group, LLC

Date: 5/12/2026

I. How the State Tax Credit Will Benefit Tenants

The State Tax Credit (STC) will directly benefit future residents of Brighton Trace by enabling the development team to offer high-quality housing at reduced and sustainable rental rates to income-qualified households in the Bluffton area.

Brighton Trace is a proposed multifamily residential community that will serve households across a range of income levels, including those at or below 60% of Area Median Income (AMI). The STC will allow the project to maintain rents at levels that are attainable for local workforce households while still delivering a well-designed and durable residential community.

Bluffton and the surrounding Beaufort County region have experienced significant population and employment growth in recent years, resulting in increased demand for housing across all income levels. This growth has placed upward pressure on rents and home prices, particularly for workforce households employed in service, healthcare, education, hospitality, retail, and local government sectors. Brighton Trace is intended to help address this imbalance by providing attainable housing options in close proximity to jobs, services, and transportation corridors.

Without the STC, higher debt service and financing costs would require increased rents, limiting accessibility for the intended resident population. By reducing the overall financing burden, the STC directly supports deeper affordability and reduces housing cost burdens for residents, improving long-term housing stability and quality of life.

Additionally, the STC supports the inclusion of resident-focused features such as:

- Community gathering spaces
- Fitness and wellness areas
- Outdoor recreational and open space areas
- Safe, well-maintained residential buildings

These elements contribute to a stable and livable environment for residents and support long-term community integration.

II. Why the STC is Essential to the Financial Feasibility of the Project

Brighton Trace has been structured to maximize all available funding sources, including federal Low-Income Housing Tax Credits and local funding support. The project has received a commitment for subordinate financing from the Beaufort Jasper Housing Trust Fund, demonstrating local participation and investment in the development.

Despite these sources, a financing gap remains due to:

- Elevated land and construction costs in the Bluffton market, driven by rapid regional growth
- Infrastructure and site development requirements associated with infill development
- Restricted rent levels necessary to serve income-qualified households

The Bluffton market has become increasingly constrained from a development feasibility standpoint, as rising costs have outpaced achievable rent levels for workforce housing. This dynamic makes it difficult to deliver new housing at attainable price points without additional subsidy.

The STC represents the final and critical source of financing needed to close this gap.

Without the STC, the development would face one or more of the following outcomes:

- Increased rents beyond levels affordable to the target population
- Reduction in unit count or overall project scope
- Deferral of necessary quality or site improvements

Any of these outcomes would significantly diminish the public benefit of the project. The STC ensures that Brighton Trace can proceed as planned while maintaining both affordability and quality.

The project's financial projections demonstrate that the STC is essential to achieving a sustainable capital structure and supporting long-term operational viability.

III. Evidence of Local Support

Brighton Trace has received positive engagement and coordination with Beaufort County staff through the pre-application review process, reflecting a collaborative approach to development within the County.

In addition, the Beaufort Jasper Housing Trust Fund has issued a formal commitment for \$500,000 in subordinate financing in support of the Project. The commitment includes a 30-year term and amortization structure with a below-market interest rate, demonstrating meaningful local financial participation and long-term support for the development.

The commitment from the Beaufort Jasper Housing Trust Fund reflects recognition of the need for additional attainable housing opportunities within the Bluffton and greater Beaufort County area, where continued population and employment growth have increased pressure on housing affordability for workforce households.

The need for additional attainable and workforce housing is also reflected in local and regional planning efforts. Beaufort County's Comprehensive Plan and related housing and growth management policies recognize the importance of expanding housing opportunities that are accessible to the local workforce and located in areas with existing infrastructure, transportation access, employment centers, and public services. Brighton Trace's location along the Bluffton Parkway corridor aligns with these broader planning objectives by placing new residential development in an area with existing roadway infrastructure, nearby commercial services, and access to employment opportunities.

The project's location along Bluffton Parkway provides strong access to employment centers, commercial services, schools, and regional transportation infrastructure, supporting broader community planning goals related to managed growth and infrastructure-supported residential development.

As the Bluffton area continues to grow, developments such as Brighton Trace play an important role in ensuring that housing supply keeps pace with employment growth, particularly for workforce households that are essential to the local economy.

Taft-Mills Group will continue coordinating with local stakeholders, service providers, and community representatives throughout the development process to support successful implementation of the Project.