



# State Tax Credit Justification Report

## Fox Ridge Trace

**Developer:** Taft-Mills Group, LLC

**Date:** June 2025

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### I. How the State Tax Credit Will Benefit Tenants

The State Tax Credit (STC) will directly benefit the future residents of Riverbend Trace Apartments by enabling the development team to offer **lower, more sustainable rental rates** to income-qualified households. Without the STC, rents would need to be higher to cover debt and operating costs, thereby reducing affordability for the population most in need.

The STC enhances the feasibility of keeping rents at levels affordable to lower-income families while maintaining high construction and site standards. These deeper affordability levels reduce housing cost burdens, which in turn improves housing stability, economic mobility, and quality of life for residents.

Additionally, the STC makes it possible to include resident-centered amenities such as:

- An on-site community center and exercise room
- Computer lab and business center
- Outdoor gathering spaces and green areas
- On-site laundry and tenant storage facilities

These features contribute to long-term livability and community integration.

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

Despite maximizing federal LIHTC— the development faces a remaining financial gap to make the project feasible.

The STC serves as the last critical source of financing to close this gap. Without it, the project cannot proceed without either increasing rents beyond affordable thresholds or reducing quality—both of which would compromise the mission and public benefit of the development.

The project's pro forma demonstrates that the STC is indispensable to achieving a feasible debt-to-income ratio and sustaining long-term operations. It ensures financial viability without sacrificing affordability or quality.



### **III. Evidence of Local Support**

The development has received robust and enthusiastic support from local leaders and organizations, demonstrating broad community alignment and backing. Letters of support included in this application are from the City of Aiken Mayor, Teddy Milner, and the City of Aiken Councilwoman for the district the development is located in, Lessie Price.

Together, these endorsements reflect the community's recognition of the project's importance and readiness to support its successful implementation.