

82 Canal Street Lofts LLC

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Graniteville, SC

DEVELOPMENT NARRATIVE

The proposed \$32 million multifamily development comprised of new construction and the adaptive reuse of the former Levealle McCampbell School is to be located at 82 Canal Street in Graniteville, SC. For this development we are requesting \$17 million in tax exempt bonds as well as \$902,000 in federal and state low-income tax credits. It also raises over \$5 million in historic tax credits, which are not part of the SC HOUSING precious resource coffers. This development will provide 124 new affordable housing units to a blended income level of 60% of the area median income, with the majority of units set to 70% of the area income level, a first in the area.

With the addition of both federal and state historic tax credits and the income averaging approach, we are able to make this project financially feasible even with its location in a USDA rural designated area. **In addition, once adjusted per the ranking system with the parameters given, it would have ranked #1 in use of resources per heated square foot in the 2024 round.** We expect it to be at the top of the list again, as our costs are in line with the market, if not a little less. Our developer team has completed over 80 historic conversions in a dozen states, many of which were award winners both locally and nationally. This experience and the contracting team we have assembled have been able to routinely deliver this product at the same price per unit or less than its competition over the years.

The market study shows a sub 7% capture rate for both targeted income strata, and a 6-month absorption period. This is remarkable for a rural proposal and just further cements the viability of the project. It also boasts a 23% advantage to comparable market units that will further drive high occupancy and a quick absorption into the market. See market study for more information. **The project was recommended to proceed as proposed by the market analyst.**

In addition, Aiken County is growing with the overwhelming majority of housing permits granted for single family residences. Only 1.1% of the permits since 2012 were for multifamily production so it's obvious that the demand is real.

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The project itself contains 35 efficiency units, 7 one-bedroom units , 42 two-bedroom units, and 40 three-bedroom units. 76 of the units will be placed in the old school and ancillary buildings, while 48 of the units will be in a newly constructed building in the former parking area at the top of the site. This will leave the beautiful open yard for folks to congregate and enjoy outdoor activities.

The site is in a primarily single-family residential area with one multifamily complex nearby as well. Schools, recreation centers, convenience stores, a Walmart, grocery, banking, and other amenities are all within a 1- 5 mile radius of the site, providing plenty of options for the future residents.

So in summary, the proposed development is being run by a development team approaching 75 years of cumulative experience in multifamily housing who have completed without issue over 20 projects in SC over the last 20 years as well as many more throughout the Southeast & Southwest.

The proposal uses what may and probably will be the lowest SC housing resources per square foot of all the proposals submitted.

It brings more than \$5 million of non-SC HOUSING resources to the table in the form of historic tax credits.

It has a market capture rate of sub 7% in a rural designated area, an unheard of capture and absorption figure; the market analyst had nothing to say except proceed as presented.

It's in a growing county and specifically located in a town that was decimated by a deadly train wreck in 2005 and nothing of significance has been developed there since. This \$32 million shot in the arm will likely be a huge catalyst for the entire area.

It preserves a historically significant former school that the SC Department of Archives & History has already signed-off on – see letter in application packet.

It puts a property on the tax rolls for the first time and prevents slums and blight from forming there.

Bottom line, its so much more than housing at the end of the day. And it will likely win state and national awards due to that fact before it's over. Developer can produce many of such awards upon request.