



PACES PRESERVATION *Partners*



Project: Church Hill Apartments
Subject: Project Narrative for SC Housing Tax Credit Application
Date: June 27, 2025

Executive Summary

Church Hill Apartments ("the Project"), originally built in 1977, is slated for rehabilitation to modernize and improve the property. The development consists of 166 two-story, townhome-style, walk-up units designed to serve families under the Housing Authority of Florence (HAFSC). Located just south of downtown Florence, South Carolina, the property currently operates as public housing, with plans for a RAD (Rental Assistance Demonstration) conversion. This project aims to deliver extensive interior and exterior renovations, enhancing the living experience for residents while improving the community's overall aesthetic.

Paces Preservation Partners ("Developer")—a experienced developer and owner of Low-Income Housing Tax Credit (LIHTC) communities—is leading this project. Paces Preservation Partners is a joint venture between The Paces Foundation and Soho Housing Partners, established to collaborate with regional housing authorities across the nation. On this development, the Developer has partnered with HAFSC to rehabilitate Church Hill Apartments, ensuring that the 166 families currently residing in subsidized housing will continue to have access to modern, upgraded living spaces. HAFSC has an urgent need to rehabilitate many of its aging public housing units into modernized, high-quality affordable housing. This project marks the beginning of a significant housing transition for the authority, setting a precedent for future developments.

The Developer and HAFSC have carefully assembled a top-tier design team to execute this vision. Wallace Architects has been selected as the project architect, known for their extensive experience in designing LIHTC properties across South Carolina, ensuring that the architectural standards meet the highest quality. Community Construction Group has been chosen as the General Contractor, bringing a wealth of experience in LIHTC developments and a commitment to superior construction standards. Together, this Design Team will ensure that the Church Hill Apartments project is delivered with excellence in both design and build quality.

The design concept for Church Hill Apartments incorporates significant upgrades to both interior and exterior elements. Inside, residents will enjoy modern amenities, including upgraded appliances, granite countertops in kitchens and bathrooms, and enhanced finishes throughout. Exterior renovations will include capital improvements such as new roofs, windows, and handrails. Additionally, the community will benefit from improved amenities, including BBQ areas, playgrounds, and bike racks, creating an inviting environment for families. In addition to rehabilitating the interior, exterior, and amenities, we will be undertaking capital improvements, including replacing siding, installing new water heaters, upgrading HVAC units, and installing a new roofing system. These enhancements will not only improve the quality but also extend the lifespan of the property.

The rendering below, provided in the Site Plans, illustrates the vision of the Design Team for the Church Hill Apartments project. The plans are currently being finalized, with working drawings in progress. The collaboration between Paces Preservation Partners, HAFSC, Wallace Architects, and Community Construction Group aims to deliver a beautiful and functional living environment that will serve as a model for future HAFSC housing transitions.



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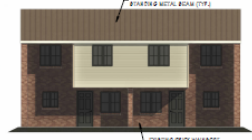
Housing Authority of Florence
Growing Strong Communities



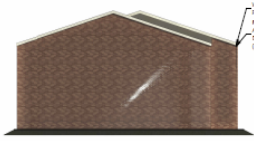
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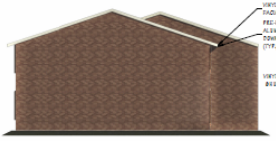
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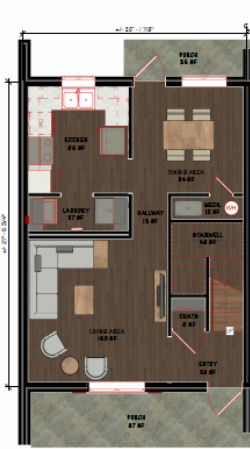
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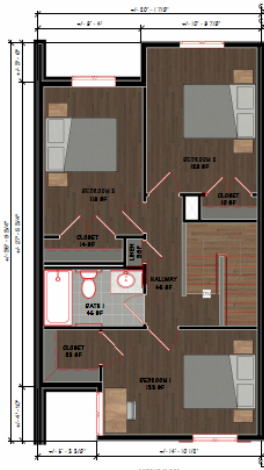
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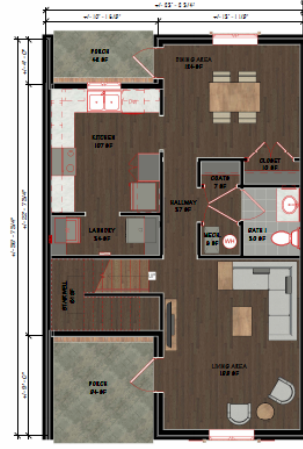
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TYP. 3-BR-A RENOVATED UNIT PLAN
BUILDING 10 • 1/2"



TYP. 3-BR-B RENOVATED UNIT PLAN
BUILDING 10 • 1/2"



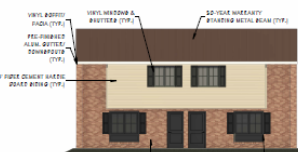
Here is an example of another rehabilitation project we're collaborating on with HAFSC, highlighting our meticulous attention to detail in upgrading the interiors, including flooring, appliances, and finishes.



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BUILDING 10 • 1/2"



BLDG. TYPE "D" REAR ELEVATION
BUILDING 10 • 1/2"



BLDG. TYPE "F" FRONT ELEVATION
BUILDING 10 • 1/2"



BLDG. TYPE "F" REAR ELEVATION
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BLDG. TYPE "F" TYP. SIDE ELEV.
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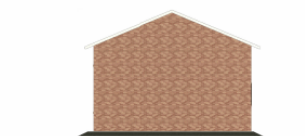
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BLDG. TYPE "E" FRONT ELEVATION
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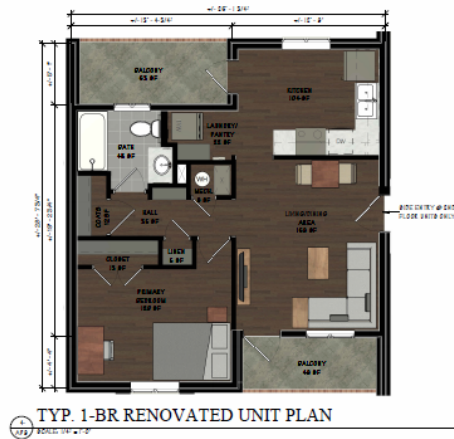
BLDG. TYPE "G" REAR ELEVATION
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BLDG. TYPE "G" TYP. SIDE ELEV.
BUILDING 10 • 1/2"



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Utilities

It is anticipated the tenant will be responsible for electric heating, electric cooking, electric lighting, electric air conditioning, and electric hot water while the project will pay for water, sewer, and, trash.

Number and type of units, bedrooms, parking space and income levels

The project will maintain its current unit count of 166, ensuring that each family currently residing in the community retains their home, in compliance with HUD RAD conversion standards. The entire project will operate under a 20-year HAP Contract with HAFSC, offering a mix of 1BD, 2BD, 3BD, and 4BD units to accommodate larger families. The project will be applying for 4% LIHTC credits and a bond inducement from SC Housing for \$23,500,000 in tax-exempt bonds, with an estimated \$23,500,000 of bonds to be utilized.



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The below tables show the unit mix, set-aside mix, and contractual set-aside splits.

UNIT MIX:		
Unit Type:	# of Units:	Percent:
1/1	36	21.69%
2/1	68	40.96%
3/1	30	18.07%
4/2	12	7.23%
3/1.5	20	12.05%
	166	100.00%

UNIT MIX:		
Units at 35% AMI	0	0.00%
Units at 40% AMI	0	0.00%
Units at 50% AMI	0	0.00%
Units at 60% AMI	166	100.00%
Units at 80% AMI	0	0.00%
Market Rate	0	0.00%
	166	100.00%

HOUSING MIX:		
SECTION 8 RAD UNITS:	149	89.76%
EXEMPT	-	0.00%
LIHTC	-	0.00%
WF (LIHTC)	-	0.00%
WF (Non-LIHTC)	-	0.00%
Market	-	0.00%
RAD	17	10.24%
	166	100.00%



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Amenity Summary

Paces and HAFSC are committed to enhancing the living experience for residents of Church Hill Apartments by upgrading both exterior and interior amenities. Exterior improvements will feature modern playground equipment for children, creating safe, enjoyable spaces for families. Additionally, new barbecue grill stations, pavilions, gazebos, and bike racks will be installed to promote community interaction and outdoor leisure.

Interior upgrades will focus on providing energy-efficient living with the installation of Energy Star-rated appliances, ceiling fans, and showers. Residents will also enjoy modern conveniences such as built-in microwaves, granite countertops, and upgraded cabinetry, ensuring a more comfortable and stylish home environment.

On-site maintenance will remain a priority, with dedicated teams providing continuous property and tenant monitoring, ensuring that residents feel safe and secure. Paces and HAFSC, in collaboration with the property management team, will work tirelessly to foster a well-maintained and protected community environment.

To further enhance the quality of life at Church Hill Apartments, an improved trash collection service will be contracted. This enhanced service will mitigate unsightly waste issues and prevent unsightly dumping, ensuring that the property remains clean and welcoming for all residents.



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Identity and Proximity of Services

Establishment	Type	Address	City	Driving Distance
Miguel's Grill	Restaurant	1228 S Irby St	Florence	0.8 mile
Bus Stop	Public Transportation	Barringer St at National Cemetery Rd	Florence	0.8 mile
Walgreens Pharmacy	Pharmacy	726 S Irby St	Florence	1.1 miles
Exxon	Convenience Store	1419 S Irby St	Florence	1.1 miles
Piggly Wiggly	Grocery	221 Cherokee Rd	Florence	1.2 miles
CVS Pharmacy	Pharmacy	733 S Irby St	Florence	1.2 miles
Food Lion	Grocery	500 Pamplico Hwy	Florence	1.3 miles
Wells Fargo Bank	Bank	1511 S Irby St	Florence	1.3 miles
Florence County Library	Library	509 S Dragon St	Florence	1.4 miles
Florence Fire Department Station 1	Fire	144 E Palmetto St	Florence	1.6 miles
Timrod Park	Park	400 Timrod Park Dr	Florence	1.6 miles
United States Postal Service	Post Office	510 2nd Loop Rd	Florence	1.7 miles
Gold Star Urgent Care	Medical	514 2nd Loop Rd	Florence	1.8 miles
Medical Plaza Family Medicine	Medical	800 E Cheves St	Florence	1.8 miles
McLeod Medical Park East	Hospital	101 S Johns St	Florence	2.1 miles
Walmart Supercenter	Retail	2014 S Irby St	Florence	2.2 miles
Florence Police Department	Police	324 W Evans St	Florence	2.3 miles
McLaurin ES	Elementary School	1400 McMillian Ln	Florence	2.6 miles
South Florence HS	High School	3200 S Irby St	Florence	3.6 miles
Florence Mall	Shopping Mall	1945 W Palmetto St	Florence	3.6 miles
John W Moore MS	Middle School	191 Westfield Dr	Florence	6.9 miles

Financing Summary

Church Hill Apartments will be requesting a tax-exempt bond inducement of \$23,500,000 from SC Housing. These bonds are expected to be directly purchased by an investor, providing the necessary funds for construction-period mortgage financing. Once the project stabilizes, the construction financing will be replaced by two primary sources: (1) permanent mortgage financing secured through a GSE loan with a minimum term of 15 years, and (2) equity raised through 4% federal and state low-income housing tax credits.

Currently, the anticipated bond amount stands at \$23,500,000, as outlined in the debt commitment letters. This bond inducement will fund the extensive rehabilitation of a 166-unit family community located in Florence, SC.



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In addition to tax-exempt bonds, Church Hill Apartments will be requesting federal and state tax credits from SC Housing and receiving a \$14,000,000 soft loan from the Housing Authority of Florence, SC. The primary objective of the tax credit application is to secure 4% federal and South Carolina state tax credits. Together with the tax-exempt bonds, these credits will empower the project to rehabilitate, maintain, own, and operate the development for a minimum of 15 years, ensuring continued service to rent-subsidized families and existing tenants from HAFSC's public housing community under the LIHTC program.

This project will include a 20-year Housing Assistance Payment (HAP) contract, ensuring that 100% of the property is covered under rental assistance, providing long-term affordability for residents. The development will consist of 16 units supported by RAD Project-Based Rental Assistance (PBRA) and 150 units under RAD Project-Based Vouchers (PBV). This structure will help guarantee stable, affordable housing for families while enabling the property to remain financially viable. The combination of PBRA and PBV will also provide flexibility in serving residents, creating a sustainable housing model that offers security and affordability for low-income households. This rehabilitation will transform the current substandard apartments into modernized, high-quality living spaces.

The tax-exempt bonds, in conjunction with the state and federal Low-Income Housing Tax Credits, which will be sold for equity to Redstone, are anticipated to provide sufficient financing to close, complete, and sustain the project. Despite the increasing costs of construction materials and labor, both regionally and nationally, Paces and HAFSC have developed a high-quality design and secured the necessary resources to carry out the rehabilitation successfully. Below is a 20-year operational budget that demonstrates the sustainability of the project throughout the duration of the HAP contract and the LIHTC compliance period.

Proposed Project 20-year Proforma

GROWTH FACTOR VACANCY RATE	INCOME		EXPENSES																	
	2.00%	3.00%	2.00%	3.00%																
YEARS																				
INCOME:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Rental Income	2,263,704	2,308,978	2,355,158	2,402,261	2,450,306	2,499,312	2,549,298	2,600,284	2,652,290	2,705,336	2,759,443	2,814,631	2,870,924	2,928,343	2,986,903	3,046,648	3,107,580	3,169,732	3,233,127	3,297,789
Less: Vacancy	113,882	116,180	118,483	120,853	123,270	125,735	128,250	130,815	133,431	136,100	138,822	141,598	144,430	147,319	150,265	153,271	156,336	159,463	162,652	165,905
TOTAL INCOME	2,149,822	2,192,818	2,236,674	2,281,408	2,327,036	2,373,577	2,421,048	2,469,469	2,518,859	2,569,236	2,620,621	2,673,033	2,726,494	2,781,023	2,836,644	2,893,377	2,951,244	3,010,269	3,070,475	3,131,884
Other Income	13,944	14,223	14,507	14,797	15,093	15,395	15,703	16,017	16,338	16,664	16,998	17,338	17,684	18,038	18,399	18,767	19,142	19,525	19,915	20,314
GROSS INCOME	2,163,766	2,207,041	2,251,182	2,296,205	2,342,129	2,388,972	2,436,752	2,485,487	2,535,196	2,585,900	2,637,619	2,690,371	2,744,178	2,799,062	2,855,043	2,912,144	2,970,386	3,029,794	3,090,390	3,152,198
EXPENSES:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Payroll & Taxes	262,500	270,375	278,486	286,841	295,446	304,309	313,439	322,842	332,527	342,503	352,778	363,361	374,262	385,490	397,055	408,966	421,235	433,873	446,889	460,295
Repairs & Maintenance	200,860	206,886	213,092	219,485	226,070	232,852	239,837	247,032	254,443	262,077	269,939	278,037	286,378	294,970	303,819	312,933	322,321	331,991	341,951	352,209
General & Admin.	40,504	41,719	42,971	44,260	45,588	46,955	48,364	49,815	51,309	52,843	54,434	56,067	57,749	59,481	61,266	63,104	64,997	66,947	68,955	71,024
Management Fee	108,188	111,434	114,777	118,220	121,767	125,420	129,182	133,058	137,050	141,161	145,396	149,758	154,251	158,878	163,644	168,554	173,610	178,819	184,183	189,709
Utilities	164,340	169,270	174,348	179,579	184,966	190,515	196,231	202,117	208,181	214,426	220,859	227,485	234,310	241,339	248,579	256,036	263,717	271,629	279,778	288,171
Insurance	207,500	213,725	220,137	226,741	233,543	240,549	247,766	255,199	262,855	270,740	278,863	287,229	295,845	304,721	313,862	323,278	332,977	342,966	353,255	363,853
Real Estate Taxes	10,624	10,943	11,271	11,609	11,957	12,316	12,686	13,066	13,458	13,862	14,278	14,706	15,147	15,602	16,070	16,552	17,048	17,560	18,087	18,629
Other Expenses	13,920	14,235	14,562	15,101	15,555	16,021	16,502	16,997	17,507	18,032	18,573	19,130	19,704	20,295	20,904	21,531	22,177	22,842	23,528	24,233
Replacement Resv	74,700	76,941	79,249	81,627	84,076	86,598	89,196	91,872	94,628	97,467	100,391	103,402	106,504	109,699	112,990	116,380	119,872	123,468	127,172	130,987
TOTAL EXPENSES	1,083,036	1,115,527	1,148,933	1,183,463	1,218,967	1,255,536	1,293,202	1,331,938	1,371,758	1,413,117	1,455,510	1,499,176	1,544,151	1,590,475	1,638,190	1,687,335	1,737,955	1,790,094	1,843,747	1,898,911
NET OPERATING INCOME	1,080,729	1,091,514	1,102,189	1,112,742	1,123,163	1,133,436	1,143,550	1,153,489	1,163,238	1,172,783	1,182,108	1,191,195	1,200,027	1,208,586	1,216,853	1,224,808	1,232,431	1,239,700	1,246,593	1,253,087
1st Mtg Debt Service	919,158	919,158	919,158	919,158	919,158	919,158	919,158	919,158	919,158	919,158	919,158	919,158	919,158	919,158	919,158	919,158	919,158	919,158	919,158	919,158
1st D/S Coverage Ratio	1.176	1.188	1.199	1.211	1.222	1.233	1.244	1.255	1.266	1.276	1.286	1.296	1.306	1.315	1.324	1.333	1.341	1.349	1.356	1.363



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Final Summary

Paces and HAFSC collectively possess the financial strength, experience, and knowledge to complete this Project and operate it for the entirety of its useful life. The Project is expected be taken over in year 15 by HAFSC, and they would continue to operate it as a project-based family housing community with HAFSC tenants and a Housing Authority legacy property. The team is striving to ensure this Project possesses the quality construction, design, and workmanship to provide sustainability and livability well past the initial tax credit compliance period.

We are available for any additional questions or to provide further material for the property.

Thank you.