



Camelia Ridge Development Narrative

4% TEB Application TAB 1

Camelia Ridge is a proposed family tenancy multifamily new construction development located in the rural area of Hartsville, South Carolina. The project intends to utilize 4% tax-exempt financing in conjunction with South Carolina state tax credit financing to fund the development.

The subject property will be located within the southeastern portion of Hartsville along the south side of East Washington Street, approximately one-eighth mile east of South 4th Street and two-thirds mile north of U.S. 15. Additionally, the site is roughly one mile south of downtown Hartsville within a growing commercial area. Overall characteristics of the immediate neighborhood are a mixture of retail/commercial (including the area's foremost retail corridor along 4th Street – less than one-eighth mile west of the site) and undeveloped/vacant agricultural property. Areas closest to the subject property include Lowes Home Improvement Warehouse, Palmetto Goodwill, and Dollar General immediately to the west, undeveloped agricultural land to the south and east, and a mobile home park (with mostly newer units) to the northeast. In addition, the new Darlington County Humane Society complex is presently under construction immediately to the north of the site across Washington Street. It should also be noted that the homes within the Plantation Pines Manufactured Homes development adjacent to the northeast of the site appear to be newer and in good condition. As such, the majority of nearby properties are in good condition and upkeep.

Situated within Census Tract 106 of Darlington County, the subject property consists of approximately 23.65 acres of generally flat, undeveloped agricultural property currently zoned as B-3 – which allows for the development of multi-family units. Based on the market analyst's overall review of the site, current usages and zoning of surrounding properties (as well as throughout the immediate neighborhood) should not impede or negatively affect the marketability or long-term viability of the subject proposal. It should be noted that though both parcels are owned by the developer, only the 9-acre site is being developed at this time leaving the option open for a second phase of development should demand be sufficient to allow for it.

The target tenancy for this development will be affordable housing serving families earning 50%, 60% and 80% of area median income levels for the entire development with overall rents averaging 60% AMI in compliance with LIHTC income averaging rules. The development will include 54 one-bedroom units, 72 two-bedroom units, and 54 three-bedroom units across eight three-story buildings in a garden style layout. 285 parking spaces will be provided in excess of the 270 units required by zoning code. The façade of the development will consist of a combination of tasteful Vinyl with brick exteriors.

The development will include a mixture of the following community amenities: a 4,134 sf centrally located clubhouse containing a 1,560 sf community room, leasing office and business center, a fitness center, mail room and laundry area. Additionally, the project will provide children's playground, a dog run, greenspace, picnic areas, grills and outdoor recreation areas. Common space furniture will be a mixture of modern lounge furniture and hard surfaces conducive to working from home, group work, and creative community building. In-unit amenities include spacious floorplans ranging from 800 SF to 1250 SF, modern fixtures and lighting, granite countertops, LVT flooring, and washer & dryer hookups.

According to the market study provided, demand estimates for the proposed development show sufficient statistical support for the introduction and absorption of additional affordable rental units within the Hartsville PMA. Capture rates are presented in Exhibit S-2 of the report and are reflective of adequate market depth and the continued need for affordable rental housing locally. The subject property's proximity to a number of commercial centers and community amenities should be considered a positive attribute. The site is less than one-eighth mile east of South 4th Street, representing Hartsville's foremost retail/commercial corridor. As such, the subject property has convenient access to most retail, medical, educational, employment, and other services necessary for multi-family housing.

Furthermore, the study notes that overall conditions for the Hartsville rental market remain quite positive at the current time. As such, an overall occupancy rate of 97.5 percent is calculated among 15 properties responding to a recent survey of rental developments within the Hartsville PMA. Further, 10 properties reported an occupancy rate of 98 percent or better, and six were 100 percent occupied, demonstrating strong rental conditions throughout the area. The affordable rental market for the Hartsville area is strong, as well. Considering tax credit developments participating in the survey (within Hartsville and Darlington), a combined occupancy rate of 98.4 percent was reported, with all three properties within Hartsville reporting a lengthy waiting list. Ultimately it has been concluded that given the subject's proposed unit mix, income targeting and rent structure, as well as competitive unit sizes and development features, the introduction of Camelia Ridge Apartments should prove successful. Based on strong occupancy levels (affordable and market rate), and the rapid lease-up of the area's most recent LIHTC facility, additional affordable units will likely be readily absorbed.