

**Camelia Creek Apartments: The Critical Need for State Tax Credits to Support Rural Affordable Housing**

Camelia Creek Apartments represents a vital opportunity to address the severe lack of affordable housing in rural communities like Hartsville, South Carolina. This development will provide safe, quality housing for over 750 individuals and families, many of whom currently face housing instability due to limited affordable options and a housing crisis that exists nationwide but particularly in rural locations like Hartsville.

However, this much-needed project is not financially viable without the support of South Carolina state tax credits. Due to today’s challenging economic environment, marked by elevated interest rates, weakened tax credit pricing and ever-increasing costs of construction, the project is facing a funding gap of nearly $12.5 million. Without state assistance, this essential community investment simply cannot move forward as the availability of subordinate funding sources coupled with lower rents in this rural market comes nowhere near providing the capital to develop this critically needed affordable development, particularly at the density we are proposing.

By awarding state tax credits, South Carolina Housing would be enabling housing for residents at 50%, 60%, and 80% of Area Median Income (AMI), addressing the needs of a diverse cross-section of the rural population. These credits not only help close the funding gap of sorely needed development sources of funding but also make it possible to offer affordable rents that match the financial reality of Hartsville’s working families.

Additionally, this project benefits from a partnership with a mission-driven, experienced non-profit development company, Langston Hughes Camelia LLC, which dedicates themselves to lessening the burdens of government, eliminating discrimination and prejudice for the purpose of stabilizing neighborhoods or reducing racial imbalances, participating in government housing programs designed solely to provide affordable housing. Furthermore, letters of support from the City of Hartsville, the local utility provider, and a City Council Resolution further demonstrate widespread community support and local backing.

State tax credits are truly a last-resort financing tool and we are very aware of the competitive nature of the funding applications associated with them. As noted above, this project requires them to be used only after considering the lack of sufficient funding sources existing in this rural location. As such, the Applicant is seeking the full amount of both federal and state credits permitted by the eligible basis, and the project is underwritten with a minimum 1.15 DCR, in accordance with the state’s Qualified Allocation Plan (QAP).

In conclusion, the Sanctuary at Swift Creek is more than just a housing development—it is a lifeline for rural families in need of stability, dignity, and opportunity. State tax credits are the final and essential piece to bringing this transformative project to life.

**Camelia Creek Apartments - Tax Exemption**

To ensure this development remains economically feasible and can deliver deeply affordable housing, Langston Hughes Affordable Housing Inc. will serve as the sole general partner—a structure necessary to secure a property tax exemption that is critical to the project's success. The exemption significantly reduces operating expenses, enabling the delivery of long-term affordability to residents and aligning the project with public policy goals for housing stability.

KCG Holdings, LLC will serve as a special limited partner with enhanced control and decision-making rights, a structure carefully designed to satisfy the requirements of institutional lenders and equity investors while preserving eligibility for the exemption. Though not the general partner, KCG plays a pivotal role, exercising rights and responsibilities equivalent to those of a managing partner through its position as the special limited partner and lead developer for the transaction.

KCG’s deep and proven experience in developing, financing, and managing affordable housing, in combination with the longstanding community presence and mission-driven approach of Langston Hughes, creates a uniquely qualified team. The Applicants respectfully request that SC Housing recognize this team’s qualifications under the flexibility provisions of the QAP, which allow alternate ownership structures for experienced project teams. This structure is not only compliant with programmatic goals but essential for achieving the affordability targets of this project, and we urge SC Housing to consider the full depth of experience and functionality of this partnership in its evaluation of granting a full property tax exemption for this critically needed rural affordable housing development.