



South Carolina State Housing Finance and Development Authority
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Christopher N. Union
Chairman

Valarie M. Williams
Executive Director

December 5, 2014

Jack Wiseman
Bowen National Research
155 E Columbus Street
Suite 220
Pickerington, OH 43147

Re: Union County, SC Tax Credit Properties

Dear Mr. Wiseman:

I have reviewed the Memo regarding existing tax credit properties in Union County, South Carolina, namely Rose Hill Gardens, Fairforest Apartments II and Union Mill Crossing. Based on the information provided on the current occupancy of Rose Hill Gardens and Fairforest Apartments II, we researched the past six (6) years of public analysis reports to determine what the overall occupancy has been for these two developments. In addition, the development owners were contact and asked what they felt the current issues were at their properties in relation to the low occupancy rates. Below is a summary on each development:

Rose Hill:

Based on the owner response, Rose Hill's current issue is a management issue which they are working on. The development is now at 73% occupied with four (4) preleases in the works. From 2008-2010 the occupancy ranged from 80% to 90%. From 2011-2013 the occupancy ranged from 93% to 98%. Based on this it would appear the current issue is indeed a management issue which is likely to be resolved in the near future.

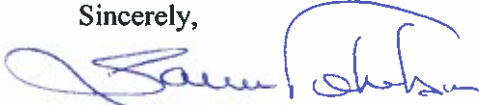
Fairforest Apartment II:

Based on the owner response, Fairforest Apartments II has issues with size, age and condition of the development. The owner indicated they have been reviewing options as to what they can do to make the property better but at this time they have not come up with a successful solution for the property. From 2008-2009 the occupancy was 93%. From 2010-2013 the occupancy ranged from 50% to 72%. Based on this it would appear the development is a troubled property with minimal chance of being resolved in the near future.

Based on the fact that Union Mill Crossing is 100% occupied, has a 25 person waiting list and over the past six (6) years has not gone below 90% occupancy, it would appear that there is a market for affordable units in Union County as you have stated in your memo. Therefore, the Authority will allow both Rose Hill and Fairforest Apartments II to be considered as troubled properties and as such may be removed from the market study calculations only for the 2015 tax credit application cycle. This issue would need to be requested again for future funding cycles. A copy of this letter should be included with the market study, should a proposal be submitted for Union County.

If you have any questions call me at 803-896-9190.

Sincerely,

A handwritten signature in blue ink, appearing to read "Laura Nicholson". The signature is fluid and cursive, with a large loop at the beginning and a long tail.

Laura Nicholson
Development Director