SC HOUSING TRUST FUND

ANNUAL REPORT

SC HOUSING
Financing Housing. Building SC.

FY2023

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About SC Housing

The South Carolina State Housing Finance and Development Authority (SC Housing) is a self-sustaining agency committed to ensuring that South Carolinians have the opportunity to live in safe, decent and affordable housing. SC Housing operations are supported by a funding base that includes fees and other revenue earned through the administration of agency programs.

MISSION: Create quality, affordable housing opportunities for the citizens of South Carolina.

VISION: That all South Carolinians have the opportunity to live in safe, decent and affordable housing.

VALUES: Every day, SC Housing serves the people of South Carolina with these values in mind:

- **Community:** We help make big cities and small towns across the Palmetto State better places to live.
- **Integrity:** We act ethically in everything that we do and treat our partners and customers with respect.
- **Innovation:** We are deeply motivated to pursue new and better ways to serve the people of our state.
- **Professionalism:** We perform our tasks effectively and efficiently and steward resources responsibly.
- **Expertise:** We are capable, resourceful and deeply informed about housing issues in South Carolina.

Housing Trust Fund Advisory Committee

Charlie Irick	SC Low Income Housing Coalition
Shawn Bell, ICMA-CM	SC Community Development Association
Emory Langston	SC Association of Regional Councils
Robert Thomas	SC Association of Housing Authority Executive Directors
Dan Ligon	SC Citizens for Housing
Yvonda Bean	SC Housing Partnerships as a Nonprofit Organization
Ruth Johnson	Board Designee
Elizabeth Taylor	Board Designee

Introduction

The South Carolina Housing Trust Fund (HTF) is a state funded program designed to provide financial assistance for the development and preservation of safe, decent, sanitary and affordable housing for low-income households within South Carolina.
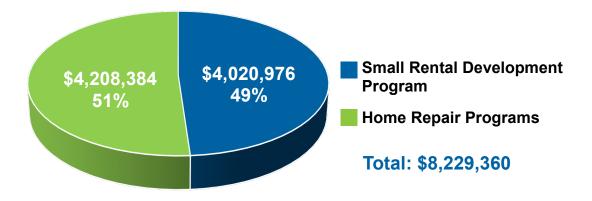
The HTF provides financial assistance to qualified for-profit and non-profit organizations and local governments for the construction and rehabilitation of affordable housing for low-income households throughout the state, often leveraging outside dollars to support these efforts. SC Housing administers these resources on behalf of the state, ensuring that funds are properly expended on eligible activities defined in the South Carolina Housing Trust Fund Act. That legislation allocated a portion of the state documentary stamp tax on property transactions (20 cents per $500 in valuation) to be placed in a dedicated account for HTF; the state treasurer serves as the fund's trustee. All properties receiving HTF awards must remain affordable for low-income households for a compliance period of 20 years, ensuring that these programs serve their public purpose.

Low-income households are defined as those earning no more than 80 percent of area median income, or AMI. Very low-income households earn no more than 50 percent of AMI.

Currently, HTF allocates funds to three primary categories of activities:

- The Small Rental Development Program (SRDP), which combines HTF resources with those from the U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnerships Program and National Housing Trust Fund Program to construct and preserve traditional rental housing consisting of between four and thirty-nine units;

- Home Repair Programs finance the rehabilitation and reconstruction of existing homes through two primary avenues. The Home Repair Program was redesigned in (Fiscal Year) FY 23 to take a more holistic approach to address all life and safety concerns affecting the condition of the home. It has transformed into a comprehensive program that covers interior and exterior repairs, include lead-based paint, asbestos and mold remediation based upon applicable federal and state regulations. The financial support is a forgivable loan as long as the property is occupied as the beneficiary's primary residence for a period of 20 years, and repairs greater than $15,000 are subject to a restrictive covenant on the property. Home Repair Program awards cover up to $75,000 in repairs (plus a 15% project delivery fee) to homes that are necessary for the life, health or safety of the occupants. Additional Home Repair assistance is provided through a partnership with the South Carolina Office of Resilience, administrator of HUD's Community Development Block Grant (CDBG) Disaster Recovery funds. These Home Repair funds are utilized to leverage federal financial assistance to repair and reconstruct homes damaged by Hurricane Florence in 2018;

- The Supportive Housing Program provides funding for new construction, rehabilitation and acquisition of rental housing with access to supportive services for special needs populations, such as people with disabilities and those experiencing homelessness. The Supportive Housing Program was redesigned in FY 23 to increase participation, make the program more flexible, and improve the quantity and quality of the units produced. There are 22 nonprofits approved to participate in the program.

In total, during FY 23, $8,229,360 in HTF awards were made by SC Housing. These awards provided $4,208,384 in home repair assistance for 273 families and $4,020,976 to rental housing developers to produce 15 Supportive Housing rental units. The composition of these awards is summarized in the pie chart below:

Small Rental Development Program

SRDP allows the agency to fund a wide array of rental housing by combining state and federal funding sources to provide a flexible source of financing for rental properties that are too small to be served economically by the Low-Income Housing Tax Credit. HTF is one of three funding sources used in SRDP, with the others being the National Housing Trust Fund and the HOME Investment Partnership Program, both coming from the U.S. Department of Housing and Urban Development.

During FY 23, two projects received HTF awards totaling $4,020,976; these properties will create 28 new affordable rental units, 15 of which are directly funded by the HTF. A list of the properties is provided below.

Name	County	HTF Award	Total Units	HTF Units
Caulder Avenue	Spartanburg	$3,411,394	24	13
Pine Wood Homes	Bamberg	$609,582	4	2
	Totals:	$4,020,976	28	15

Home Repair Programs

The Home Repair Programs are designed to assist very low-income homeowners in making necessary repairs to their primary residence. While SC Housing administers Home Repair Programs, it is community-based non-profit sponsor organizations and the SC Office of Resilience that have participated in the program by identifying eligible participants and hiring contractors to complete the work; nonprofit sponsor organizations must be approved by SC Housing to ensure that those in need are properly served. As of the end of FY 23, there were 28 nonprofit sponsors approved to participate in the Home Repair Program.

During FY 23 the Home Repair Program was redesigned to address exterior and interior essential repairs. The "new" program accommodates lead-based paint and asbestos regulations as required by the SC Department of Health and Environmental Control (DHEC) and the U.S. Environmental Protection Agency (EPA). Health and safety considerations are the primary driver to determine the scope of the repairs, maximizing the impact of the HTF investment and providing homeowners with a home that will have an Effective Useful Life of 20 years.

The redesigned Home Repair Program provides up to $50,000 to help low- and very low-income homeowners make essential interior and exterior repairs to correct life, health and safety issues, provide accessibility for persons who are disabled and repair or replace major housing systems (including roofs, water heaters and HVAC equipment). An additional $25,000 is available to assist with lead-based paint, asbestos, mold and radon remediation as required by federal and state regulations.

In FY 23, SC Housing assisted 273 homeowners with needed repairs to their homes totaling $4,208,384. The distribution of this activity by county is provided in the table below.

County	Homes	Awards ($)
Beaufort	1	10,750
Darlington	6	90,000
Dillon	44	660,000
Florence	6	90,000
Georgetown	19	285,000
Greenville	1	10,750
Lexington	1	64,286
Marion	97	1,455,000
Marlboro	5	75,000
Pickens	1	36,193
Richland	1	29,717
Spartanburg	1	49,573
Total	273	4,208,384

Supportive Housing Program

The Supportive Housing Program was revised for FY 23 to combine the former Group Home activity and Supportive Housing activity into one program. The Program provides funding opportunities for affordable rental housing with access to supportive services for special needs populations, such as people with disabilities and people experiencing homelessness. Supportive services may include, but are not limited to: outreach, case management, childcare, job training/placement, health care and transportation.

The NEW Supportive Housing Program provides up to $300,000 per unit (up to 12 units) of financial assistance for rehabilitation, new construction, conversion, adaptive reuse and/or acquisition with rehabilitation of multifamily and single-family developments.

$7 million in funding has been set-aside for Supportive Housing developments. Of that amount, $1 million was specifically set-aside to fund Group Home developments for the SC Department of Disabilities and Special Needs' nonprofit affiliates. Group Home developments primarily consist of the acquisition and rehabilitation of single-family homes that provide special needs housing for very-low income individuals in need of supportive services. CTH II is the abbreviation for Community Training Home-II Model. According to DDSN, "the Community Training Home-II Model offers the opportunity to live in a homelike environment in the community under the supervision of qualified and trained staff. Care, skills training and supervision are provided according to individualized needs as reflected in the service plan."

In FY 23, five Supportive Housing applications were submitted requesting approximately $3.6 million dollars to produce 24 units. One of those applications, the new construction of an 8-unit townhouse development was approved by the Board of Commissioners for $2,098,317 in funding during FY 24. The remaining applications are expected to be recommended to the Board for approval in FY 24.

Supportive Housing Program		
The new Supportive Housing Program combines the former Group Home and Supportive Housing activities into one program. The program provides funding opportunities for affordable rental housing with access to supportive services for special needs populations, such as people with disabilities and people experiencing homelessness.		
"Former" Group Home Activity	"Former" Supportive Housing Activity	New – Supportive Housing Program
Available Funding = The lessor of $100,000 or 50% of total development costs	Available Funding = The lessor of $75,000 per unit or 75% of total development costs	Available Funding = Maximum subsidy of $300,000 per unit. Maximum of 12 units.