

2018

SC HOUSING TRUST FUND NONPROFIT CERTIFICATION ER & OOR WORKSHOP

South Carolina Housing Finance and Development Authority
300-C Outlet Pointe Blvd, Columbia, SC 29210

SC HTF Program

The goal of the Authority's Emergency Repair and Owner-Occupied Rehabilitation programs are *to assist in providing safe, decent, affordable, and sanitary housing for very low income South Carolinians through applications submitted by approved nonprofit Sponsors for approved beneficiaries and eligible properties.*

Nonprofit Certification Process

- Applications due May 15-19, 2017
- Must already be a nonprofit as determined by the IRS
- Designation as an approved HTF nonprofit remains for two (2) years
- Applications with missing or incomplete documents will have ONE chance to submit corrections

Nonprofit Certification Changes

- Service area can be increased to ten (10) counties **IF** two (2) of the additional counties are on our HTF Underserved Counties List.
- “No benefit” provision must be incorporated word-for-word
- The Authority must give prior approval for a nonprofit to be a Consulting Organization.

Nonprofit Certification Reminders

- Applicants must have no less than \$10,000 in unrestricted liquid assets, verified in its financial statements
- By-laws must be signed and dated
- By-laws must be highlighted OR circled showing the location of all requirements; i.e. clear housing purpose, financial year, service area, no benefit provision, etc.

Owner-Occupied Block Grants

- Awarded four (4) times a year through Authority Board approval
- Up to \$22,250 per unit - \$2,250 max developer fee; max \$89,000 for 4 units
- Minimum HTF funding per property is reduced to \$12,000 from \$14,000

Owner-Occupied Block Grants

- One (1) year completion deadline
- Sponsor limited to one (1) open OOR Block Grant at a time
- Beneficiary must have a deed that shows they (s/he) own the property

Owner-Occupied Block Grants

- Property taxes must be paid/current
- Twenty (20) year affordability period
- Restrictive Covenants recorded on Beneficiary's property to enforce the affordability period

Owner-Occupied Block Grants

- Eligible beneficiary's household income must be equal to or less than 50% of the beneficiary's county AMI
- Eligible property is housing which fails to meet basic standards of health and safety or can be defined as a substandard housing unit

Emergency Repairs

- Accept applications all year
- Up to \$8,750 per unit - \$750 max developer fee
- Three (3) month completion deadline
- Sponsor limited to five (5) open ERs at a time; three (3) for approved first-time Sponsors

Emergency Repairs

- Beneficiary must have a deed that shows they (s/he) own the property
- Property taxes must be paid/current
- Twenty (20) year affordability period
- May be eligible for an OOR at a later time

Emergency Repair

- Eligible beneficiary's household income must be equal to or less than 50% of the beneficiary's county AMI
- Eligible property is that which fails to meet basic standards of health and safety or can be defined as a substandard housing unit

Owner-Occupied BG & ER Changes

- Application will be changed to include spaces for the deed book and page #s
- HTF-1A Participation Certification will include beneficiary acknowledgement of 20 year affordability period
- Beneficiary will be required to initial every page of the Restrictive Covenant (OOR only)

Owner-Occupied BG & ER Changes

- Additional income certification forms will be added to required forms
- HTF-3C Zero Income Certification must also be signed by the Sponsor's Executive Director and notarized
- Multiple HTF-2B Work Write-up Forms have been created

Owner-Occupied BG & ER Changes

- Denied initial inspections which result in **more than** one (1) work write-up revision to receive approval will have \$25 deducted from the developer fee for work write-up revision #2, #3, etc.
- HVAC Product/Equipment Registration - verification of online warranty registration

Owner-Occupied BG & ER Changes

- Change Orders submitted to change Contractors will only be allowed for substantiated extenuating circumstances
- In addition to the HTF-4C Contractor Certification of Payment, a copy of the cashed/cancelled check given to the Contractor by the Sponsor reflecting full payment must be submitted

Owner-Occupied BG & ER Clarifications

- In order to do work in the HTF program, General Contractors must have a classification of **Building (BD, LB, UB)** or be a Residential Builder
- Outdated applications and/or forms will not be accepted

Owner-Occupied BG & ER Clarifications

- Sponsor's who income qualify a household that is later discovered as ineligible will be required to refund the entire HTF award amount
- Grandchildren or non-related minors claimed as household members must have proof of residency
- Building permits should include a "job value"

Owner-Occupied BG & ER Clarifications

- Photos of roof replacement must be taken during all phases; photos must be submitted with the final inspection request to ensure full payment for roof installation
- Metal roofing must be installed per manufacturer's recommendations including all trims

Owner-Occupied BG & ER Clarifications

- Changes in the scope or costs after a project receives initial approval **MUST** be submitted as a Change Order
- If a Contractor change is approved, the new Contractor **CANNOT** submit a new work write-up to replace an already approved work write-up

Owner-Occupied BG & ER Clarifications

- Final inspection requests must include the local building department's approved final inspection documentation
- Landfill and dumpster fees are NOT allowed for roof replacement only projects

Owner-Occupied BG & ER Reminders

- Eligible housing must be **substandard** as defined by the SC HTF Act (also defined in ER and OOR manuals)
- Eligible housing may NOT also contain a commercial business
- Invoices from third party businesses must be registered with the SC Secretary of State's Office; must be dated, signed, marked PAID, lists the property, etc.

Owner-Occupied BG & ER Reminders

- Contractors AND Subcontractors must have effective \$1 million general liability insurance
- Contractors AND Subcontractors must have effective worker's compensation policy
- Contractors may cover Subcontractor with their own worker's compensation

Owner-Occupied BG & ER Reminders

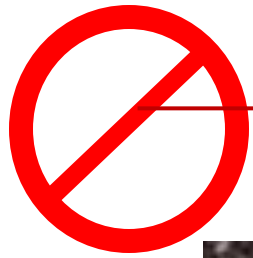
- ***Sponsors earn a developer's fee by:***
 - Going to the beneficiary's home
 - Income qualifying the beneficiary
 - Helping beneficiary collect all needed documents; such as a deed, third party income verification documents, etc.
 - Going back to the beneficiary's home as many times as needed



Construction Issues

Roof Replacement - High Nail

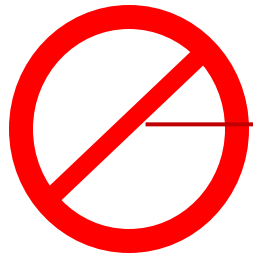




Construction Issues

Roof Replacement - Low Nail

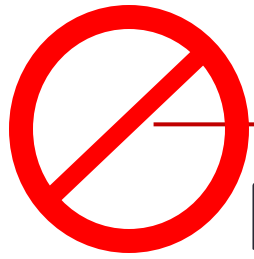




Construction Issues

Roof Replacement - Racked Shingles

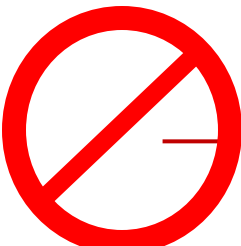




Construction Issues

Roof Replacement - Racked Shingles





Construction Issues

Result of shingles on low slope roof





Construction Issues

Poor workmanship

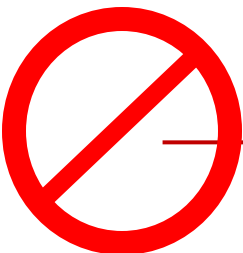




Construction Issues

Poor workmanship

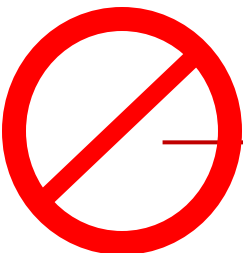




Construction Issues

Poor workmanship





Construction Issues

Poor workmanship



Acceptable Roof Replacement Photos

Bare sheathing, new sheathing, and valley lining



Acceptable Roof Replacement Photos

Shingles, new sheathing and ridge vent cut-in



Acceptable Roof Replacement Photos

New sheathing, ridge vent cut-in and felt



Acceptable Roof Replacement Photos

Felt, valley lining and drip edge



Acceptable Roof Replacement Photos

Felt and valley lining



Acceptable Roof Replacement Photos

Stepped counter flashing



Acceptable Roof Replacement Photos

Counter flashing



Acceptable Roof Replacement Photos

Modified bitumen





**Acceptable
Demo Photo**