

South Carolina Housing Trust Fund

Supportive Housing Manual

Administered by: South Carolina State Housing Finance and Development Authority

Effective July 1, 2017

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General Definitions

Annual Income - The gross income of all adult household members that is anticipated to be received in the upcoming twelve (12) month period.

Application - The completed forms, schedules, attachments, and any additional documentation requested in the Housing Trust Fund Application package.

Attorney - An individual licensed to practice before the courts of the State of South Carolina. A portion of the practice must relate to real estate matters. The Attorney will be required to provide evidence of errors and omission insurance

Authority - The South Carolina State Housing Finance and Development Authority.

Board of Commissioners - The Board of Commissioners of the South Carolina State Housing Finance and Development Authority.

Closing Documents – Documents that must be submitted to the Authority for each HTF Group Home project including the Promissory Note, Mortgage and Security Agreement, Settlement Statement/Closing Disclosure/HUD-1 Form #1, Recorded Plat/Survey, Deed, Title Insurance Commitment, Title Insurance Policy with ALTA 8-1 Environmental Endorsement, Hazard Insurance Policy, Flood Insurance Policy (if applicable) and Termite Report/CL 100 (unless new construction).

Complete Project – A project that has submitted the original recorded closing documents as described in the General Closing Instructions, and have all HTF funds drawn down. If new construction, this would also include an approved final inspection.

Compliance Period - The twenty (20) year time period that program restrictions are in effect regarding housing occupancy. The compliance period begins on the date the note and mortgage are executed. If the project is sold prior to the end of the compliance period, the amount of the Housing Trust Fund award as evidenced and defined in the note becomes due and payable.

Contact Person – The primary person with decision-making authority for the sponsor with whom the Authority will correspond.

Contractor – An individual or company, properly licensed as a 1) General Contractor with a classification of **Building** (BD, LB, UB); OR 2) Residential Builder, that undertakes a contract to provide materials and/or labor to perform a service or do a construction job. Such Contractor must be licensed by the SC Dept. of Labor, Licensing and Regulation with an “active” status, have an effective \$1 million general liability insurance policy and a workmen’s compensation policy.

Funding Agreement - The written contract between the South Carolina State Housing Finance and Development Authority and the Sponsor. It contains the terms and conditions of the Housing Trust Fund award, states the award amount, the project’s purpose, and the beneficiaries being served.

HTF – The South Carolina Housing Trust Fund as administered by the Authority.

Letter of Commitment - An original letter or contract from a funding source verifying that the Sponsor has a commitment of funds for the project. This letter or contract must be dated within ninety days of the application date and should include the amount of funds, any conditions and the expiration of the

commitment, whether funds will be provided as a loan or grant and the loan to value ratios, terms and interest rate for loans.

Manual - The Housing Trust Fund Group Home Manual.

New Construction – The construction of an entirely new structure for the purpose of providing housing for special needs populations, including group housing for handicapped citizens, shelters for the homeless and transitional housing.

Nonprofit – An organization that is exempt from income tax under section 501 (c) (3) or 501 (c) (4) of the Internal Revenue Code of 1986 as amended and registered with the South Carolina Secretary of State.

Project - The one or more residential buildings, the site on which the building(s) are located, and any functionally related facilities.

Rehabilitation – Improvements that are being made to an existing structure.

Shelter - A facility with the primary purpose of providing temporary or transitional housing for clients, tenants, persons such as homeless, veterans, disabled individuals or families. Individuals and families may live in shelter housing for up to twelve (12) months.

Single Room Occupancy (SRO) - Housing (consisting of single room dwelling units) that is the primary residence of its occupant or occupants. The unit must contain either food preparation or sanitary facilities (and may contain both) if the project consists of new construction, conversion of non-residential space, or reconstruction. For acquisition or rehabilitation of an existing residential structure or hotel, neither food preparation nor sanitary facilities are required to be in the unit. If the units do not contain sanitary facilities, the building must contain sanitary facilities that are shared by tenants.

Site-Specific - The site on which the project to be built or repaired is located.

Sponsor - An approved nonprofit organization or unit of local government.

Supportive Housing - A successful, cost-effective affordable housing facility, i.e., transitional and shelter facilities, that includes supportive services to help people including special needs populations, live more stable and productive lives.

Supportive Services - Services provided to meet the needs of persons residing in transitional housing facilities. They include childcare, job training, life skills training, mental health counseling, etc.

Transitional Housing – Temporary housing in which the goal is the successful movement of persons such as homeless, veterans, disabled individuals and families to permanent housing. Individuals and families may live in transitional housing for up to twenty four (24) months.

Very Low-Income Household - Income that does not exceed fifty percent (50%) of the median income for the area, as determined by HUD, with adjustments for family size.

Housing Trust Fund Overview

The South Carolina Housing Trust Fund (HTF) is a state funded program designed to provide financial assistance in the development and preservation of safe, decent, sanitary and affordable housing for low-income households within the State of South Carolina. The HTF accelerates the state's response to the production of affordable housing through innovative financing used by the nonprofit and private sectors. It builds partnerships among government, qualified nonprofits, for profits, and those in need of affordable housing. It strives to maximize the utilization of federal, state and/or other housing assistance programs in leveraging other public and private resources.

Supportive Housing Activity Overview

The South Carolina State Housing Finance and Development Authority (the Authority) will award funds to eligible Sponsors for the purpose of funding Supportive Housing projects. All awards are subject to the HTF statutes and regulations and all other applicable Authority requirements.

Funds are available for new construction, rehabilitation and/or acquisition with rehabilitation [(which may include the demolition of an existing dwelling(s))] of a residential building(s) that contains at least four (4) or more housing units or single room occupancy (SRO) units which will serve persons at or below fifty percent (50%) of the area median income. Funds may also be used to convert a non-residential building into a Supportive Housing facility with the same minimum of four (4) units or SROs.

Funds for acquisition will only be awarded if the property is currently under a purchase option or has been purchased within the last twelve (12) months

Only one HTF award will be awarded per project. The application must be site-specific. Scattered sites are not eligible for funding unless they are contiguous sites joined by the same property line. Approved HTF Supportive Housing Sponsors may have no more than one (1) supportive housing project open at a time.

Sponsors are **required** to use other funding sources in conjunction with HTF and must provide a commitment letter(s) from each funding source at the time of application submission. Sponsors must also commit to and provide at least three (3) Supportive Services appropriate for the Supportive Housing population, such as; childcare, job training, mental health counseling, etc. At least one (1) of the three (3) Supportive Services must be provided by an outside agency or from other appropriate state agencies such as DDSN, DMH, DHHS, etc.

Eligible Sponsors

Units of Local Governments (cities, towns and counties) and approved nonprofits are the only eligible Sponsors for this activity. The approval process for nonprofits is contained in the Application for Nonprofit Participation Manual. All nonprofits must be approved by the Authority prior to the submission of any HTF application. Applications submitted by nonprofits that are not approved by the Authority will be returned.

Eligible Sponsors and/or a project's proposed Owner **must** have documented successful experience operating Supportive Housing developments. Third party letters documenting such experience must be submitted with the application.

Threshold Criteria

Experience: Sponsors must demonstrate the ability to implement affordable Housing projects by providing documentation as to the development of similar successful, operating projects utilizing federal grant programs or other public funds within the past seven (7) years. A list of staff members coordinating the project along with their resumes must be included behind TAB 5. The Sponsor and/or a project's proposed Owner must also submit a listing of completed projects including the project address, target population, number of units, services provided, funding sources and the amount of funding awarded from each source.

Financial: Sponsor must provide documentation of at least one year of operating subsidy for the project. Rental income may not account for more than fifty percent (50%) of the operating subsidy. The remaining operating subsidy, if from a third party, must already be committed to the project. If donations are to be used, then the bank statements showing funds on hand must be provided.

1. **Replacement Reserves :** Developments are required to establish and make annual contributions to replacement reserves, as follows:
 - Two hundred fifty dollars (\$300) per unit, per year until account reaches \$3,000 per unit.
2. **Operating Reserves:** Operating reserves are funded initially from development costs and replenished, when used, from operating cash flow. Operating reserves must be maintained at the required level throughout the restrictive covenant period.
 - Operating reserve must be established in the amount equal to three months of projected Operating Expenses.

Terms of Financial Assistance

Maximum Subsidy per Project: The **LESSER** of \$300,000 or 75% of the Total Development Costs

Commitment(s) from other sources at time of application Minimum of 25% of the Requested HTF Award

Maximum Developer Fee: Not more than 10% of the HTF Award

Approved nonprofits may access the funds in the form of a deferred forgivable loan. The loan is forgiven if the project is used for the authorized purpose during the twenty (20) year affordability/compliance period.

Units of Local Government may access the funds in the form of a one percent (1%) loan with a twenty (20) year term and amortization period.

Submitting Applications

Applications for HTF Supportive Housing are accepted during the **four (4) designated funding cycles**. For a list of application deadlines, please visit our website at www.schousing.com/Housing_Trust_Fund.

In order to be considered, complete applications must be received in our office prior to close of business on the submission deadline date. Applications may be delivered by mail, other shipping service, or by hand delivery as follows:

South Carolina State Housing Finance and Development Authority
ATTN: HOUSING DEVELOPMENT
HTF Supportive Housing Application
300-C Outlet Pointe Blvd.
Columbia, SC 29210

- Facsimile transmissions will **NOT** be accepted.
- Items postmarked before the deadline, but received in our office after the deadline will **NOT** be accepted.
- Incomplete applications will **NOT** be eligible for consideration.

Applications may be obtained on the Authority's website under Housing Partners, Housing Trust Fund: www.schousing.com/Housing_Trust_Fund/Group_Homes_&_Supportive_Housing.

Sponsors must submit one (1) original and one (1) copy of the application, including all pages of the application and all required exhibits and tabs. A Supportive Housing Application Checklist has been provided to identify the required documentation and its placement in the application package. Incomplete applications will not be accepted. **All applications must be self-contained. The Authority will not rely on any previously submitted information, written or verbal, to evaluate the applications in any given quarterly funding cycle.**

Application Review Process

1. Authority Staff will review applications for completeness.
2. Applications will be reviewed by underwriting staff to ensure project feasibility and longevity.
3. The inspections department will perform a preliminary review of the proposed site plans/work write up and may schedule a site visit. Sponsors must submit the HTF Inspection Request form (HTF-2A).
4. Applications which are complete and meet the general guidelines and eligibility requirements of the program will be recommended to the Board of Commissioners for approval.
5. If approved, a Funding Agreement is mailed to the Sponsor for execution, along with a request for closing attorney information and a HTF loan closing date.
6. Once the executed Funding Agreement, closing date and attorney information is returned to the Authority, HTF loan documents will be mailed.
7. Construction/rehabilitation may not begin until the loan closing has occurred and Authority required documents have been executed, filed with the county as required, building permits have been obtained, and provided to the Authority.
8. The construction schedule will include specific accomplishments that will require an Authority inspection. Should Authority inspectors not be notified and work continues without Authority inspector approval, HTF funds will be immediately rescinded. Following are the minimum construction landmarks requiring an inspection:
 - a. Foundation completion – once slab is poured or crawl space completed.

- b. Dried-in inspection – framing complete to include windows and doorways, and exterior wrapped.
 - c. Rough-in inspection – to include electrical, plumbing, HVAC, and insulation.
 - d. Approximately 75% completion or when interior doors, trim, kitchen cabinets, etc. are installed, whichever comes first.
 - e. 100% completion.
9. Inspections of the property will be conducted to confirm construction is up to standards and appropriate for the amount of the draw request.
10. Once the work is completed, the Sponsor must request a final inspection using the Inspection Request (HTF-2A), and the Draw Request (HTF-4B).

Forms

All necessary forms for applications, change orders, draws, inspections, etc. can be downloaded from our website at www.schousing.com/Housing_Trust_Fund/Group_Homes_&_Supportive_Housing.

Guidelines for Supportive Housing Activity

General Guidelines

1. Sponsors must operate within their defined service areas as defined in their Application for Designation and as evidenced in their Charter, Articles of Incorporation or By-Laws.
2. Sponsors must complete each Supportive Housing project within the twelve (12) month completion deadline specified in the Funding Agreement or the Authority may not disburse funds and may revoke remaining funds awarded.
3. Sponsors may be required to attend an implementation workshop. The purpose of this workshop is to prepare Sponsors to fulfill program, construction and financial requirements.
4. HTF Sponsors are required to submit a quarterly performance Project Report (HTF-2E) on the project through completion.
5. The project must serve very low-income households, at or below fifty percent (50%) of the area median income.
6. HTF awards may be terminated at any time prior to the award expiration date due to documented evidence of unsatisfactory productivity.
7. Manufactured Housing/Mobile Homes are **not** eligible properties under the Supportive Housing activity.
8. **Rental housing only properties are not eligible properties under the Supportive Housing activity.**

Eligibility Requirements for Beneficiaries

Certification and Verification of Income

The project's beneficiaries must be very low-income with gross annual incomes that do not exceed fifty percent (50%) of the area median income as determined by the US Department of Housing and Urban Development's income limits: [www.schousing.com/Housing Partners/Income & Rent Limits](http://www.schousing.com/Housing_Partners/Income_&_Rent_Limits)

Third party income verification documentation must be available on site for all anticipated annual income for each resident, and must not be older than six (6) months from the date of the resident first occupying the unit. Income tax returns will be accepted but only in situations where no other income information is available. Additionally, the tax returns must have all pertinent information correctly identified and all schedules included and may not be more than one (1) year old.

Computing Income

Annual Income is determined by taking the total anticipated gross income from all sources for the twelve-month period preceding the date of certification of income.

Annual income includes, but is not limited to:

- gross income, the full amount before any payroll deductions, of wages and salaries;
- overtime pay;
- commissions;
- fees;
- tips;
- bonuses, and other compensation for personal services;
- the net income from the operation of a business or profession;
- interest, dividends, and other net income of any kind from real or personal property;
- the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts. This includes a lump-sum payment for the delayed start of a periodic payment other than Supplemental Security Income;
- payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay; welfare assistance;
- periodic and determinable allowances, such as alimony and child support payments;
- regular contributions or gifts received from persons not residing in the dwelling;
- all regular pay, special pay and allowances of a member of the Armed Forces (other than pay for hazardous duty).

Zero Income

Beneficiaries who report zero income for the twelve (12) months preceding the date of application submission, must provide the following documentation.

- Certification of Zero Income (HTF-3C) Form explaining the circumstances resulting in zero income.
- A copy of income tax returns that are not more than one (1) year old or from the previous year. The tax returns must have all pertinent information correctly identified and all schedules attached. If tax returns do not exist indicate such on the Certification of Zero Income Form.

Construction Guidelines

Sponsors are required to submit itemized work write-ups for rehabilitation projects or plans and specifications (including all detailed costs) for new construction projects with the initial HTF Supportive Housing application. Detailed, itemized information must be submitted and should include costs identified separately by line item. The Sponsor must use the Authority's Work Write-Up (HTF-2B) form.

The Authority will review the work write-up or the plans/specifications submitted and conduct an on-site inspection. If the Authority concludes that the costs presented are not reasonable, the application will either be returned for corrections. Sponsors are strongly encouraged to ensure applications submitted are cost reasonable to prevent such adjustments or a rejection of the application.

Sponsors must adhere to any written standards developed by the Authority and to all federal, state, and local standards. The Authority's standards include the following:

- The Authority does not fund mold remediation.
- The Sponsor will perform a physical on-site repair assessment and will ensure a physical on-site repair assessment is done by a Contractor, prior to the submission of an application.
- The Sponsor will ensure that an itemized work write-up (HTF-2B) is completed by Contractor and submitted as part of the application.
- The Sponsor must contract with a **Contractor** meeting the Authority's standards to perform the rehabilitation work. The Sponsor must contract directly with the Contractor.
- **The Contractor must contact the building code enforcement agency within the locality in which the proposed construction is to be undertaken and obtain any required permits. The locality's building inspector must review the work write-ups or plans and specifications PRIOR to submission of the application to the Authority to ensure local requirements are met.**
- **All permits must be posted on-site and easily visible. If any construction work is done on a HTF project PRIOR to permits being pulled, the Sponsor and Contractor will be debarred from the HTF program for a minimum of three (3) months.**
- All work must be in compliance with the 2015 International Residential Code (IRC), and all state and local revisions.
- All work shall be performed and completed in a manner supported by the manufacturer's specifications, standard construction practices, and/or recognized building codes.
- All work performed shall be "finished" work. For example, if a door unit is specified for a bedroom then that unit shall be finished to match an existing unit whether it is stained/finished or painted, and a lockset installed.
- All materials used shall be new, in good condition and of standard grade.
- All work regarding handicapped accessibility must meet the requirements of Section 504. Please refer to CABO/ANSI Section A117.1 for compliance requirements.

Mandatory Design Criteria

The following mandatory design criteria **must be** included in the project design for:

ALL Project Types:

1. At a minimum, all construction must be in compliance with the 2015 IRC, or the current adopted code when construction begins, as well as all of the mandatory design criteria in this section of the manual.
2. At a minimum, all projects must meet the 2009 International Energy Conservation Code.

3. Window coverings for each window must be installed. Metal blinds are not permitted.
4. All kitchen and bathroom interior cabinets must be solid wood or wood/plastic veneer products with dual slide tracks on drawers. New cabinets must have solid wood dual sidetrack drawers and no laminate or particleboard fronts for doors or drawer fronts. Cabinets shall meet the ANSI/KCMA A1 61.1 performance and construction standard for kitchen and vanity cabinets. Cabinets shall bear the certification seal of KCMA (Kitchen Cabinet Manufacturers Association).
5. All kitchen sinks must be a minimum of eight (8) inches deep; with the exception of ADA units.
6. All windows must be Energy Star rated with screens and will have manufacturer's data sheet submitted with plans.
7. All exterior doors must be Energy Star metal-clad or fiberglass doors that are paneled.
8. Deadbolt locks are required on all exterior doors. Dead bolt locks must have "thumb latch" on interior side. Double keyed dead bolt locks are prohibited.
9. The minimum clear width of all exterior doors shall be 34 inches.
10. All doors must be side hinged.
11. All retention and/or detention ponds must be fenced in unless a letter is provided from the Department of Health and Environmental Control (DHEC) that a fence is not required. The storm water retention/detention basin design, maintenance and management shall be the sole responsibility of the owner/developer and shall be in strict accordance with all applicable federal, state, local and environmental regulations governing storm water retention/detention basins.
12. Energy Star exterior lighting at all entry doors including individual units, community buildings and common areas within the building(s). The fixtures at the individual units are to be controlled from the interior of the unit.
13. Wall switch controlled Energy Star lighting is required throughout all units.
14. Energy Star fluorescent lighting, at a minimum, is required in all kitchens.
15. Must use Energy Star fixtures and bulbs such as CFL, LED, or florescent.
16. All units pre-wired for cable television hook-ups in the living room and one per bedroom.
17. All units pre-wired for telephone hook-ups in the living room and one per bedroom.
18. Roofing materials shall be anti-fungal shingles with a minimum 25-year warranty.
19. Roofing to be installed per 2015 IRC R905.2 through R905.2.8.5.
20. The following Energy Star appliances must be provided in each unit: Full sized refrigerator-freezer, with ice maker, having a minimum size of fourteen (14) cubic feet.
21. At a minimum, fifteen (15) SEER HVAC units must be installed. All refrigeration lines must be insulated. All projects must have central heat and air. Window units are not allowed for any development type.
22. Each unit must be equipped with a 5 lb. ABC rated dry chemical fire extinguisher readily accessible in the kitchen and mounted to accommodate handicapped accessible height in accessible units.
23. Sites located in a Radon Zone-1 (highest level) will require Radon Resistant New Construction Practices. Rehabilitation projects must meet the Radon Mitigation Standards as required by the Environmental Protection Agency.
24. Metal flashing or 20 mil polyethylene when used in conjunction with a self-adhering polyethylene laminate flashing, must be installed above all exterior door and window units.
25. Exterior wall insulation must have an overall R-13 minimum for the entire wall assembly and roof or attic insulation must have an R-30 rating minimum; and floor and/or crawl space R-19.
26. Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. All shower units without a tub must have minimum dimensions of 30-inch width by 48-inch length (ADA approved shower). All tubs in designated handicap accessible units must come complete with "factory-installed grab bars".
27. Mirror length must extend to top of vanity backsplash with top of mirror a minimum of 6'-0" above finish floor. Framed decorative mirrors or recessed medicine cabinets with mirrors are allowed with a minimum size of 14" x 24" and must be hung with the top of mirror a minimum of 6'-0"

- above finish floor. Vanity cabinets or a medicine cabinet shall be provided in all units. All cabinets in designated handicap accessible units must be installed at ADA mounting heights.
28. Low flow water saving features must be used; showerheads 2.0 GPM, kitchen faucet 2.0 GPM, bathroom faucets 2.0 GPM, toilets 1.6 GPF and will have manufacturer's data sheet submitted with plans.
 29. All units must be equipped with an energy efficient rated hot water heater with energy factor of 0.61 for gas or 0.93 for electric and will have manufacturer's data sheet submitted with the plans.
 30. Water heaters must be placed in drain pans with drain piping plumbed to disposal point as per the latest approved addition of the International Plumbing Code.
 31. Pipe all Water Heater Temperature & Pressure (T&P) relief valve discharges to disposal point as per the latest approved edition of the International Plumbing Code.
 32. Water heaters placed on a stand must be secured to the wall.
 33. New exterior shutters are required.
 34. Gable vents must be made of aluminum or vinyl materials.
 35. All attics must be vented.
 36. Carpet and Resilient flooring materials must meet minimum FHA standards.
 37. The exterior of the home/structure to be finished above foundation of brick / stone veneer with vinyl siding of .044" or better or fiber cementitious siding.
 38. No exterior wood finishes may be used.
 39. All exterior trim to be covered in painted or vinyl covered coil stock or consist of fiber cement or vinyl composites.
 40. Fascia must be covered with painted or vinyl covered coil stock, fiber cement or vinyl composite.
 41. Soffits must be vinyl, vinyl covered aluminum, fiber cement or vinyl composite and perforated as required.
 42. Exterior ceilings must be vinyl, vinyl covered aluminum, fiber cement or vinyl composite.
 43. Exterior steps, porches or patios will be constructed of brick with concrete slab or deck.
 44. Multi story second, third, or fourth floor elevated porch or patio may be constructed utilizing composite materials and constructed in such a manner that no wood is exposed. Concealment of wood shall be with composite materials such as vinyl covered coil stock, vinyl 1x's composite 1x's, cementitious board etc. Applies to rehabilitation projects with authority approval.
 45. Hand rails and/or guard rail systems used at steps, porches, patios or ramps shall be code compliant systems made of composite materials such as vinyl, fiberglass or metal. Wood railings are not allowed.
 46. Public use stairway components, such as stringers, treads, and risers must be constructed from steel or concrete. Handrails and pickets must be constructed from steel or aluminum.
 47. Columns must be sized / loaded properly and consist of fiberglass, polyurethane or aluminum. Must be installed with stand offs, bases, caps and vents per manufacture recommendations; 4x4, 4x6 or 6x6 etc. post wrapped with coil stock is not allowed.
 48. Seamless 6" gutter and downspout systems complete with leaf guard system and concrete splash blocks will be supplied surrounding all residential buildings. No screen wire leaf guard systems allowed.
 49. At a minimum, there must be ten 10 ft. of sod extending out from each exterior building wall.
 50. The minimum bedroom size/SRO unit must be 120 square feet. The minimum bedroom square footage excludes the closet space.
 51. The minimum square footage per unit based on the number of bedrooms per unit must be as listed in the table below. All of the units in the project must meet the minimum square footage per unit. The Authority considers the square footage of an individual unit to be the usable living space measured from the interior wall to interior wall. The minimum number of bathrooms must be as listed in the table below as well. Bathrooms are defined as follows: One-half ($\frac{1}{2}$) bathroom contains a toilet and vanity with sink; Three-quarter ($\frac{3}{4}$) bathroom contains a toilet, vanity with

sink, and a shower; and a full bathroom contains a toilet, vanity with sink, and a tub/shower combination. ADA units ONLY may have a roll in shower.

# of Bedrooms per Unit	# of Bathrooms per Unit	Minimum Sq. Ft. per Unit
0 Bedroom/Efficiency	One (1) Full	550
1 Bedroom	One (1) Full	750
2 Bedroom	One (1) Full	950
3 Bedroom	One (1) Full & One (1) Three-quarter (3/4)	1,100
4 Bedroom	One (1) Full & One (1) Three-quarter (3/4)	1,250

52. All SRO type projects must provide laundry facilities. There must be one (1) washer and one (1) dryer per five (5) SRO units.
53. At a minimum, there must be a furnished 700 square foot designated community room to accommodate the required three (3) Supportive Services. The required square footage can include office space, laundry facilities, kitchenette, and/or bathroom(s).

ALL New Construction Projects:

1. All HVAC air handlers and hot water heaters must be contained within the conditioned space of the unit/building. These may not be located in the attic or crawl space.
2. Washer/dryer hookups in all units. Hookups for stackable washer and dryers may only be installed in elderly units.
3. All elderly projects will be one-story structures, or if greater than one story, all stories will be accessible by elevators.
4. All sidewalks and walkways shall be a minimum of 36" in width and made of concrete and shall provide access to all parking spaces, front entryway doors, common amenities and driveways and shall be ADA compliant. Where ADA accessible routes, walkways, etc. are required within the development, clearly marked ramps, crosswalks, signage, etc. shall be furnished in accordance with ADA regulations.
5. Sliding glass doors are prohibited.
6. Water closets must be centered, at a minimum, 18 inches from sidewalls, vanity/lavatories and bath tubs.
7. Roof pitch to be a minimum of 4/12.
8. Slab constructed homes / structures. Slab will be elevated a minimum of 16" above finished grade on all elevations.
9. Slab foundations will consist of brick / stone veneer at a minimum height of 16" above finished grade on all elevations.
10. Crawl space constructed home/structures will have a minimum of 30" clearance from the bottom of the lowest structural floor system framing member to grade.
11. Crawl space foundations will consist of brick / stone veneer at a minimum height of 16" above finished grade on all elevations.
12. Wall Framing: Sound proofing or sound batt insulation is required between the studs framing in party walls. A sound rating of STC 54 is required.
13. All new construction projects must submit a complete site specific soils report and boring site plan at the time of submission of final plans and specifications, bound within the project specifications. The soils report and boring site plan must reflect the results of laboratory tests conducted on a minimum of one (1) soil boring per planned building location and a minimum of one (1) soil boring at the planned paved area of the project. A registered professional engineer or a certified testing agency with a current license to practice in the State of South Carolina must prepare the report.

14. Projects must have concrete driveways, curbing at street and front entry walkways. In the case of new infill scattered site projects, drainage swales will be allowed along the front (street side) in lieu of curbing at the street.

ALL Rehabilitation Projects:

Any of the following mandatory items (not to include repainting of the entire unit) replaced on or after January 1, 2009 are not required to be replaced as part of the rehabilitation.

1. Replace and install new flooring in each unit. At a minimum, tile must be VCT or better.
2. Entire unit (all rooms and ceilings) must be repainted.
3. New bathroom fixtures must be installed to include the following:
 - a) New tub and new shower, re-glazing not allowed. Three piece surround insert is acceptable. All caulking must be replaced.
 - b) Replace sink, vanity and plumbing fixtures with new. Vanity to include, at a minimum, a pull out drawer and/or storage area.
 - c) New toilet
 - d) Install new re-circulating exhaust fan
 - e) Install new water supply valves
4. New kitchen fixtures must be installed to include the following:
 - a) Dual track sliding drawers
 - b) New double sink and plumbing fixtures. All kitchen sinks to be a minimum of eight (8) inches deep.
 - c) New stove with re-circulating exhaust fan
 - d) New Energy Star rated refrigerator, with ice maker that is a minimum of 14 cubic feet
 - e) Install new water supply valves.
5. New Energy Star hot water heaters with an energy factor greater than 0.61 for gas or 0.93 for electric.
6. Replace all windows that are not Energy Star with either vinyl or aluminum windows that are Energy Star.
7. Units with existing washer/dryer connections must replace and install new water supply fixtures and valves.
8. All elderly acquisition/rehabilitation projects may have more than one-story, provided that existing elevators, receiving regular maintenance, are in good working condition as of the Application submittal date and service all upper level rental units. Those projects without existing elevators will be required to install elevators.
9. Window blinds and exterior window screens to be replaced if damaged or missing.
10. Existing family projects must replace all bi-fold and sliding doors with hinged doors except for bi-fold and sliding doors in place at existing or elderly projects as long as they are functioning properly.
11. Replace all damaged and worn exterior and interior doors, jambs, frames, and hardware. Exterior doors must be Energy Star.
12. Rehabilitation projects adding any new building foundations must submit a foundation specific soils report. The soils report and boring site plan must reflect the results of laboratory tests conducted on a minimum of one (1) soil boring per planned building location and a minimum of one (1) soil boring at the planned paved areas of the project. A registered professional engineer or a certified testing agency with a current license to practice in the State of South Carolina must prepare the report.

Allowable Construction Costs

Development hard costs – These costs include the *actual construction costs* such as the following:

- Costs to meet Authority and local construction standards
- Essential improvements
- Electrical, plumbing, structural-related improvements
- Repair or replacement of range hoods
- Improvements for handicapped persons
- Repair or replacement of major housing systems that have failed
- General property improvements that are non-luxury improvements

Related soft costs – These costs are the *reasonable and necessary costs* related to the development hard costs. The following soft costs will be allowed:

- 1) Based on the Authority's on-site inspection, and
- 2) At the Authority's discretion.

Receipts and/or paid invoices for all allowed soft costs must have the name and address of the company/City/County charging the fees, must be properly signed and dated, and must have identifying information on the invoice connecting an HTF project to the specific fee.

- Building Permit fee(s) - copy of paid invoice/receipt due **BEFORE** construction work begins with the submittal of the building permit copy (see page 6 – Application Process #7).
 - Copy of permit showing scope and amount of job
 - Copy of invoice/receipt clearly showing governmental department that issued the permit and how much was paid for the permit
- Landfill fee up to \$400 - original invoice/receipt due with the final inspection request (HTF-2A).
 - Landfill fees are not allowed on projects with roof replacement only.
 - Landfill fees can include reasonable cost for labor.
- Portable Toilet fee up to \$150 - original invoice/receipt due with the final inspection request (HTF-2A).
 - Must be approved by inspector and required by locality or scope of project.
 - Photograph of portable toilet on site required for payment.
- Dumpster fees up to \$400 - original invoice/receipt due with the final inspection request (HTF-2A).
 - Dumpster fees are not allowed on projects for roof replacement only.
 - Photograph of dumpster on site required for payment.

Invoices/receipts not submitted as stated above **WILL NOT BE PROCESSED FOR PAYMENT**. Staff is not responsible for reminding Sponsors to submit invoices/receipts. Once a project is closed out, sponsors may not submit invoices/receipts afterwards for payment.

Prohibited Costs

- HTF funds cannot be used for operations of the facility. Committed, ongoing, long-term funding to cover facility operations must be submitted with the application.
- With the exception of its Developer Fee, the Sponsor may not pay any of its administrative costs with HTF funds.
- Business License Fee/Renewal Fee.
- Contractor License Fee/Renewal Fee.

- Relocation expenses of residents
- Costs associated with record keeping
- Storage Fees
- Tools and Equipment
- New Appliances
- Mold assessment, mold sampling, mold treatments, mold prevention, mold abatement, mold remediation, mold removal, etc.

Change Orders - Changes to a Project after an Award

Any changes to a project after notice of award approval must be submitted to the Authority in writing and must be approved by the Authority.

If it is determined during the course of the rehabilitation work that the scope of work or costs associated with the work needs to be changed, the Sponsor must submit a completed, signed Change Order Request (HTF-2C) form. The Authority's inspector will review and either approve or deny the request. The Authority will communicate its decision to the Sponsor in writing. The Authority may revoke a portion or the entire award if a Sponsor makes changes to the project without prior approval

Payments

All payment requests must be submitted on the Authority's Request for Payment (HTF-4A) form. Payments will **not** be disbursed until the construction progress has been inspected and approved by the Authority. The Sponsor will be contacted upon receipt of the Request for Payment and Inspection forms to schedule an inspection.

The following items must accompany the payment request:

1. (HTF-2A) Request for Final Inspection form
2. Approved final inspection from local building department.
3. Pictures of demo and roof replacement or any other progressive rehabilitation
4. (HTF-4A) Draw Request for Construction Costs
5. Include all adequate documentation for payment of hard and soft costs
6. Construction progress report or AIA documents

Once the inspection has been conducted and the work progress has been approved, the Program Coordinator will request the funds. Payment requests are typically processed within fourteen (14) days.

Acquisition

If all or any portion of the HTF loan is to be used to pay for the acquisition of a property, the Sponsor must provide the Authority with the items listed below **three (3) weeks** prior to closing:

1. Date of the closing
2. The name, address, and telephone number of the closing attorney
3. Attorney's professional association biography
4. Errors and Omissions policy
5. Insured closing letter from a Title Insurance Company (theft and/or misapplication)
6. (HTF-4B) Draw Request for Payment including the amount that will be requested at closing.

The closing documents and the HTF check will be sent directly to the closing attorney's office.

Compliance Period

Sponsors must re-certify tenant's household income annually. Rent and income limits are adjusted annually. Sponsors may obtain updated information from the Authority's web site at: http://www.schousing.com/Housing_Partners/Income_&_Rent_Limits.

Sponsors are also responsible for maintaining the property in compliance with Uniform Physical Condition Standards and should routinely inspect the units to ensure that tenants are maintaining the unit and that all needed repairs have been reported.

The Authority reserves the right to inspect the property, review property and tenant records and management policies and procedures to determine compliance with rent and income restrictions and to verify that the property is being maintained in accordance with Uniform Physical Condition Standards and any other requirements of the HTF program.

The Housing Trust Fund program is designed to increase the supply of permanent affordable housing. The compliance period is **twenty (20) years** and enforcement of this will be accomplished using a mortgage and promissory note.

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