

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 South Carolina.



SC Housing Trust Fund FY2020 Annual Report

July 1, 2019 - June 30, 2020

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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.

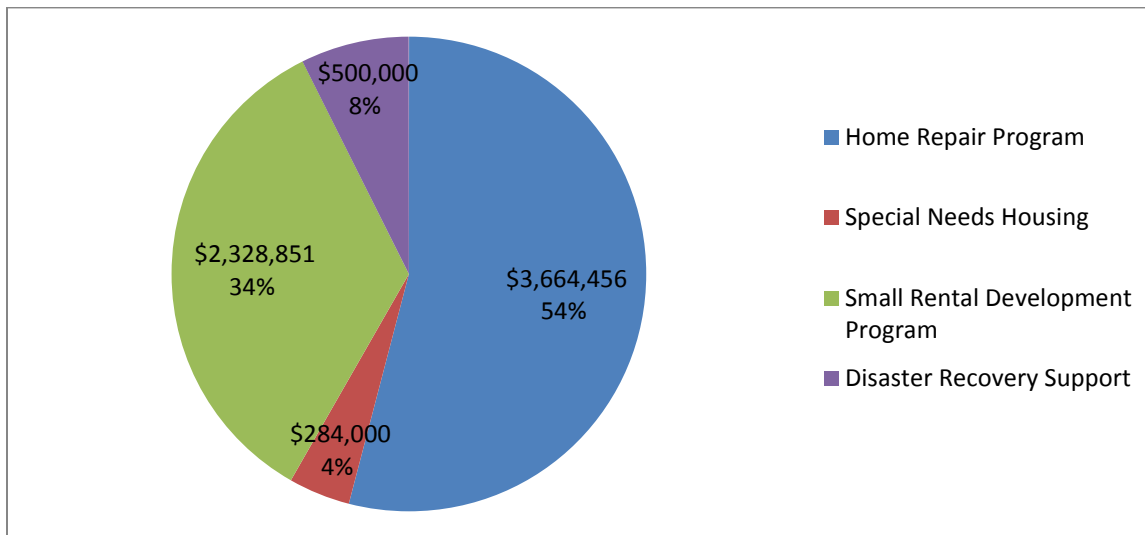
Introduction

The South Carolina Housing Trust Fund (HTF) provides financial assistance to qualified non-profit organizations and local governments in the construction and rehabilitation of affordable housing for low-income households¹ 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.

Currently, HTF allocates funds to four categories of activities:

- The Home Repair Program (HRP), which reimburses eligible grantees for essential repairs done on the owner-occupied home of a very low-income household;
- Grants for building group homes and supportive housing serving special needs populations;
- The Small Rental Development Program (SRDP), which combines HTF resources with those from the HOME Investment Partnerships Program and the National Housing Trust Fund to construct and preserve traditional rental housing consisting of between four and thirty-nine units; and
- Financial support to the South Carolina Disaster Recovery Office for the repair and replacement of homes damaged in federally designated natural disasters.

In total, during Fiscal Year (FY) 2020, **\$6,777,307** in HTF awards were made by SC Housing. This is down substantially from last year due to disruptions to HRP stemming from the emergence of the COVID-19 pandemic in March, as well a low number of SRDP applications in the 2019 funding round; SC Housing expects to fund far more applications in the 2020 round. As shown below, well over half of awards were for home repair activities, over a third going toward rental housing development. Special needs housing and disaster recovery support made up the remaining awards.



¹ 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.

Home Repair Program

HRP is designed to assist very low-income homeowners in making necessary repairs to their primary residence. The purpose of the program is to correct life, health and safety issues, provide accessibility for persons with disabilities, repair or replace major housing systems, and address structural problems. While SC Housing administers HRP, it is community-based non-profit sponsor organizations that identify eligible participants and hire contractors to complete the work; these entities must be approved by SC Housing to ensure that those in need are properly served. As of the end of FY 2020, there were 41 non-profits that are approved HRP participants.

HRP awards fall into two groups:

- Emergency Repair grants cover up to \$10,000 in repairs (plus a \$750 fee) to a single home that are necessary for the life, health, or safety of the occupant. Emergency repairs can involve no more than two construction trades.
- Owner-Occupied Repair grants cover up to \$100,000 in repairs for up to four homes (plus a \$2,250 fee per home) that cover a wider range of repairs, though non-profits are required to address life, health, or safety needs first before other structural deficiencies. This program was suspended in March due to COVID-19.

In FY 2020, SC Housing provided 227 Emergency Repair grants totaling over \$1.7 million serving homeowners in 34 counties statewide, as well as 31 Owner-Occupied Repair grants totaling over \$1.9 million that assisted 72 homeowners in 16 counties statewide. The distribution of this activity by county is provided in the table below. *Note: Grant total does not equal sum of counties, due to rounding.*

County	Homes	Grants
Abbeville	2	\$11,957
Aiken	2	\$17,165
Allendale	5	\$77,949
Anderson	17	\$206,318
Bamberg	0	\$0
Barnwell	4	\$89,073
Beaufort	11	\$227,702
Berkeley	17	\$305,269
Calhoun	1	\$10,342
Charleston	9	\$62,853
Cherokee	0	\$0
Chester	7	\$67,372
Chesterfield	2	\$54,500
Clarendon	8	\$63,338
Colleton	1	\$5,270
Darlington	0	\$0
Dillon	2	\$17,425
Dorchester	8	\$142,168
Edgefield	0	\$0
Fairfield	3	\$60,633
Florence	4	\$72,000
Georgetown	1	\$8,472
Greenville	51	\$482,111

Greenwood	4	\$27,437
Hampton	1	\$8,348
Horry	9	\$69,070
Jasper	0	\$0
Kershaw	1	\$8,690
Lancaster	0	\$0
Laurens	10	\$147,818
Lee	4	\$34,823
Lexington	9	\$71,307
McCormick	0	\$0
Marion	0	\$0
Marlboro	2	\$17,573
Newberry	2	\$10,525
Oconee	3	\$19,659
Orangeburg	4	\$50,654
Pickens	6	\$54,440
Richland	43	\$597,245
Saluda	0	\$0
Spartanburg	4	\$109,000
Sumter	24	\$323,784
Union	0	\$0
Williamsburg	4	\$32,922
York	14	\$99,250
Grand Total	299	\$3,664,457

Special Needs Housing

SC Housing administers two programs designed to serve the needs of vulnerable populations. These are a Group Home activity that provides capital to the Department of Disabilities and Special Needs (DDSN) and its affiliates for the development of permanent housing for DDSN clients and a Supportive Housing activity that helps fund construction or rehabilitation of temporary or transitional housing serving individuals with special needs. Both programs exclusively serve very low-income households and require the applicant to have at least 25% matching funds from other sources when requesting HTF dollars.

In FY 2020, \$284,000 was allocated from HTF for the acquisition of three group homes that provide special needs housing for 12 very low-income, permanently disabled individuals. These awards are summarized below.

Name	County	HTF Award	Developer
Gardendale CTH II	Lexington	\$84,000	United Cerebral Palsy of SC
Goshen CTH II	Berkeley	\$100,000	Berkeley Citizens Inc.
Wayton CTH II	Berkeley	\$100,000	Berkeley Citizens Inc.

CTH II is short 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. No more than four people live in each residence.”

Small Rental Development Program

SRDP allows the agency to fund a wider 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 (LIHTC). 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.

Four projects received HTF awards last fall in the 2019 SRDP round totaling over **\$2.3 million**; these properties will create **37 new rental homes**, 12 of which are directly funded by HTF, once complete. Each development will have one unit serving a mobility-impaired resident and one unit serving a sensory-impaired resident. A list of the properties, along with two brief profiles, is provided below.

Name	County	HTF Award	Population	Units	HTF Units
Sunset Park	York	\$314,738	Older Persons	6	2
Woodside	Greenville	\$1,140,000	Mixed	15	6
Accabee Acres	Charleston	\$394,113	General/Family	8	2
Golden Dream	Charleston	\$480,000	General/Family	8	2

Sunset Park

This project is specifically targeting older adults (62+) and is a part of The Resource and Education Development Initiative (REDI), a revitalization effort designed by the Housing Development Corporation of Rock Hill (HDCRH) to prioritize low-income neighborhoods throughout the city. In order to alleviate housing problems, and improve public safety and quality of life, REDI identifies neighborhoods with the greatest need and provides them with the resources of several agencies, programs, and funding sources. By doing so, REDI is able to make significant, impactful change where it is most needed in Rock Hill.

Golden Dream

This development is located in the Liberty Hill neighborhood of North Charleston, which was established in 1871 by four Freedmen along Mixson and Montague Avenues, one of whom is an ancestor of the owners of the Golden Dream property. The Liberty Hill neighborhood is now located in the heart of the Charleston metropolitan area and has seen a rise in real estate speculation in this historically African American neighborhood; this development will preserve affordable housing for local residents.

Following these awards, the structure of SRDP was changed substantially for the 2020 program year. Rehabilitation of existing housing was an authorized use of funds for the first time, as were supportive and transitional housing. A wider array of building types were allowed as well, ranging from scattered-site, single-family homes to traditional apartments. Last, scoring incentives were introduced to produce mixed-income housing developments as site selection criteria were brought in alignment with those in the LIHTC program. These changes led to 15 applications being received in 2020, up from seven in 2019, with final funding decisions due in the near future.

Disaster Recovery Support

In March 2020, the SC Housing Board of Commissioners authorized the transfer of up to \$3,000,000 to the state's Disaster Recovery Office (DRO), which rehabilitates or replaces homes for low-income households whose primary residence was damaged or destroyed in a federally declared natural disaster. These payments of no more than \$10,000 per home support DRO's mission to leverage federal funds to rebuild communities hardest hit by the 2015 floods and subsequent hurricanes that affected our state.

The first \$500,000 disbursement of these funds was used by DRO to help rehabilitate 32 owner-occupied homes and replace 18 others across 15 counties. Below is a breakdown of how and where these awards were allocated.

County	Replacement	Rehabilitation	Total
Berkeley	1	6	7
Calhoun	0	1	1
Charleston	1	3	4
Clarendon	1	4	5
Colleton	0	2	2
Darlington	0	3	3
Dorchester	3	2	5
Florence	1	3	4
Georgetown	3	2	5
Horry	1	1	2
Lee	1	2	3
Newberry	1	0	1
Orangeburg	0	1	1
Sumter	1	1	2
Williamsburg	4	1	5
Total	18	32	50