

REVISION
STATE OF SOUTH CAROLINA
NEIGHBORHOOD STABILIZATION PROGRAM (NSP) SUBSTANTIAL AMENDMENT
TO THE CONSOLIDATED PLAN 2008 ANNUAL ACTION PLAN

<p>Jurisdiction(s): South Carolina State Housing Finance and Development Authority (the Authority)</p> <p>Jurisdiction Web Address: www.schousing.com <i>Web Address for NSP Action Plan:</i> http://www.schousing.com/library/NSP/NSP%20Action%20Plan%20Draft.pdf Web Address for Additional Information: http://www.schousing.com/index.asp?n=785&p=5&s=852</p>	<p>NSP Contact Person: Nancy Fairley</p> <p>Address: 300-C Outlet Pointe Blvd. Columbia South Carolina 29210</p> <p>Telephone: 803-896-9343 Fax: 803-551-4883 Email: nancy.fairley@schousing.com</p>
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The South Carolina State Housing Finance and Development Authority (Authority) is proposing a revision to the NSP Substantial Amendment. Section G. of the approved NSP Substantial Amendment provides the description of activities that will be undertaken in Activity 1: Tier I – Local NSP Initiatives Program. The Authority as a direct provider of the NSP funds will be added to #(8) as a responsible entities to carry out eligible NSP activities, with particular emphasis on the following activity: §2301(c)(3)(A) - Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low and moderate income homebuyers. (CDBG activity = varies based on activity type B-E financing is done in connection with [e.g., acquisition] and includes direct homeownership assistance). Section G contained within the NSP substantial amendment has been provided below along with the revision:

G. NSP INFORMATION BY ACTIVITY

Activity 1: Tier I – Local NSP Initiatives Program

- (1) Activity Name: Tier I – Local NSP Initiatives Program
- (2) Activity Types: All five NSP-eligible activities will be allowed under this program:
 - §2301(c)(3)(A) - Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low and moderate income homebuyers. (CDBG activity = varies based on activity type B-E financing is done in connection with [e.g., acquisition] and includes direct homeownership assistance).
 - §2301(c)(3)(B) - Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent or redevelop such homes and properties. (CDBG activity = acquisition and rehabilitation).
 - §2301(c)(3)(C) - Establish land banks for homes that have been foreclosed upon. (CDBG activity = acquisition, disposition). §2301(c)(3)(D) - Demolish blighted structures. (CDBG activity = clearance/demolition).

- §2301(c)(3)(E) - Redevelop demolished or vacant properties. (CDBG activity = various including acquisition, disposition, public facilities, new construction).
- (3) National Objective: Low-Mod Housing, Low-Mod Area Benefit (depending upon the specific activity proposed).
 - (4) Activity Description: This program will be available only in the 20 counties identified in Attachment A of this Amendment. Projects will be solicited from entities in the 20 counties and selected through the RFA process previously described. Respondents for funding will be required to provide data on local needs and market conditions and to demonstrate how proposed projects will address such needs. Projects will provide housing units for low to moderate income persons as defined in the NSP at or below 120% of area median income. Some of this funding may benefit those below 50% of median income (the NSP requires that 25% of all funding do so); however, the Authority has a separate program set-aside to ensure that the 25% set-aside for those at or below 50 percent (50%) of area median is met.
 - (5) Location Description: The Authority has identified 20 counties within the “areas of greatest need” found in Attachment A. Specific locations will be identified through the RFA process.
 - (6) Performance Measures: Using an estimated average of \$150,000 per unit, the Authority anticipates that this program may provide as many as 159 properties. To the extent that activities other than residential housing are proposed (demolition, redevelopment of demolished or vacant properties for commercial or industrial use), that number will be less.
 - (7) Total Budget: \$29,037,900
 - (8) Responsible Organization: Entities will be selected through the RFA process previously described. Local governments, nonprofit entities, local housing authorities and for-profit entities are eligible to apply but must meet the experience and capacity requirements outlined in the RFA. In addition to selected entities the South Carolina State Housing Finance and Development Authority will carry out the activities outlined above.
 - (9) Projected Start Date: March 1, 2009
 - (10) Projected End Date: March 1, 2013
 - (11) Specific Activity Requirements:
 - Discount Rate: For acquisition activities, properties must be purchased at a 15% discount rate from the current appraised value.
 - Forms of Assistance: Funds will be provided in the form of a grant to respondents. Respondents will be allowed to propose reasonable terms of financing to individual homebuyers and other property owners that NSP funds are provided to at the local level via the RFA process. The Authority will ensure that interest rates and terms are reasonable and appropriate for low- to moderate-income beneficiaries.

For housing related activities:

- The tenure of beneficiaries will include both rental or homeownership to be determined through the RFA process.
- The duration or term of assistance and continued affordability will be ensured as outlined in Section C. This Amendment in keeping with the HOME Program recapture model will be using deferred, forgivable loans for a term of 5 or 10 years depending upon the amount of NSP funds provided on a per unit basis.
- Forms of Assistance: Funds will be provided in the form of a grant to respondents. Respondents will be allowed to propose reasonable terms of financing to rental property owners that NSP funds are provided to at the local level via the RFA process. The Authority will ensure that interest rates and terms are reasonable and appropriate for low- to moderate-income beneficiaries.