



South Carolina Housing Trust Fund
HOME REPAIR MANUAL

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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 in creating additional affordable housing units.

General Definitions

Application – The completed forms, schedules, attachments, and any additional documentation requested in the HTF application package.

Change Order – A request to change a project that has received an approved initial inspection by an Authority inspector. Such changes include but are not limited to, any change to the Work Write-up, a change in Contractor or Subcontractor, etc.

Contractor – The contractor selected for the project that must meet the contractor standards outlined in this manual.

Deed of Distribution – A document from the Probate Court which transfers the real property from a decedent's estate to those who inherit it. The Deed of Distribution must be recorded with the Register of Deeds or the Clerk of Court in the county in which the property is situated.

Funding Agreement - The written contract between SC Housing 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.

Household Income – The anticipated gross income of all adult household members to be received in the upcoming twelve (12) month period. For purposes of determining household income, the term household member includes any person who is 18 years of age or older that resides in the home, with the exception of foster adults or live-in-aides.

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

Nonprofit Organization - An organization that has been approved to participate in HTF activities via the process outlined in the South Carolina Housing Trust Fund Nonprofit Participation Manual.

Restrictive Covenant- A promise in a written agreement or a deed of real property that limits what the owner of the land can do with the property. Specifically in the HTF program, if applicable, the Restrictive Covenant ensures those who live on the property comply with HTF requirements, including, but not limited to, income limitation. The HTF's intent is for assisted property to be occupied by low-income individuals for twenty (20) years.

SC Housing – South Carolina State Housing Finance and Development Authority.

Site Specific - The site or parcel on which the housing unit(s) to be repaired is located.

Sponsor - A nonprofit organization approved to participate in the SC Housing Trust Fund.

I. Repair Program Guidelines

The HTF Repair Program is designed to assist very low-income homeowners in making repairs to their primary residence. The purpose of the program is to correct life, health and safety issues, provides accessibility for disabled persons, repair or replace major housing systems and address structural problems. All awards are subject to the HTF statues and regulations and all other applicable SC Housing requirements.

Where HTF Repair Program funds are not sufficient to complete the necessary repairs, Sponsors are encouraged to use other funding sources in conjunction with HTF. Where additional funding sources are being used, the Sponsor must provide a commitment letter from each funding source identifying the amount of funds, any conditions, whether funds will be provided as a loan or grant and the required lien position if applicable.

All necessary forms for applications, change orders, draws, inspections, etc. can be downloaded from our website at: <http://www.schousing.com/Home/SCHousingTrustFund>.

A. Eligible Sponsors:

1. The eligible Sponsors for the HTF Repair Program are nonprofit organizations approved to participate in the SC Housing Trust Fund. The approval process for nonprofits is contained in the Nonprofit Participation Manual.
2. Sponsors must operate within their defined service areas as defined in their Application for Participation and as evidenced in their Charter, Articles of Incorporation or By-Laws.

B. Eligible Properties:

1. Ownership of the property must be one of the following:
 - i. **Property Owned by Beneficiary:** The Sponsor must provide a warranty deed in the name of the beneficiary(s) for whom the funding is sought. The deed must be legible and recorded with the Register of Deeds or the Clerk of Court in the county in which the property is located. It must indicate the book and page numbers, the date recorded, and the office where recorded. Mortgages are not deeds and may not be submitted as proof that a property is eligible. Sponsors are responsible for obtaining a copy of the recorded deed for the beneficiary.
 - ii. **Property Owned by Beneficiary and Deceased Person:** The Sponsor must provide a warranty deed in the name of the deceased and the beneficiary(s) for whom the funding is sought, a Death Certificate, and a Deed of Distribution showing the property has been transferred to the beneficiary. The deed and Deed of Distribution must be legible and recorded with the Register of Deeds or Clerk of Court in the county in which the property is located. It must indicate the book and page number, the date recorded, and the office where recorded. If the Deed of Distribution transfers the property to persons in addition to the beneficiary(s) for whom the funding is sought, **all** owners of the

property will be required to agree to the proposed rehabilitation and to sign HTF-1A indicating such.

Where a person has acquired full title as the surviving party in a Deed of Joint Tenancy with Right of Survivorship, a copy of the filed deed must be provided along with a death certificate for the deceased co-title holder.

- iii. **Property Owned by Beneficiary as a Life Estate:** The Sponsor must provide a deed indicating a life estate in the name of the beneficiary(s) for whom funding is sought. The deed must be legible and recorded with the Register of Deeds or Clerk of Court in the county in which the property is located. It must indicate the book and page where recorded, the date recorded, and the office where recorded. The Sponsor must also provide documentation indicating the beneficiary(s) have been granted the right by the grantor of the life estate to encumber the property. The holder of the life estate and the person(s) to whom the property transfers after the life estate ends will be required to agree to the proposed rehabilitation.
2. Homes must meet the substandard housing definition/guidelines pursuant to South Carolina Code of Laws, Article 4, Section 31-13-410(7) as follows: housing which, by reason of dilapidation, deterioration, age, or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, unsanitary or unsafe conditions, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors, is conducive to ill health, transmission of disease, or has an adverse effect upon the public health, safety, morals, or welfare of its inhabitants. However, homes with excessive damage that cannot be repaired out of substandard condition with the available funding sources do not qualify for the repair program.
 3. The tax assessor's value (land plus improvements) of the property must not exceed 95% of the median purchase price for the area based on Federal FHA single family mortgage program data for existing housing and other appropriate data that are available for sale of existing housing in standard condition. These values for each county are listed in Appendix A.
 4. Homes must not have an existing HTF lien recorded against the property.
 5. Repairs to manufactured housing/mobile homes are only permitted for the ER activity. Manufactured housing/mobile homes must have been built within twenty (20) years of the date of the application. The beneficiary must own the manufactured housing/mobile home and must have a deed to the land and title or proof of ownership of the home. Proof of ownership of the mobile home must include one or more of the following documents: Title from the Department of Motor Vehicles; Property tax bill from the most recent tax year which specifically includes the mobile home; and/or a mortgage statement or sales contract for the mobile home. While SC Housing retains its sole discretion in determining whether sufficient proof of ownership of the mobile home has been provided, SC Housing will not process or approve an application unless at least one of the required documents identified above is provided.

6. Property also serving as a place of business is not an eligible property.
7. Repairs will not be performed on a home that is in the process of being foreclosed. The Sponsor must provide documentation from the tax assessor office stating the property taxes are current and written verification from all entities with liens on the property stating that the account is in good standing and that the foreclosure proceeding have not been initiated or a current copy of the mortgage statement(s)

C. Eligible Beneficiaries:

1. Beneficiaries must own and reside in the property as their primary residence for a minimum of two (2) years prior to application.
2. Approved Sponsors and their employees (voluntary or paid), are not eligible beneficiaries.
3. Beneficiaries must be very low-income with gross annual incomes that do not exceed fifty percent (50%) of the area median income. Current income limits are available on SC Housing's website at:
<http://www.schousing.com/Home/PartnerIncomeLimits>.
 - i. Annual Income is determined by taking the total income from all sources for the twelve month period preceding the date of certification of income for every member of the household that is 18 years old and older.
 - ii. A Sponsor must determine the household income by examining and verifying some documents evidencing annual income (e.g., wage statement, interest statement, assets and unemployment compensation statement). If it is discovered at any time before, during, or after the project has been completed that the Sponsor did not properly and lawfully verify a beneficiary's complete household income, the Sponsor will be required to refund the entire HTF award and may be disqualified from further participation in the HTF Program.
 - iii. Sponsors must identify and verify all sources of income for each household member. The Income and Asset Verification (HTF-3A) form must be completed by the Sponsor and signed by the beneficiary(s). Third party income verification documentation is required for all anticipated annual income, must not be older than six (6) months and must be submitted with the application. Sponsors are responsible for ensuring all forms of income are identified and documented. Income tax returns will be accepted only in situations where no other income information is available. Additionally, the tax returns must have all pertinent information correctly identified; all schedules included and must not be more than one (1) year old or from the prior tax year.
 - iv. Sponsors are required to collect the following documents from all household members to determine eligibility:
 - a. Paystubs for the most recent thirty (30) day period
 - b. Last year complete tax returns with W-2s.

- c. Year-to-date financial statements (profit & loss /balance sheet and two (2) years tax returns for self-employed homeowners.
 - d. Court order alimony or child support. Adequate documentation must be obtained from Clerk of Court (i.e., divorce decree or any other official court ordered document).
 - e. Full documentation for income such as social security, benefits, disability benefits, retirement, pension, VA compensation, public assistance, dividends, interest, note receivables and trust income.
 - f. Most recent bank statements of checking and savings account.
 - g. Most recent statement of 401k, pension and investment accounts.
 - h. Documentation of unemployment benefits.
 - i. Copy of most recent mortgage statement.
- v. Liquid assets may not exceed twenty (20%) of the value of the home (not including 401K or retirement).
- vi. Beneficiaries and household members who report zero income for the twelve (12) months preceding the date of application submission must each provide all of the following documentation:
- a. Certification of Zero Income (HTF-3C) form – In addition to certifying, a narrative explaining the circumstances resulting in a zero income must be provided on HTF-3C; the Sponsor must also certify
 - b. A copy of federal income tax returns that are not more than one (1) year old or from the prior tax year. The tax returns must have all pertinent information correctly identified and all schedules included. If tax returns do not exist, please indicate such on the Certification of Zero Income (HTF-3C) form.
 - c. If the entire household is reporting zero income, there must be documentation showing how utility bills are being paid. An example would include copies of cancelled checks showing who paid the bills, a notarized letter from the individual who regularly pays the monthly bills, etc.
 - d. SC Housing may perform a detailed review of all zero income certifications. Additionally, SC Housing may request a completed and executed IRS Form 8821 which will authorize SC Housing to inspect or receive confidential income information from the IRS verbally or in writing for the current year's filed taxes. This will be in addition to current HTF income certification forms and will be requested as needed.

D. Eligible Repairs:

1. The only permitted repairs are health and safety issues related to the following:
 - i. Handicap ramps and Accessibility improvements
 - ii. Sewer / Septic systems
 - iii. Water wells; Water Heater
 - iv. Roofs
 - v. Fascia and Soffit that completes roof system
 - vi. HVAC equipment or system
 - vii. Exterior Doors and Windows
 - viii. Exterior Surfaces
 - ix. Electrical
 - x. Plumbing
 - xi. Structural repairs
 - xii. Attic insulation or Ductwork only with HVAC install

2. Sponsors must prioritize repairs into the following categories:
 - i. Primary Repairs (health and safety related issues)
 - ii. Secondary Repairs (associated with health and safety repairs)
 - iii. Energy Efficiency Repairs (weather stripping, insulation, storm window, energy-efficient doors, sealing of ducts and etc.)

E. Limitations on Awards:

1. Sponsors are not eligible to submit applications for the OOR activity until successfully completing, as determined by SC Housing, at least five (5) ER projects.
2. SC Housing may limit the number of open awards for each Sponsor based upon progress and performance of the Sponsor. Specifically, SC Housing may deny applications where records indicate the Sponsor's previous performance shows incidences involving substantiated unresolved Contractor and/or homeowner complaints, the Sponsor missing scheduled inspections and/or project completion deadlines.
3. A Sponsor may not apply for a second OOR Block Grant unless the open OOR Block Grant is at least 50% completed and disbursed. Funds will not be drawn from the new Block Grant until the previous Block Grant is fully completed and all funds have been disbursed.
4. If the Sponsor does not commit or expend funds according to the timeframes specified for the activity, SC Housing may deny future applications for funding from the agency until the projects are closed. Additionally, awards may be terminated at any time prior to expiration due to documented evidence of unsatisfactory productivity.

II. Eligible Activities

There are two permitted activities in the HTF Repair Program: Emergency Repairs and Owner-Occupied Repairs. The two activities are described in this section.

A. Emergency Repairs (ER)

The ER activity is designed to assist very low income homeowners in making needed and essential repairs to their homes to eliminate life, health and safety issue to the occupant. This activity is limited to a two (2) trade repair.

The repair must meet one or more of the following conditions:

- Not covered by existing insurance
- If not repaired immediately, the condition would cause further or irreparable damage; and/or
- The existing heating, cooling, electrical, or plumbing system is not functioning.

Funding Limitations

| | |
|---|----------|
| Maximum Subsidy per beneficiary/property: | \$10,000 |
| Maximum Developer Fee: | \$750 |

Timeline for Completion:

The ER application must be closed out within 60 days of initial inspection approval. To be closed out, all paperwork must be finalized and project funds disbursed.

B. Owner-Occupied Repairs (OOR)

The OOR activity is designed to assist very low income homeowners in making needed and essential repairs to their homes. Funding will be reserved as a block grant to the Sponsor for repairs to up to 4 homes. Sponsors must submit an OOR Block Grant Application for approval of allocated funds. The homes proposed for repair must be identified within the application.

Funding Limitations

| | |
|-------------------------------------|--------------------------------------|
| Maximum Block Grant: | \$109,000 (including developer fees) |
| Maximum Amount per property: | \$25,000 (plus developer fee) |
| Maximum Developer Fee per property: | \$2,250 |

Timeline for Completion:

Each OOR application must be closed out within 120 days of initial inspection approval. To be closed out, all paperwork must be finalized and project funds disbursed.

III. Application Process

Sponsors must submit all pages of the application and any required documentation as identified in the application checklist. All applications must include all supporting documentation and must be submitted in the order listed on the checklist. Applications submitted with outdated applications, forms, etc. will not be accepted. SC Housing will not rely on any previously submitted information, written or verbal, to evaluate the applications.

Applications may be obtained on SC Housing's website:
www.schousing.com/Home/SCHousingTrustFund

A. OOR Block Grant Applications

Block Grant applications for the OOR activity are accepted during four (4) designated funding cycles. For a list of funding cycle/applications deadlines, please visit: <http://www.schousing.com/HOME/SCHousingTrustFund>.

In order to be considered, block grant applications must be received at SC Housing's office prior to the close of business on the submission deadline date.

Applications may be emailed or may be delivered by mail, other shipping service, or by hand delivery as follows:

SC Housing Finance and Development Authority
Attn: Development Division, HTF OOR Block Grant Application
300-C Outlet Pointe Blvd
Columbia SC 29210

Block Grants must be approved by the SC Housing Board of Commissioners. Once approved, a funding agreement will be submitted to the Sponsor for execution. Once the Funding Agreement has been executed and returned to SC Housing, property repair applications may be submitted one-at-a-time or all together. These applications should not be included with the Block Grant application.

B. Property Repair Applications

Applications for repairs to an eligible property can be submitted at any time, and are not subject to individual approval by the SC Housing Board of Commissioners. Applications may be delivered by mail, email or hand delivery as follows:

SC Housing Finance and Development Authority
Attn: Development Division, HTF Property Repair Application
300-C Outlet Pointe Blvd
Columbia SC 29210

The property repair application and all items identified on the checklist must be submitted for each beneficiary. The property repair application requires the submittal of photographs. All submitted photographs must be in color and at least 3x5 in size and all photographs should be taken from a distance that clearly identifies the home and the necessary repairs.

Once an application for repair is received, SC Housing reviews the application for completeness. The Sponsor will receive a letter of notification as to any missing or incomplete items. If the requested information is not provided within thirty (30) days, then the application will be deemed withdrawn.

If an application meets all the general guidelines and eligibility requirements of the activity, the application will be processed as follows:

1. SC Housing will order an initial inspection with the SC Housing construction staff.

2. Should the initial inspection be denied and a revised Work Write-up inspection is required, there will be a \$25.00 deduction from the Sponsors developer's fee. An additional \$25 will be deducted for each denial requiring a revised Work Write-up inspection.
3. Once the initial inspection approval is given by SC Housing Inspection staff and received by the Program Management staff, the Sponsor must submit copies of all necessary building permits as well as a copy of the paid invoice/receipt. There will be no exceptions. Generally, the "job value" amount listed on a building permit or a combination of building permits should equal the total Work Write-up amount. To ensure permits are matched with appropriate projects, Sponsors are to write the HTF project number on the permit and receipts.
4. After the required building permits are received, SC Housing will send the Sponsor a sample Agreement for Residential Repair Services and a Funding Agreement (for the ER activity) or a Restrictive Covenant (for the OOR activity). The Sponsor must return an executed copy of the Agreement for Residential Repair or an agreement with the contractor in substantially the same form and the Funding Agreement or Restrictive Covenant to SC Housing before work can begin on the project. The Sponsor must have the Restrictive Covenant recorded at the Register of Deeds/Clerk of Court's Office in the county in which the property is located.
5. 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 suspended from the HTF program.
6. Any changes to the scope or cost of the approved Work Write-up must be addressed by the Sponsor using the Change Order Process as outlined in this manual.
7. Interim draws for payment are not permitted under any Home Repair activity.
8. When work is complete, the Sponsor may request a final inspection by submitting the following:
 - a. (HTF-2A) Inspection Request Form
 - b. Approved final inspection from local building department.
 - c. Pictures of all completed repairs - must be in color, at least 3X5 in size and taken from a distance that clearly identifies the home.
 - d. HVAC Product/Equipment Registration - verification of warranty registration.
 - e. (HTF-2D) Certification of Work Completed

Roofing photographs taken during the different phases of the roof install must include: Bare sheathing, New sheathing, Synthetic felt, Valley lining, Step and counter flashings, Chimney flashings, Roof deck cut out for ridge vent and Drip edge

Photographs of all demo work and hidden repairs must be provided, including but not limited to: Crawl space, Duct Work, Plumbing, Electrical, Attic, Ceiling joist, and Rafters.

Failure to submit photographs as described above may result in a reduction in final payment in an amount determined by SC Housing commensurate with the work costs associated with the work that is not sufficiently documented by photographic evidence.

9. Should a final inspection be denied, there will be a \$25.00 deduction from the Sponsors developer's fee for each re-inspection.
10. Once the final inspection is approved, the Sponsor may submit a construction cost payment request on HTF-4A Request for Payment form, along with the following documentation:
 - a. Copy of Contractor's Invoice for work completed.
 - b. (HTF-4A) Draw Request for Construction Costs
11. Once the Sponsor receives the construction costs payment for completed project, the Sponsor has fourteen (14) calendar days to deliver payment and obtain the signature of the Contractor using the Final Payment Certification (HTF-4C) form, indicating that the Contractor has received payment in full for construction work performed.
12. Once the Contractor has received payment for the work, the following items must be submitted to SC Housing.
 - a. (HTF-4A) Draw Request for Developer Fee (unless already submitted)
 - b. (HTF-4C) Certification of Payment
 - c. Copy of cashed/cancelled check given to the Contractor by the sponsor reflecting full payment for all construction cost.

If a two trade repair has been completed, the Sponsor must provide b. and c. above for each contractor.

If an executed HTF-4C Form and cancelled check are not returned to SC Housing in a timely manner, the nonprofit Sponsor will risk debarment from all HTF activities.

13. The Sponsor is required to provide the beneficiary with a copy of all documentation that the beneficiary signed throughout the application process within two weeks of project completion. If copies are not provided after the project has been completed and closed-out, the Sponsor may be suspended for (6 months). Upon the second occurrence within 6 months of active participation, the sponsor may be suspended for (1 year).

IV. Rehabilitation Guidelines

The Sponsor must ensure a physical on-site repair assessment is completed by their contractor prior to the submission of an application. The Sponsor must use SC Housing's Work Write-up (HTF-2B) form to document repairs to be conducted at the property. The Work Write-up (HTF-2B) must be completed by the Contractor and be submitted as part of the application.

Each page of the Work Write -up must have original signatures and dates from the Sponsor, Contractor and Homeowner. It must contain complete information regarding the Contractor and Subcontractors and costs for each line item must be reported separately.

A. Allowable Costs

All Work Write-ups must reflect costs within the allowable costs and item/material specifications listed on the Construction Cost Sheet. The Construction Cost Sheet can be found on SC Housing's HTF webpage at:

<http://www.schousing.com/HOME/SCHousingTrustFund>.

Project Hard Costs: These costs include the *actual construction costs* needed to meet SC Housing and local construction standards and/or essential improvements such as the following:

- 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

Soft Costs: These costs are the *reasonable and necessary costs* related to the project hard costs. SC Housing will only allow and reimburse building permit fee(s). A copy of the paid invoice/receipt must be provided before construction work begins. It must clearly show the governmental department that issued the permit and how much was paid for the permit

B. Prohibited Costs

With the exception of its Developer Fee, the Sponsor may not pay any of its administrative costs with HTF funds. The following costs are prohibited:

- 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
- Additions to an existing structure
- Mold assessment, mold sampling, mold treatments, mold prevention, mold abatement, mold remediation, mold removal, etc.
- Relocations expenses of residents
- Landfill fees, Dumpster, Portable Toilet
- Blue prints or plans.

C. Cost Reasonableness

SC Housing will perform a cost reasonableness evaluation of the proposed rehabilitation and may adjust the requested funds amount based on a review and an inspection of the property. Sponsors are strongly encouraged to ensure applications submitted are cost reasonable to prevent adjustments or a rejection of the application. Detailed, itemized information must be submitted and should include costs identified separately by line item.

D. Contractor Standards

All contractors and/or subcontractors may not work on more than five (5) emergency repair and four (4) owner-occupied rehabilitation units or exceed their LLR dollar limitations, whichever is less.

A contractor hired to complete an OOR repair must be a Residential Builder (RBB, RBW), or a General Contractor (BD, LB, UB).

Contractors hired to complete an ER repair and all subcontractors hired for an OOR repair must have an appropriate trade license as follows:

- Licensed by the SC Dept. of Labor Licensing and Regulation and/or DHEC with one of the following licensures:
 - a. Waste Water, DHEC
 - b. Water Well
 - c. Residential Specialty Contractor:
 - RBS - Vinyl and Aluminum Siding
 - RBS- Insulation
 - RBS - Roofer
 - RBS - Floor Covering
 - RBS - Mason
 - RBS - Dry Wall
 - RBS – Carpenter, nonstructural license.
 - RBS – Painters/Wall Paper
 - d. Residential Builder classified as:
 - RBB – Residential Builders License
 - RBW - Residential Builder Exam Waiver with Mechanical Trades restriction.
 - RBE – Residential Specialty Contractor Electrical License
 - RBH – Residential Specialty Heating and Air License
 - RBP – Residential Specialty Plumbing License
 - e. Mechanical Contractor classified as:
 - AC – Air Conditioning
 - PK – Packaged Equipment
 - EL – Electrical
 - PB – Plumbing
 - f. General Contractor classified as:
 - BD – Building Includes (GR, IR, MB, MS, SS, WF)
 - LB – Limited Building
 - UB_ Unlimited Building.
 - GR – General Roofing
 - SR – Specialty Roofing

All Contractors must have:

- An “ACTIVE” status with LLR or DHEC;
- Surety Bond on File with LLR;
- An effective \$1 million General Liability insurance policy; and
- A Worker’s Compensation policy.

All licenses, bonds and policy(s) must be current and not expire before the Repair project is completed. Copies of the current LLR/DHEC Contractors license, LLR/DHEC status, and insurance must be submitted as part of the application package. SC Housing may verify Workers’ Compensation insurance coverage, including, but not limited to, verifying coverage on the Workers’ Compensation Commission’s website or contacting the insurer.

SC Housing may require additional information not listed above at its discretion, including but not limited to, quarterly or yearly Workers’ Compensation insurance audits.

If the SC Housing discovers any person working on an HTF project is unlicensed, uninsured or not listed as a Subcontractor, SC Housing may suspend or debar the Contractor, Subcontractor, etc. from any other work on HTF projects. In addition, any Sponsor who attempts to circumvent, falsify, manufacture, or otherwise attempts to avoid these requirements may be suspended or debarred.

A subcontractor is a business/person that is hired by the Contractor to perform a specific task as part of the overall project.

- Specialty Contractors are not authorized to subcontract.
- Labor only sub-contractor(s) are not allowed.
- For the OOR activity, subcontractors are permitted. For the ER activity, the Sponsor may use two differently licensed individual contractors to complete the repairs, but may not use subcontractors. Sponsors will pay each contractor separately and collect a (HTF-4C) Certification of Payment and a copy of the cashed/cancelled check given to the Contractor by the Sponsor reflecting full payment for all construction costs for both contractors.

E. Construction Standards

The Sponsor must engage in a written agreement/contract with its Contractor that specifically acknowledges SC Housing standards to perform rehabilitation work. The Contractor(s) must provide all labor and materials and all work must be in compliance with the 2018 International Residential Code (IRC) and all state and local revisions. The contractor must contact the building code official within the locality in which the proposed construction repairs are to be undertaken. The locality’s building inspector must review the Work Write-ups and ensure all code and local requirements are being met with respect to the work being undertaken. **SC Housing does not require bringing the entire home up to current code, but all repairs undertaken must meet current code and SC Housing standards.**

Additionally, SC Housing requires the work to rehabilitation work to comply with the following:

- 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 material used shall be new, in good condition and of standard grade.
- All work regarding handicapped accessibility must meet the requirements of ANSI Section A117.1
- For all OOR's hard-wired, inter-connected smoke and carbon dioxide detectors with battery back-up must be installed in every unit as required by the 2018 International Residential Code (IRC). Use of wireless smoke and carbon dioxide detectors must be approved by Authority Inspectors.
- For all ER's hard-wired smoke and carbon dioxide detectors are not required. Lithium ten (10) year, battery operated, wireless, interconnected smoke and carbon monoxide detectors can be installed at the beneficiary's request.

For Roofing work:

Roofs that are leaking or have holes or patches may be replaced. Townhomes, duplexes or other owner-occupied homes that have shared wall(s) are not eligible for roofing replacement unless all shared wall(s) households are income eligible; or have a parapet wall in place on the roof line.

Roof replacement must include:

- Complete tear off down to bare roof deck.
- Replacement of damaged sheathing.
- New synthetic felt.
- Drip edge.
- Step and counter flashings.
- Chimney flashings.
- Valley lining.
- Ridge vent.
- Pipe boots.
- Roof penetration flashing. Example range hood vent, gas vent.
- Replacement and /or painting of fascia, soffit, siding or trim if necessary.

Racking application of shingles is prohibited. Documented water damage to ceilings and walls may be repaired as part of the roof replacement. Replacement of existing metal roofing is allowed. Metal roofing must be installed per manufacturer's recommendations including all trims.

For HVAC work:

- HVAC systems must have minimum rating of 14 seers.
- HVAC equipment repair or replacement, less than 13 years old, must include a complete evaluation/review of the unit, insulation, duct work and thermostat from a licensed HVAC company. A copy of the evaluation/review must be included in the application.
- HVAC Equipment may be replaced.
- New First time HVAC systems may be installed.

- Duct work may be repaired or replaced but must be appropriately sized and insulated.
- HVAC equipment must be registered thru the manufacture for the warranty by the Contractor. A copy of said warranty registration must be provided with the request for final inspections.
- Attic insulation should be upgraded or installed to R-30 minimum.
- It is the Sponsor's responsibility to inform the homeowner of increased utility rates and impact of inadequate insulation. A 200 AMP service upgrade to electrical is permitted if necessary for HVAC install.

Exterior Doors and Windows - Those that are missing or broken may be repaired or replaced. Broken glass will be repaired if possible. Exterior door replacements must include new locksets and hardware, including thumb latch deadbolt. Windows will not be installed for weatherization alone.

Handicap Accessibility - Installation or repair for disabled or handicapped beneficiaries must meet ADA requirements for; exterior ramps, handrails, accessibility to bathrooms including grab bars and wheelchair accessible showers. Sponsor may be required to provide documentation demonstrating need for installation/repairs.

Plumbing System - Systems or fixtures that are nonfunctioning or malfunctioning may be repaired or replaced.

For sewer/septic systems, existing systems that are nonfunctioning or malfunctioning may be repaired or replaced. A detailed quote from DHEC licensed septic tank contractor is required.

For water wells, existing water wells with broken pumps can be repaired or replaced. In the event existing water wells have gone dry, ER funds can be used to dig the well deeper or dig a new well. A detailed quote from LLR licensed well driller contractor is required.

Electrical - Exposed wiring may be repaired or replaced throughout the house. GFI's will only be replaced in the kitchen or bathroom if electrical repairs are being conducted in these rooms. Electrical upgrades are allowable when there is a safety hazard present and requires detailed quote from licensed electrician.

Structural - Any part of the foundation, floor system, sub-flooring, wall, ceiling joist, rafters and other items affecting structural integrity may be repaired or replaced

Flooring - May be repaired or replaced but only if repairs to the floor system resulted in the need or there are extenuating health issues. Sagging floors or damaged flooring may be repaired or replaced if the sagging or damage presents a tripping hazard to the handicapped or disabled

Porches - All existing railings, steps, landings and ramps should be sturdy and reliable. New installation or repair of railings, steps, landings and ramps must be installed to meet code requirements. For handicap or disabled beneficiaries they must be installed to meet ADA requirements.

Exterior surfaces - Exposed surfaces should be either painted or covered in an acceptable material, such as vinyl. Damaged exterior surfaces may be repaired or replaced.

Weatherization – Insulation, caulking, vapor barrier and/or weather-stripping. Attic insulation, should be installed or upgrade to R-30 minimum and must install depth tape and insulation card that are placed in attic.

F. Inspection Process

SC Housing Inspectors schedule inspections in the most efficient and timely manner possible. Inspectors will do their best to make appointments that satisfy all individuals involved. Inspections are typically scheduled on Mondays and conducted Tuesday-Friday. Ongoing “special requests” will not be honored. The Sponsor, Beneficiary and Contractor must be present for all inspections.

SC Housing Inspectors must be permitted to communicate with all parties involved in the repair project at any time.

G. Changes to Project after Work Write-up Approval:

Any changes to the scope or cost of the rehabilitation work after the Sponsor receives an approved initial Work Write-up must be communicated with the inspector, submitted in writing and approved by SC Housing. The Sponsor must submit a completed, signed Change Order Request (HTF-2C) form that is signed by the Sponsor, Contractor, and the Beneficiary.

SC Housing’s inspector will review the proposed Change Order and either approve or deny the request. SC Housing will communicate its decision to the Sponsor in writing. SC Housing may revoke a portion or the entire award if a Sponsor makes changes to the project without prior approval.

A request to change the contractor must be substantiated and involve extenuating circumstances. The sponsor must submit another initial inspection request along with a new Work Write-up executed by the new contractor (‘s) following all the previous guidelines. SC Housing will review the requested Contractor change to determine if it will be allowed and conduct an inspection of the project. If a Contractor change is approved by SC Housing, the 60/120 day timeline for completion are is still in effect from the original inspection approval date.

Housing Trust Fund Program

Appendix A

Home Value Limits

Effective April 6, 2020

For purposes of the South Carolina Housing Trust Fund Home Repair Program, property will **NOT** be considered substandard or eligible for repair if its tax assessor's value (land plus improvements) exceeds the following maximum amount per county:

| | | | |
|---------------------|-----------|---------------------|-----------|
| Abbeville County | \$142,000 | Greenwood County | \$142,000 |
| Aiken County | \$148,000 | Hampton County | \$142,000 |
| Allendale County | \$142,000 | Horry County | \$180,000 |
| Anderson County | \$159,000 | Jasper County | \$156,000 |
| Bamberg County | \$142,000 | Kershaw County | \$159,000 |
| Barnwell County | \$142,000 | Lancaster County | \$181,000 |
| Beaufort County | \$228,000 | Laurens County | \$142,000 |
| Berkeley County | \$221,000 | Lee County | \$142,000 |
| Calhoun County | \$152,000 | Lexington County | \$152,000 |
| Charleston County | \$267,000 | McCormick County | \$142,000 |
| Cherokee County | \$142,000 | Marion County | \$142,000 |
| Chester County | \$142,000 | Marlboro County | \$142,000 |
| Chesterfield County | \$142,000 | Newberry County | \$150,000 |
| Clarendon County | \$144,000 | Oconee County | \$150,000 |
| Colleton County | \$162,000 | Orangeburg County | \$142,000 |
| Darlington County | \$143,000 | Pickens County | \$180,000 |
| Dillon County | \$142,000 | Richland County | \$155,000 |
| Dorchester County | \$221,000 | Saluda County | \$153,000 |
| Edgefield County | \$152,000 | Spartanburg County | \$154,000 |
| Fairfield County | \$152,000 | Sumter County | \$142,000 |
| Florence County | \$149,000 | Union County | \$142,000 |
| Georgetown County | \$223,000 | Williamsburg County | \$142,000 |
| Greenville County | \$185,000 | York County | \$206,000 |