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I. **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.

Non-profit entities can apply to participate in HTF activities via the process outlined in this manual.

II. **Definitions**

**Board Chairperson/Board President** – The individual designated to lead the board of directors/trustees for an organization.

**Board of Directors (aka Board of Trustees)** - A recognized group of people who jointly oversee the activities of the organization.

**Chief Executive Officer (CEO)/Executive Director/President** – The chief officer of the organization who runs the day-to-day operations of the organization.

**Consulting Organization** - A nonprofit that has more than twelve (12) months of experience in housing development utilizing Housing Trust Fund funding that is currently an SC Housing approved nonprofit.

**Liquid Assets** - SC Housing defines liquid assets as cash, cash equivalents, and investments held in the name of the entity(s), including cash in bank accounts, money market funds, U.S. Treasury bills, and equities traded on the New York Stock Exchange or NASDAQ. Certain cash and investments will not be considered liquid assets, including, but not limited to: stock held in the applicant’s own company or any closely held entity, investments in retirement accounts, cash or investments pledged as collateral for any liability, and cash in property accounts including reserves.

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

**SC HTF** - The South Carolina Housing Trust Fund as administered by SC Housing.
III. Application Process

Applications for approval to participate in HTF program activities can be submitted at any time. The application and required supporting documentation can be found on SC Housing’s website:

www.schousing.com/Home/SCHousingTrustFund

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

South Carolina State Housing Finance and Development Authority
Attn: DEVELOPMENT DIVISION
Nonprofit Participation Application
300-C Outlet Pointe Blvd.
Columbia, SC 29210

- Facsimile transmissions will not be accepted.
- Provide one (1) original application, no additional copies are needed.

SC Housing will first review submitted applications for completeness. Organizations 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.

SC Housing will review complete applications to verify eligibility in accordance with the requirements outlined in this Manual. If clarification is needed regarding submitted materials, SC Housing will notify the applicant.

SC Housing will make best efforts to notify the applicant whether they have been deemed ineligible or have been approved to participate within ten (10) business days of receiving a complete application. All approvals will be for a period of two (2) years, assuming no changes to the information submitted with the application that would deem the applicant ineligible.

A list of Nonprofits approved for participation will be maintained on SC Housing’s website.

IV. Eligibility Requirements

To be eligible for participation in HTF activities, a nonprofit organization must meet all of the following requirements:

1. Organizations must have been in existence for at least one (1) full year.
2. **Tax Exempt Status** - An organization must have received a tax-exempt ruling from the Internal Revenue Service (IRS) under one of the following permissible designations under Section 501(c) of the Internal Revenue Code of 1986:

   a. 501(c)(3) status - a charitable, nonprofit corporation; or
   b. 501(c)(4) status - a community or civic organization

   The applicant must provide one of the above designation letters from the IRS. Additionally, the applicant must provide its most recent income tax return or IRS Form 990 (with evidence of delivery to the IRS).

3. **Good Standing with SC Secretary of State** – The applicant must be registered as a nonprofit corporation and in good standing with the South Carolina Secretary of State.

   For applicants that have not participated in the SC HTF program previously, the applicant must provide a certified copy of its Articles of Incorporation. All applicants regardless of past participation must provide a Certificate of Good Standing from the South Carolina Secretary of State. A certified copy of the Articles of Incorporation and a Certificate of Good Standing can be obtained by visiting the Secretary of State’s web page at: [www.scsos.com](http://www.scsos.com), clicking on “Corporate Search” and searching for the nonprofit name.

4. **Mission and Defined Service Area** – The applicant must have a clear mission of developing or preserving affordable housing within a defined service area.

   The applicant must provide a copy of its signed and dated By-Laws. The By-Laws must include all of the following information, which must be highlighted:

   a. a clear housing purpose, such as a provision to provide safe, sanitary and affordable housing to low and moderate income families;
   b. a description of the applicant's defined service area

   The applicant must provide a map and description of the service area.

5. **Experience** – For applicants that have not participated in the SC HTF program previously, the applicant must provide documentation that it has at least one (1) full year of experience in affordable housing development. At a minimum, documentation must include:

   a. A summary of projects that the Applicant participated in or completed, including a letter from the funding partner that financed the project where applicable.
   b. Pictures documenting the projects included in the summary.
An organization that has less than one (1) full year of affordable housing development experience may utilize a Consulting Organization to meet this requirement. However, the Consulting Organization may not be partnered with more than one (1) newly created nonprofit at a time nor can the partnership exceed more than one (1) HTF program year. SC HOUSING MUST GIVE PRIOR WRITTEN APPROVAL FOR A NONPROFIT TO BE A CONSULTING ORGANIZATION. The applicant must provide all of the following:

a. An executed contract between the Applicant and the Consulting Organization stating what services will be provided by the Consulting Organization and a description of each of the organizations’ respective responsibilities

b. A detailed Training Plan that will be used to train the Applicant’s key staff members or its principal officers. The plan must address all of the following areas of training: scope of work, staff to be trained, costs, timeline with specific objectives to be reached by specific dates, and a completion date.

c. A completed and executed Attachment A, Consultant Disclosure

d. Resume(s) of the Consulting Organization’s key contact person(s).

6. Staffing Capacity - An applicant must demonstrate the capacity of its key staff to carry out HTF activities.

All applicants must have all items listed below:

a. full-time staff person, who can be a volunteer;
b. office telephone number with a large capacity voice mail;
c. computer with internet access;
d. working e-mail address; and
e. a scanner and color printer.

To demonstrate staffing capacity, the applicant must provide all of the following:

a. A completed Attachment B, Organization Staff Members

b. A copy of the Applicant’s organization chart which visually represents the staffing structure of the organization, including staff names and titles.

c. Resumes of all key staff members and principal officers associated with implementing the activities of the HTF program, noting experience relative to housing programs.

The organization’s Chief Executive Officer (CEO)/Executive Director/President cannot also serve as the organization’s Chief Financial Officer (CFO) or Financial Representative. Also, the Board Chairperson/Board President cannot also be the organization’s Chief Executive Officer (CEO) /Executive Director/President and/or the organization’s Chief Financial Officer (CFO)/Financial Representative. These three separate jobs must be held by three (3) separate individuals.
7. **Board Requirements** – The applicant’s board must have a minimum of five (5) board members with no less than 80% of its members residing within the defined service area. The application must include a completed Attachment C, Board of Directors Status Information.

The Board must comply with the following requirements:
- Members of the board cannot be related to one another by blood, marriage and/or business relationships
- The term of service must be for a specific time period and cannot be a lifetime term
- Board members cannot also serve as staff members
- Board members must not serve as a member of an approved non-profit organization participating in the HTF program.

The application must include copies of all board meeting minutes for the twelve (12) months prior to application submission. The minutes must be signed and dated by the appropriate board officer.

8. **Financial Capacity** – The Applicant must demonstrate that it is financially viable and has a financial management system in place that provides proper controls and reporting of the organization’s activities. The Applicant must have minimum unrestricted Liquid Assets of ten thousand dollars ($10,000).

To demonstrate financial capacity, the Applicant must provide:
- Financial statements that have been reviewed or audited by an independent CPA licensed by the South Carolina Board of Accountancy. Alternatively, the Applicant may provide monthly bank statements for the most recent 12 months prior to application submission which verify no less than $10,000 is maintained by the applicant at all times.
- A completed and notarized Attachment D, Standards for Financial Management Systems, executed by the Board Treasurer or Chief Financial Officer.
- An executed IRS Form W-9, Request for Taxpayer Identification Number and Certification.
- Operating Budget of non-profit organization

9. **Community Support** – For applicants that have not participated in the SC HTF program previously, the applicant must provide a minimum of three (3) written community support letters from third-party sources located in the jurisdiction(s) in which it plans to provide services. The letter must be obtained from organizations with which the applicant has worked; preferably completing activities comparable to HTF activities, such as:
- Local municipalities (e.g. a city council member, mayor, etc.)
- Local community organizations or churches
- Local community businesses that have partnered with the applying nonprofit in community events.
The community support letters cannot be obtained from other nonprofits participating in HTF activities. Further, the letters must be signed, typed on the supporting organization's letterhead, and must be dated within six (6) months of application submission.

10. Conflict of Interest – Unless a request for exemption is requested in writing and granted by SC Housing, no person or organization exercising any functions or responsibilities with respect to HTF-assisted activities may have a financial interest or obtain a financial benefit from the activities or any contract, subcontract, or agreement with respect thereto. This includes the person or organization and or those with whom they have business or immediate family ties (whether by blood, marriage, or adoption) and covers the person's tenure with the organization and one year thereafter. Immediate family ties include a spouse, a parent, a child, a sibling, a grandparent and a grandchild. An exception will only be approved when SC Housing determines it would serve to further the purposes of the HTF program and would not violate State law. Such determination will include an evaluation whether:

a. the exception would provide a significant cost benefit or essential degree of expertise to the HTF program or project which would otherwise not be available.

b. a person that is a member of a group or class of income eligible persons intended to be the beneficiaries of the assisted activity will be denied benefits to which they would otherwise be entitled

c. the exception is sought for the provision of services where the fee to be charged is reasonable and does not exceed what is regularly and customarily charged for such services.

The nature of the conflict must be disclosed to the public and a letter from an attorney stating the interest for which the exception is sought would not violate State law must be provided.

To be eligible for participation in HTF activities, the applicant's Bylaws included with the application must include the following language:

“No employee, agent, consultant, Board member or officer of [insert name of organization] may obtain a financial interest or benefit from [insert name of organization]'s operation of any South Carolina State Housing Finance and Development Authority program, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder during one's tenure, or for one (1) full year thereafter. Nor shall an immediate family member or business associate of an employee, agent, consultant, Board member or officer, or any organization which employs or is about to employ such employee, agent, consultant, Board member or officer, obtain a financial interest or benefit from the transaction or contract of [the organization] related to participation in any South Carolina State Housing Finance and Development Authority program.”
Alternatively, the Application must include a Resolution passed by the applicant’s Board of Directors that adopts the above language as part of the Bylaws.

11. **Protection of Confidential Information** – Applicant must have defined procedures on protecting the confidential information. All files should be stored in a secured environment, whereby only authorized staff members have access. All confidential documents must be shredded. At no time should sensitive documents be placed in the garbage or recycle bin, without first being shredded.

V. **Required Training for Approved Nonprofits**

All approved applicants will be required to complete implementation training. Until successful completion of the training, the nonprofit will not be eligible to participate in HTF activities.

Upon request and/or as deemed necessary by SC Housing, additional training and technical assistance will be provided by SC Housing staff. Additionally, SC Housing conducts annual workshops on application criteria and processes which all approved applicants will be required to attend.

VI. **Suspension and Debarment**

Any of the following actions may result in suspension from participating in all SC Housing administered programs:

a. Failure to complete a project by the completion deadline specified in the HTF Funding Agreement
b. Failure to timely provide required forms and/or documents

Regardless of when the violation is discovered, any of the following actions may result in the permanent debarment from participating in all SC Housing administered programs:

a. Any Applicant who provides false or misleading information to the SC Housing with regard to a project seeking HTF funds, in any capacity whatsoever, regardless of when such false or misleading information is discovered.
   i. Any award received on the basis of false or misleading information shall become null and void.
   ii. SC Housing may report the provision of false or misleading information to any regulatory agencies that govern the party who provided such information (e.g. S.C. Secretary of State, the S.C. Department of Labor, Licensing and Regulation, etc.)
b. An Applicant who provides agreements, written or otherwise, that attempt to circumvent SC Housing requirements.

SC Housing may determine other actions or omissions to be infractions that require suspension or debarment. The processes governing suspensions and debarments are outlined in SC Housing’s Debarment and Program Suspension Policy which can be found on the SC Housing’s website.