



*Housing Trust Fund
Allocation Plan Guide
2017*



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I. GENERAL INFORMATION

HTF Allocation Plan

The Housing Trust Fund (HTF) Interim Rule (24 CFR Part 93) made the consolidated plan regulations at 24 CFR Part 91 applicable to the HTF. As a result, an HTF grantee (i.e., a State) must include HTF in its citizen participation plan (§ 91.115), strategic plan (§ 91.315), and annual action plan (§ 91.320). In addition, the State must submit to HUD for review and approval an HTF allocation plan with its annual action plan (§ 91.320(k)(5)). Also, as required in § 91.10, the HTF program must be administered by the State on the same program year it established for all grant programs covered by the consolidated plan.

The HTF allocation plan is an annual submission to HUD that describes how the State will distribute the HTF funds, including how it will use the funds to address its priority housing needs. The allocation plan also describes what activities may be undertaken with HTF funds and how recipients and projects will be selected.

Submission Requirement

HUD Notice CPD 12-009 requires a State submitting a consolidated plan on or after November 15, 2012 to use the eCon Planning Suite in IDIS to submit this plan and all subsequent consolidated plans, annual action plans, and consolidated annual performance and evaluations reports (CAPERs). However, the eCon Planning Suite does not currently contain the data fields to accommodate the HTF allocation plan. As a result, HUD developed this guide to assist the State in submitting the HTF allocation plan. ***The State may opt to use this sample form or to submit its allocation plan in a different format, provided that all required elements are addressed.*** Please visit the HTF website, www.hudexchange.info/htf for more guidance on the HTF program and HUD Notice CPD 17-05 *Guidance for HTF Grantees on Fiscal Year 2017 Housing Trust Fund (HTF) Allocation Plans* for more information on HTF allocation plans. This guide also contains a list of HTF and eCon Planning Suite resources that the State should reference before developing and submitting its HTF allocation plan. The State should also consult the *Con Plan Quick Guide: Amending a Consolidated Plan and Action Plan* for assistance on amending its consolidated plan and action plan.

Deadline

The State must submit an HTF allocation plan and make any amendments to its consolidated plan no later than **August 16, 2017**. ***Please note that if the State submitted a new 5-year consolidated plan for FY 2016 funding or amended its approved consolidated plan to include HTF for FY 2016 funding, the State may not need to make changes to its approved consolidated plan for FY 2017.*** For 2017, the HTF allocation plan must be submitted to both the local HUD CPD Field Office and to HUD's Office of Affordable Housing Programs at htf@hud.gov.

Review Period

The 45-day review period begins when (a) HUD receives the Standard Form 424 and certifications or email notification that the consolidated plan has been submitted in IDIS (for new action plans) or (b) HUD receives the Standard Form 424 and certifications or email notification that an amended action plan has been submitted in IDIS.

Approval Process

The HTF allocation plan will be deemed approved 45 days after HUD receives the plan, unless HUD notifies the State that the plan is disapproved before expiration of the review period. Please note, if a State intends to use HTF funds to assist first-time homebuyers, it must set forth the guidelines for resale and recapture, and obtain HUD's specific, written approval, as required in § 93.304(f), separate and apart from the approval of the HTF allocation plan.

Need Assistance?

For assistance with the HTF allocation plan, the State should contact the local HUD CPD Field Office and/or send its question(s) to the HTF mailbox at htf@hud.gov. For assistance with the eCon Planning Suite in IDIS, the State should contact Ask A Question on the HUD Exchange website at <https://www.hudexchange.info/get-assistance/my-question/>.

II. GRANTEE INFORMATION

State:	FY 2017 HTF Allocation Amount:
South Carolina	\$3,000,000

III. CONSOLIDATED PLAN REQUIREMENTS

Citizen Participation Plan

The consolidated plan regulation at § 91.115 requires the State to include HTF in its citizen participation plan. Essentially, before adopting a consolidated plan, the State is required to adopt a citizen participation plan that describes the process for providing and encouraging citizens to participate in the development of the consolidated plan, the amendments to the consolidated plan and the performance report (CAPERS). For the purposes of HTF, the State is required to make the following information available to the public:

- the amount of HTF assistance the State expects to receive,
- the range of activities the State may undertake, including the estimated amount that will benefit extremely low-income households, and
- the State’s plans to minimize displacement of persons and to assist any persons displaced.

If the State already conducted its citizen participation and included HTF in any citizen participation it performed for the other HUD formula grant programs, then the State does not need to conduct additional citizen participation for HTF. If the State has not yet conducted citizen participation or did not include HTF in the citizen participation it performed for other HUD formula grant programs, then it must conduct citizen participation to include HTF as part of its consolidated plan.

Consolidated Plan Screen(s) To Revise

The following screen in the eCon Planning Suite consolidated plan template in IDIS must be revised to include HTF.

- ES-05 / AP-05 Executive Summary:** § 91.320(b)- The Executive Summary includes seven narratives: (1) Introduction; (2) Summary of Objectives and Outcomes; (3) Evaluation of Past Performance; (4) Summary of the Citizen Participation and Consultation Process; (5) Summary of Public Comments; (6) Summary of Comments Not Accepted; (7) Summary.

- ☑ **PR-15 Citizen Participation:** § 91.115 and § 91.300(c)- revise this screen to provide a summary of the citizen participation efforts made for HTF, including efforts to broaden public participation, a summary of citizen comments or views on the plan, and a written explanation of comments not accepted and the reasons why these comments were not accepted.

IV. STRATEGIC PLAN REQUIREMENTS

The State must amend the affordable housing section of the strategic plan to include specific objectives that describe proposed accomplishments the State hopes to achieve and must specify the number of extremely low-income families to which the State will provide affordable housing to (homeownership- § 93.302; rental- § 93.304) over a specific period of time. The State can complete this requirement by including HTF on the **SP-45 Goals screen**.

Note: Directions on how to amend a plan are included at the end of this document.

Reminder: 100 percent of FY 2017 HTF funds must benefit extremely low-income households; a minimum of 80 percent must be used for rental housing; up to 10 percent may be used for homeownership housing; up to 10 percent may be used for administrative costs.

Strategic Plan Screen(s) To Revise

In addition to updating the affordable housing section of the strategic plan, the following screens in the eCon Planning Suite consolidated plan template in IDIS must be revised to include HTF.

- ☑ **SP-10 Geographic Priorities:** § 91.315(a)(1)- revise this screen to discuss how investments are allocated geographically.
- ☑ **SP-25 Priority Needs:** § 91.315(a)(2)- revise this screen to indicate the general priorities for allocating investment of available resources among different needs.
- ☑ **SP-30 Influence of Market Conditions:** § 93.315(b)- revise this screen to describe how the characteristics of the housing market influenced the State's decisions regarding allocation priorities among the types of housing assistance.
- ☑ **SP-35 Anticipated Resources:** § 91.315(a)(4); § 91.320(c)(1) and (2)- revise this screen to identify the federal, state, local, and private resources expected to be available to the State to address priority needs and specific objectives identified in the strategic plan. Specifically, the State should add a program to this screen by selecting "Add" in the *Action* column. This will open the **SP-36 Add Anticipated Resource** screen. The State should select "Other" in the *Anticipated Resource* field and enter "Housing Trust

Fund” in the *Other Funding Source* field. The State should also select the “public - federal” radio button in the “Source” field and complete the rest of the fields on this screen for its HTF program.

- ☑ **SP-45 Goals:** § 91.315(a)(4) and § 91.315 (b)(2)- revise this screen to summarize the State’s priorities and the specific goals it intends to initiate and/or complete within the term of the strategic plan. The State must also ensure its five year goals include any accomplishments due to HTF funds and must also enter the number of extremely low-income families to which the State will provide assistance with its HTF funds.

V. ANNUAL ACTION PLAN REQUIREMENTS

The State must include HTF in its annual action plan or amend the plan to include HTF information as required in § 93.320(k)(5). The action plan must include an HTF allocation plan that describes the distribution of HTF funds, and establishes the application requirements and selection criteria of applications submitted by eligible recipients that meet the State’s priority housing needs.

Annual Action Plan Screen(s) To Revise

The following screens in the eCon Planning Suite consolidated plan template in IDIS must be revised to include HTF.

- ☑ **AP-15 Expected Resources:** § 91.320(c)(1) and (2)- revise this screen to provide a concise summary of the federal resources expected to be available. The HTF resources added to the **SP-35 Anticipated Resources** screen will carry over to this screen.
- ☑ **AP-20 Annual Goals and Objectives:** § 91.320(c)(3) and (e)- revise this screen to summarize the specific goals the State intends to initiate and/or complete within the term of the program year. Any HTF related goals and objectives entered on the **SP-45 Goals** screen will carry over to this screen.
- ☑ **AP-25 Allocation Priorities:** § 91.320(d)- revise this screen to describe the reasons for the State’s allocation priorities and how the proposed distribution of funds will address the priority needs and goals of the strategic plan.
- ☑ **AP-30 Method of Distribution:** § 91.320(d) and (k5)- revise this screen to include a description of its method(s) for distribution for the “Other – Housing Trust Fund” selection based on the entry made on the **SP-35 Anticipated Resources** screen.
- ☑ **AP-35 Projects:** § 91.220(d)- revise this screen to include consolidated plan/annual action plan projects that reflect the planned use of HTF funds each year.

- ☑ **AP-50 Geographic Distribution:** § 91.320(f)- revise this screen to describe the geographic areas of the state in which it will direct assistance during the ensuing program year and provide rationale for its priorities in allocating investment geographically.
- ☑ **AP-55 Affordable Housing:** § 91.320(g)- revise this screen to specify goals for the number of homeless, non-homeless, and special needs households to be provided affordable housing within the program year.
- ☑ **AP-65 Homeless and Other Special Needs Activities:** § 91.320(h)- revise this screen to describe how HTF will help to address the State’s one-year goals and actions for reducing and ending homelessness, if applicable.
- ☑ **AP-75 Barriers to Affordable Housing:** § 91.320(i)- revise this screen to describe how HTF will help with any actions the State’s will take during the next year to reduce barriers to affordable housing, if applicable.
- ☑ **AP-85 Other Actions:** § 91.320(j)- revise this screen to describe how HTF will help with any actions the State will take during the next year to carry out the following strategies outlined in the consolidated plan:
 - Foster and maintain affordable housing;
 - Evaluate and reduce lead-based paint hazards;
 - Reduce the number of poverty-level families;
 - Develop institutional structure; and
 - Enhance coordination.

In addition, the State must identify obstacles to meeting underserved needs and propose actions to overcome those obstacles using HTF funds, if applicable.

VI. ALLOCATION PLAN REQUIREMENTS

The State is responsible for distributing HTF funds throughout the State according to its housing priority needs. In addition to revising the **AP- 30 Method of Distribution** screen in IDIS, the State must respond to the following questions.

Distribution of HTF funds

1. How will the State distribute its HTF funds (§ 91.320(k)(5))? Select all that apply:

- Applications submitted by eligible recipients
- Subgrantees that are State Agencies
- Subgrantees that are HUD-CPD entitlement grantees

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,
 - a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Eligible NHTF Applicants must:

1. Comply with the requirements of the NHTF program during the entire affordability period and all NHTF-assisted units will remain in compliance with the requirements of the NHTF program during the entire affordability period.

Applicants will certify to such in the NHTF application. If awarded, recipients will certify to such within the NHTF Funding Agreement.

2. Demonstrate the financial capacity to undertake, complete, and manage an NHTF eligible activity(s) by providing the following:

a. Financial statements that have been compiled, reviewed or audited by an independent CPA licensed by the South Carolina Board of Accountancy;

b. Financial statements that include a balance sheet dated on or after September 30, 2015;

c. A minimum of \$100,000 in unrestricted liquid assets and a minimum net worth of \$200,000:

i. The Authority defines liquid assets as cash, cash equivalents, and investments held in the name of the entities and/or persons, 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:

1) stock held in the applicant's own company or any closely held entity;

2) investments in retirement accounts;

3) cash or investments pledged as collateral for any liability; and

4) cash in property accounts including reserves;

ii. All liquid assets must be identified in the submitted financial statement;

iii. The Authority reserves the right to verify information in the financial statements and all financial capacity statements made by applicants, lenders, accountants, and others (if false statements are found to have been made at any point in time, all entities and/or persons associated with the application may be debarred from all Authority programs for three (3) years).

- b. Describe the State's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

THRESHOLD

1. Applicants must be in Good Standing with all Authority programs.
2. A Market Study or Market Study Needs Assessment Report prepared by an Authority approved third party market study provider must be submitted with an NHTF application to ensure there is adequate demand for the proposed project. Proposals with twelve (12) or fewer units must submit a Market Study Needs Assessment Report. Applications with thirteen (13) or more units must submit a Market Study. Market assessments cannot be more than six (6) months old of application submission.
3. Appraisal Requirements: Appraisals are required for all NHTF project proposals.
 - a. Appraisals must be dated no later earlier than January 1, 2017.
 - b. Appraisers must be licensed by the South Carolina Real Estate Appraisers Board on a permanent, non-temporary basis. Additionally, appraisers must have a State Certified General Real Property Appraiser's license or State Certified Residential Real Property Appraiser's license, whichever is appropriate for the property being appraised.
 - c. Appraisers must identify the Authority as an authorized user of the appraisal, noting that the Authority may rely on the representations made therein. Additionally, the Authority reserves the right to convey a copy of the appraisal to third parties, assigns and pertinent parties involved in the contemplated allocation of tax credits.
 - d. Appraisals must be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Foundation and with title XI of the Financial Reform, Recovery and Enforcement Act of 1989 (FIRREA).
 - e. For rehabilitation developments, appraisals must represent the income approach. For new construction developments, containing only vacant land, appraisals must use the market data approach.
 - f. Comparable properties must be located in the proposal's sub-market. If an appraiser chooses comparable properties outside of the sub-market, the appraiser must also include a detailed description of every comparable located closer to the proposal and a list detailing why each was not chosen as a comparable. Regardless, comparable must be located in the proposal's home county or in extreme instances, an adjacent county.

- g. If the appraisal does not substantiate the purchase price submitted in the NHTF application the Authority may decrease the amount proposed in the application to match the appraised value. Developments not meeting minimum underwriting requirements or found to be financially infeasible as a result of this reduction will be disqualified.
 - h. If the Authority deems the appraised value of a proposal to be unusual or excessive, a separate appraiser will be hired by the Authority, at the applicant's expense, to prepare a second appraisal.
4. Applicants for NHTF funding must have **Site Control** of any proposed site.
 - a. All Applicants must provide an option, sales contract, 50+ year land lease, or a warranty deed in the name of the Applicant for the proposed project site.
 - b. **F-52 - Notice to Seller** for the Acquisition of Property with Federal Funds is required. It must be initiated at the time of the option or contract and must be submitted with the application.
 5. All projects require a Phase I Environmental Site Assessment (ESA-ASTM). If the Phase I ESA identifies recognized environmental concerns [conditions] (RECs), a Phase II (ESA-ASTM) will be required. ASTM reports must be prepared in accordance with the most current ASTM standard.
 - a. The ESA(s) must show all properties assisted with NHTF funds are free from hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended use of the property.
 - b. Proposed project sites cannot be a Superfund or CERCLIS (Comprehensive Environmental Response, Compensation, and Liability Information System) site nor be located within one-quarter (1/4) of a mile from a Superfund or CERCLIS site.
 6. Letter from the City/County verifying the project site is appropriately zoned for the proposed development.

FINANCIAL TERMS and CONDITIONS

The Authority will make at least **\$2,700,000** in NHTF funds available for the 2017 Program Year.

1. Terms and conditions are as follows:
 - a. The total maximum award amount per project is \$700,000;
 - b. Funds may be awarded as follows based on the financial structure of the proposed application:
 - i. A thirty (30) year forgivable loan; or
 - ii. A thirty (30) year repayable loan at zero percent (0%).
2. NHTF funds are secured through an Applicant's execution of a Promissory Note and the recordation of a Mortgage.
3. The Authority will only allow the NHTF loan to be subordinated to a conventional lender.
4. All NHTF loans will be underwritten to ensure there will be cash flow sufficient to cover debt service for the entire 30-year affordability period.
5. The project's initial Debt Coverage Ratio (DCR) must fall within the range of 1.20 to 1.45.
6. The maximum per-unit subsidy limits have been established by the Authority as follows:
 - a. 0 bedroom - \$125,000
 - b. 1 bedroom - \$130,000
 - c. 2 bedroom - \$135,000
 - d. 3 bedroom - \$140,000
 - e. 4+ bedroom - \$145,000

7. Eligible costs include:
 - a. Development hard costs
 - b. Demolition
 - c. Site improvements
 - d. Acquisition costs of acquiring unimproved real property limited to appraised value
 - e. Related soft costs
 - f. Operating reserves - up to six (6) months for NHTF-assisted units for which PBRA is not available.
8. Prohibited costs include:
 - a. Delinquent taxes, fees, or charges on properties for proposed NHTF projects;
 - b. Utility connections (i.e. tap fees, lift or pump stations); and
 - c. Any cost that is not eligible under § 93.201 and § 93.202.

PROJECT FEASIBILITY and UNDERWRITING GUIDELINES

All applications are subject to financial review by the Authority. The underwriting will consist of, but is not limited to, the following areas (line numbers refer to Development Costs page 9 of the application):

1. **Development Costs** - Development costs are evaluated for necessity and reasonableness at the time of initial application as well as when a project is placed in service. The Authority will utilize a construction consultant to determine whether proposed development costs are appropriate. Based on a review of the development and site plans, **F-35 Construction Costs Addendum**, and **F-36 Construction Design Certification**, a consultant will provide a written assessment of reasonableness of proposed development costs, together with any proposed recommendations or required changes. Proposals with costs exceeding the consultant’s recommendations must submit an explanation for the higher costs and may be required to revise costs accordingly. The Authority reserves the right to determine whether costs are appropriate and acceptable at both initial application and at placed in service.
2. **Developer Fees, Developer Overhead, and Consultant Fees (Fees)** - Fees are limited based on development costs. Fees are calculated as the total of Developer Fees 5% (line 35) plus Developer Fees 15% (line 36) plus Consultant Fees (line 16) from Development Costs in the application. Fees are limited as follows:
 - a. **Fees on Acquisition Costs** - Developer Fees 5% (line 35) may not exceed five percent (5%) of **“Adjusted Acquisition Costs.”** The formula is:

$$\frac{\text{Developer Fees 5\% (line 35)}}{\text{Adjusted Acquisition Costs (Total Acquisition Costs (line 1-3) Less Land (line 1))}}$$

- b. **Fees on New Construction** - The sum of Fees (line 36 + line 16) may not exceed fifteen percent (15%) of **“Adjusted Development Costs.”** The formula is:

$$\frac{\text{Developer Fees 15\% (line 36) + Consultant Fees (line 16)}}{\text{Adjusted Development Costs}}$$

“Adjusted Development Costs” is calculated as follows:

Total Development Costs	(line 38)
Less Acquisition Costs	(lines 1-3)
Less Consultant Fees	(line 16)
Less Developer Fees	(lines 35 and 36)

F-35 Construction Costs Addendum - This form is required as part of a complete application. All costs detailed on the **F-35** must tie to costs presented on page 9 of the NHTF application in the appropriate cost category.

3. **Minimum Hard Costs** - Minimum hard costs must be no less than **sixty-five percent (65%)** of total development costs. **Hard costs** include the following line items:

Land	(line 1)
Other (Acquisition Costs)	(line 3)
Demolition	(line 4)
On-Site Improvements	(line 5)
New Building	(line 6)

4. **Contractor Costs** - The combined total of general requirements and contractor profit & overhead may not exceed **fourteen percent (14%)** of hard construction costs. The structure of these fees is limited to the following:

General requirements (line 8)	may not exceed	6% of hard construction costs
Contractor profit & overhead (line 9)	may not exceed	8% of hard construction costs
Total contractor fees	may not exceed	14% of hard construction costs

5. **Hard Construction Costs** - Include the following line items from the development costs schedule:

Demolition	(line 4)
On-Site Improvements	(line 5)
New Building	(line 6)

6. **Operating Costs:**

- Projected operating expenses, for all developments, must be between **\$2,000 and \$2,600** per unit, per year, excluding taxes and reserves.
- If any utilities, including water and sewer, are owner-paid, then the operating expense minimum will be increased to include the additional utilities for the rental units.
- The Applicant must provide an explanation and satisfactory documentation of the projected utility amount per unit.
- The Applicant must, upon request, provide a detailed explanation of the determination of annual operating costs.
- The Applicant must justify operating costs, and such costs may be accepted or rejected by the Authority in its sole judgment.

7. **Vacancy Rate** - The application must utilize a vacancy rate of not less than **seven percent (7%)**. The vacancy rate must be applied to both rental income and other income since the other income is to be derived from the rental income.

8. **Debt Coverage Ratio (DCR)**

- NHTF funding will not be reserved or allocated to developments that are not made financially feasible by the NHTF funding or which are financially feasible without the NHTF funding. The development's initial DCR must fall within the range of 1.20 to 1.45.
- The DCR is calculated as Net Operating Income (NOI) divided by the annual debt service. For this purpose, NOI is the income remaining after subtracting Total Annual Expenses and Annual Replacement Reserves from the Effective Gross Income (EGI).
- The maximum DCR of 1.45 restrictions will be waived if the initial projected annual Cash Flow/Unit (CFU) does not exceed **\$900**. CFU is calculated by subtracting annual debt service from NOI and dividing this result by the number of units that will be rented to tenants. In the

event that the development DCR, as submitted, is greater than 1.45 and the development CFU, as submitted, is greater than **\$900**, the Authority will increase debt based upon the terms submitted in the application in order to reduce the DCR to 1.45 or the CFU to **\$900**, whichever is met first, for calculation of NHTF funding to be allocated.

9. Annual Rent and Expense Trends and Cash Flow

- a. Development rents will be trended upward at a two percent (2%) annual increase.
- b. Operating expenses will be trended upward at a three percent (3%) annual increase.
- c. The Proforma Income Statement must demonstrate that the project will maintain a positive cash flow for the entire NHTF loan amortization period or in the case of NHTF grant funds, the project must demonstrate a positive cash flow for a period of ~~20~~ 30 years using the same rent and expense trending criteria referenced above.

10. Permanent Loan Requirements - All permanent debt used to finance a project must meet the following requirements:

- a. Loans with unspecified interest rates or unspecified repayment terms are not acceptable. The application must include a loan amortization schedule indicating payments for the entire loan period.
- b. Permanent loans should amortize so that debt service is paid over a period of 20 years or longer with a maximum amortization period of 30 years. If a loan is submitted with an amortization period of less than 20 years, the Authority may restructure the terms and repayment of any Authority funds as deemed appropriate by underwriting staff to prevent the over-subsidizing of a development.
- c. Projects financed with debt that includes a balloon or other variable payment must continue to meet all underwriting requirements throughout the affordability period. Loans with balloon payments will be underwritten with adjustments at the time of the balloon payment as follows:
 - i. Balloon payment due in less than 10 years = initial interest rate + 200 basis points.
 - ii. Balloon payment due in 10 years or more = initial interest rate + 300 basis points.
- d. The principal amount to be used in the loan adjustment will be the balance of the loan principal remaining at the time that the balloon payment is due.
- e. The amortization term to be used in the loan adjustment will be equal to the number of years remaining on the original amortization period at the time that the balloon payment is due. Examples:
 - i. A loan with a 6% interest rate, 5 year balloon, and 20 year term – will be re-amortized in year 6 using an 8% interest rate with a term and amortization of 15 years.
 - ii. A loan with a 6% interest rate, 10 year balloon, and 20 year term – will be re-amortized in year 11 using a 9% interest rate with a term and amortization of 10 years.
- f. Developments that require loan adjustments due to balloon payments must be able to demonstrate positive cash flow no shorter than twenty (20) years. If the financing structure includes a repayable NHTF loan that is amortized and paid over the course of thirty (30) years then the development must be able to demonstrate positive cash flow for the entire loan period. Failure to do so may result in disqualification.
- g. Reductions to the permanent loan between the time of award and the point at which a development places in service are allowable based on the terms of the agreement with the lender. However, for underwriting purposes, at the time that the development places in service, the permanent loan must maintain at least the same ratio to total funding as determined at the time of the initial award.

11. **Replacement Reserves** - Applicants are required to establish and make annual contributions to replacement reserves. The minimum replacement reserves are three hundred dollars (\$300) per unit, per year for all development types.

Annual contributions are made from operating cash flow and are cumulative. Annual contributions are required to the replacement reserve account until the account reaches a funding level of three thousand dollars (\$3,000) for all development types.

Once these levels are met, the accounts must be replenished, when used, through annual contributions as stated above. Any use of replacement reserve funds must be approved in advance by the Authority. All requests for the use of replacement reserves must be in writing and must include detailed quantity and pricing information for replacement items. Requests made via email will satisfy the "in writing" requirement and should be addressed to Chris.McMillan@schousing.com. If Authority approval is not received within five (5) business days of receipt the Replacement Reserve request is automatically granted.

12. **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 affordability period, as follows:
 - a. **Less than ten (10) units:** Three (3) months of projected operating expenses
 - b. **Ten (10) or more units:** Six (6) months of projected operating expenses

MANDATORY DESIGN CRITERIA

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. No laminate or particleboard cabinet faces or door 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) states 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. A new project sign at the entrance(s) to the complex affixed with a Fair Housing logo. This is not required for scattered site projects.
13. 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.
14. Wall switch controlled Energy Star lighting is required throughout all units.
15. Energy Star fluorescent lighting, at a minimum, is required in all kitchens.
16. Must use Energy Star fixtures and bulbs such as CFL, LED, or florescent.
17. All units wired for high speed (broadband) Internet hook-up with at least one centrally located connection port or wireless computer network.
18. All units pre-wired for cable television hook-ups in the living room and one per bedroom.
19. All units pre-wired for telephone hook-ups in the living room and one per bedroom.
20. Enclosed trash dumpsters and/or compactors if proposed for the project - The dumpster must be enclosed by solid fencing on at least three sides. The pad and approach pad to the dumpster must be concrete and not asphalt. The trash dumpster/compactor must be ADA accessible and located on an ADA accessible route. May use "herbie curbie" container if the locality provides such and must have one for each unit.
21. Roofing materials shall be anti-fungal shingles with a minimum 25-year warranty.
22. Roofing to be installed per 2015 IRC R905.2 through R905.2.8.5.
23. 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.
24. At a minimum, fourteen (14) 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.
25. 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.
26. Sites located in a Radon Zone-1 (highest level) will require Radon Resistant New Construction Practices.
27. 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.
28. Mailboxes, playground and all exterior project amenities must be ADA accessible.
29. 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.
30. 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 36-inch width by 48-inch length (ANSI/ADA approved shower). All tubs in designated handicap accessible units must come complete with "factory-installed grab bars".
31. 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.
32. 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.
33. 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.

34. 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.
35. 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.
36. Water heaters placed on a stand must be secured to the wall.
37. New exterior shutters are required.
38. Gable vents must be made of aluminum or vinyl materials.
39. All attics must be vented.
40. Carpet and Resilient flooring materials must meet minimum FHA standards.
41. 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.
42. No exterior wood finishes may be used.
43. All exterior trim to be covered in painted or vinyl covered coil stock or consist of fiber cement or vinyl composites.
44. Fascia must be covered with painted or vinyl covered coil stock, fiber cement or vinyl composite.
45. Soffits must be vinyl, vinyl covered aluminum, fiber cement or vinyl composite and perforated as required.
46. Exterior ceilings must be vinyl, vinyl covered aluminum, fiber cement or vinyl composite.
47. Exterior steps, porches or patios will be constructed of brick with concrete slab or deck.
48. 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.
49. 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.
50. 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.
51. 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.
52. 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.
53. At a minimum, there must be 20 ft. of sod extending out from each exterior building wall.
54. 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.
55. Washer/dryer hookups in all units. Hookups for stackable washer and dryers may only be installed in and elderly units.
56. Units with three (3) or more bedrooms must have a minimum of one (1) full bathroom and one (1) three-quarter (3/4) bathroom. Bathrooms are defined as follows: One-half (1/2) bathroom contains a toilet and vanity with sink; Three-quarter (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.
57. The minimum bedroom size for all bedrooms must be a minimum 120 square feet. The minimum bedroom square footage excludes the closet space.
58. The minimum square footage per unit based on the number of bedrooms per unit must be as listed 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.

# 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

59. All elderly projects will be one-story structures, or if greater than one story, all stories will be accessible by elevators.
60. 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.
61. Sliding glass doors are prohibited.
62. Water closets must be centered, at a minimum, 18 inches from sidewalls, vanity/lavatories and bath tubs.
63. Roof pitch to be a minimum of 4/12.
64. Slab constructed homes / structures. Slab will be elevated a minimum of 16" above fished grade on all elevations.
65. Slab foundations will consist of brick / stone veneer at a minimum height of 16" above finished grade on all elevations.
66. 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.
67. Crawl space foundations will consist of brick / stone veneer at a minimum height of 16" above finished grade on all elevations.
68. 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.
69. 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.

ALL Single Family and Townhouse Projects:

1. All single family, townhouse or duplex projects must contain a minimum of two (2) bedrooms and one and one half (1½) bathrooms. At a minimum, one half (1/2) bathroom must be located on the first floor of all townhouses.
 2. Townhouses may not be developed when targeting elderly populations.
- 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.

c. Describe the selection criteria that the State will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

1. Project-based Rental Assistance – Points will be given for the extent to which a project has federal, state or local project-based rental assistance (PBRA) so that rents are affordable to extremely low-income households. Points will be awarded for the percentage of PBRA provided to a project. A signed conditional commitment from the appropriate official regarding PBRA is required to obtain points. Points will be awarded as follows:

- a. 51% and up project based units 3 points
- b. 21% - 50% project based units 2 points
- c. Up to 20% project based units 1 point

2. Duration of Affordability Period - Preference will be given to those applications voluntarily adding five years to the affordability commitment beyond the required 30-year period. 2 points

3. Leveraging – To encourage use of non-federal funding sources, points will be awarded to applications which have committed funding sources which are non-federal and non-Authority. If applicable, the appraised value of land that has been owned by the Applicant for less than one year can be used as a non-federal leveraged funding source.

- a. 5% up to 10% of total sources comprised of non-federal and non-Authority funds 1 point
- b. 10% up to 20% of total sources comprised of non-federal and non-Authority funds 2 points
- c. 21% and higher of total sources comprised of non-federal and non-Authority funds 3 points

4. Site and Neighborhood Characteristics - Points will be awarded as listed below for services located within one (1) or two (2) miles of the proposed site as indicated by public paved road, existing at the time the application is submitted, and accessible to the public for motor vehicular use.

- Distances should be measured using a computer based mapping system such as Google Maps or other similar distance calculating systems. Distances are subject to Authority verification and are GPS measured and odometer* confirmed by third party site analyst from center of entrance into site to center of entrance into service location

- Distances to positive characteristics will be measured using lawful driving practices from the site entrance(s) to the positive site service (i.e. no turning through double yellow lines, no crossing grass medians, no driving the wrong way on one way streets, etc.). All directions must be printed from the mapping system and included in the application for points to be awarded. Directions that do not lead to the service, as stated in the directions provided with the Application, will not be awarded points.

- Longitude and latitude coordinates are required for the site entrance(s) as well as for all corners of the site. All coordinates should be marked with survey tape, survey flags, etc.
- Color photographs of all services must be included with the application. Duplicate copies of the application must also contain color photographs. The name of the service must be visible in the photograph.
- Applicants may include a maximum of one (1) positive site service of each service type for scoring purposes. All positive site services must be listed on **F-6 - Site Distances**.
- All positive site services must be open to the general public and operational at the time the Authority's site visit is made or points will not be awarded.
- Distances for scattered sites will be determined as outlined in the definition for scattered sites.
- An area site plan must be submitted and have ¼ mile, ½ mile and 1 mile radius circles shown from center of proposed site.

*Odometer Calculations: the distances to positive services are driven and the odometer mileages and electronic tracking data systems used to determine mileage calculations. Distances are measured to one decimal point and are not rounded up or down. Distance less than a ½ mile is measured by using electronic tracking data systems.

- Full Service Grocery Store within one (1) mile of the development site entrance. The store must operate with regular business hours selling a full range and variety of foods, cleaning products and paper products. To qualify as offering a full range and variety of foods, the store must offer sufficient quantities of items from each of the following four categories of staple foods on a continuous basis; 1) meats, poultry and fish, 2) breads and cereals, 3) vegetables and fruits, and 4) dairy products. **4 points**
- The following services located within two (2) miles of the development site entrance:
 - Full Service Grocery Store as defined in "a." above (no points if claiming 4 points in "a." above);
 - Pharmacy or Drug Store - must operate during regular business hours;
 - Convenience Store and Gas Station combo - walk up "window only service" stores and free standing kiosks are not eligible for points;
 - Recreation Center/Senior Center, Library, Public Park or Playground - if claiming a Public Park or Playground for points, it must be owned and maintained by a local government and contain, at a minimum, playground with commercial playground equipment and/or walking/biking trails. **3 points each for up to 12 points total**
- Applicants will receive negative points for detrimental site characteristics. For the detrimental characteristics below, the Authority defines its determination of distance as the shortest distance, in a straight line, from the closest site boundary line of the proposed site to the closest site boundary line of the detrimental site characteristic to determine whether negative points will be assessed. When a detrimental site characteristic is located on a parcel shared by multiple businesses, the distance between the detrimental site characteristic and the proposed site is measured, in a straight line, from the closest site boundary line of the proposed site to the closest boundary line of the parcel on which the detrimental site characteristic is located. Detrimental site characteristics are determined as of the time of the site visit.
 - Sites within one-half (1/2) mile of an operating commercial beef/hog/chicken/turkey farm or processing plant. As part of the application submission, Applicants are required to identify and provide name(s) and location(s) of any such facility within one-half (1/2) mile of where the development is proposed. **-1 point**
 - Sites within one-quarter (1/4) mile of adult video/entertainment venue/club. **-1 point**
 - Sites within one-quarter (1/4) mile of a sewage treatment plant. **-1 point**

5. Project Readiness

- a. Applicant will be awarded points for demonstrating site control by providing a copy of the recorded deed in the Applicant's name. **4 points**
- b. A letter from the City/County official or utility provider, documenting water and sewer utility tie-ins are accessible and within:
 - i. 350 feet of the proposed site; OR **2 points**
 - ii. 351 to 500 feet of the proposed site. **1 point**
- c. The proposed project is located within a current identified master plan or revitalization plan or empowerment zone. Applicant must provide a letter from the locality stating such. **2 points**
- d. Projects proposing the redevelopment of Authority funded NSP1 land banked parcels.
 - i. Redevelopment of one land banked parcel. **4 points**
 - ii. Redevelopment of more than one land banked parcel. **6 points**

6. Development Design Points

- a. Limited lifetime 30-year Architectural shingles with 30 lbs. class synthetic felt. **8 points**
- b. Insulated attic and/or ceiling R-38, walls R-15, and crawl space and/or floors R-25. **3 points**
- c. Energy Star rated HVAC systems (15 SEER or greater) in all units. **5 points**
- d. Underground utilities (gas/electric, cable and phone) throughout the project site. **2 points**
- e. Energy Star ceiling fan with light fixture in the living room and all bedrooms. Ceiling fans and light fixtures must connect to separate wall switches. **5 points**
- f. Full size Energy Star refrigerator, with ice maker, having a minimum size of eighteen (18) cubic feet. **5 points**
- g. Energy Star rated dishwasher in all units. **3 points**
- h. Over the range mounted microwave oven, with vented fan, in all units. **4 points**
- i. All units must have a Range Queen, Fire Stop, Auto Stop or comparable extinguishing system over the stove. **3 points**
- j. Provide an easily-accessible area that serves the entire project and is dedicated to the collection and storage of non-hazardous material for recycling, to include paper, corrugated cardboard, glass, plastics, and metals. Property management is responsible for ensuring proper disposal and removal of the recyclables. For scattered site projects, provide a letter from the City/County stating that individual recycle bins will be provided to each house, duplex, or townhouse. **1 point**
- k. All windows must be Energy Star rated with screens. **8 points**
- l. Landscaping - Projects using native drought resistance plantings, preserving and protecting existing trees during construction. An **Architect certified landscape plan** should be submitted listing the new plantings and marking the existing trees that indicate:
 - i. the location of all existing plantings and the proposed location of all new planting areas; and
 - ii. a list of all plants to be added, to include both the common and botanical name of the plants. **2 points**
- m. Water Conservation - All units to include toilets with 1.28 GPF, shower heads at 1.5 GPM, and bath and kitchen faucets at 1.5 GPM, or less. **2 points**
- n. All exterior door units to be fiberglass with rot proof jambs. **5 points**

- d. Describe the State's required priority for funding based on geographic diversity (as defined by the State in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Priority based upon geographic diversity as defined by a state's consolidated plan - According to the 2016-2020 South Carolina State Consolidated Plan for Housing and Community Development, there are no specified geographic priorities or regional targeting of funds as it pertains to HUD programs, with the exception of the HOPWA program. As such, NHTF will be available statewide to the highest ranked applications until all NHTF funds are exhausted.

e. Describe the State's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

1. Demonstrate familiarity and understanding of federal, state, and/or local housing programs to ensure compliance with all applicable program requirements and regulations by:

- a. Having a minimum of three (3) full-time, paid staff members, who have successfully participated in and completed federal grant housing programs;
- b. Designating a Program Administrator on staff who will be responsible for the coordination of the NHTF-assisted project from project implementation through project completion; and
- c. Not having been debarred or remaining in good standing with all Authority and U.S. Department of Housing and Urban Development programs.

2. Demonstrate experience and capacity to conduct an eligible NHTF activity as evidenced by the ability to own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development. Applicants must have experience in the last eight (8) years of successfully developing at least two (2) multifamily rental developments of at least four (4) units each, or one (1) multifamily rental development with at least eight (8) units. Successfully developing means coordinating the development team in planning, financing and constructing a development through the receipt of Certificates of Occupancy (COs) and reaching stabilized occupancy. If the Applicant has not managed such properties they may hire a management company with previous experience managing developments that adhere to strict federal, state, or local occupancy regulations. The management company must be hired through the initial two (2) years after stabilized occupancy.

- f. Describe the State’s required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Project-based Rental Assistance – Points will be given for the extent to which a project has federal, state or local project-based rental assistance (PBRA) so that rents are affordable to extremely low-income households. Points will be awarded for the percentage of PBRA provided to a project. A signed conditional commitment from the appropriate official regarding PBRA is required to obtain points. Points will be awarded as follows:

- a. 51% and up project based units 3 points
- b. 21% - 50% project based units 2 points
- c. Up to 20% project based units 1 point

- g. Describe the State's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Duration of Affordability Period - Preference will be given to those applications voluntarily adding five years to the affordability commitment beyond the required 30-year period. 2 points

- h. Describe the State's required priority for funding based on the merits of the application in meeting the priority housing needs of the State (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The merits of the application in meeting the State's priority housing needs - South Carolina's priority housing needs listed in the State's Consolidated plan are:

- a. Improve affordable housing opportunities statewide, particularly rental housing.
- b. Support of transitional and supportive housing facilities for people with disabilities, HIV/AIDS, and other special needs.
- c. Preservation of affordable housing.
- d. Identify additional sources for rental assistance.
- e. Homeless prevention and rapid re-housing.

Each application must address at least one of the above priority housing needs. As designed, South Carolina's NHTF program will be available to new construction affordable rental housing units only. As such, all applications will meet the first listed priority; a. Improve affordable housing opportunities statewide, particularly rental housing. Depending on the variety of applications submitted, additional priority housing needs may also be addressed with the exception of item c. Preservation of affordable housing. It is anticipated that rehabilitation of affordable housing will be available through South Carolina's NHTF program in subsequent years.

- i. Describe the State’s required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Leveraging – To encourage use of non-federal funding sources, points will be awarded to applications which have committed funding sources which are non-federal and non-Authority. If applicable, the appraised value of land that has been owned by the Applicant for less than one year can be used as a non-federal leveraged funding source.

- a. 5% up to 10% of total sources comprised of non-federal and non-Authority funds 1 point
- b. 10% up to 20% of total sources comprised of non-federal and non-Authority funds 2 points
- c. 21% and higher of total sources comprised of non-federal and non-Authority funds 3 points

4. Does the State’s application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

Yes No N/A

5. Does the State’s application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

Yes No N/A

6. **Performance Goals and Benchmarks- § 91.320(k)(5)(iii)**

The State has met the requirement to provide for performance goals and benchmarks against which the State will measure its progress, consistent with the State's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes No

7. Maximum Per-unit Development Subsidy Amount- § 91.320(k)(5) and § 93.300(a)

Enter or attach the State’s maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the State will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME’s maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

South Carolina developed its own maximum per-unit development subsidy limits.

# of Bedrooms	Lowcounty Region	Midlands Region	Upstate Region
0 Bedroom/Efficiency	125,000	125,000	125,000
1 Bedroom	130,000	130,000	130,000
2 Bedroom	135,000	135,000	135,000
3 Bedroom	140,000	140,000	140,000
4+ Bedroom	145,000	145,000	145,000

a. Low Country Region Counties: Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Horry, Jasper, and Williamsburg.

b. Midlands Region Counties: - Aiken, Allendale, Bamberg, Barnwell, Calhoun, Chesterfield, Clarendon, Darlington, Dillon, Edgefield, Fairfield, Florence, Greenwood, Hampton, Kershaw, Lee, Lexington, Marion, Marlboro, McCormick, Newberry, Orangeburg, Richland, Saluda, and Sumter.

c. Upstate Region Counties: - Abbeville, Anderson, Cherokee, Chester, Greenville, Lancaster, Laurens, Oconee, Pickens, Spartanburg, Union, and York.

The maximum per unit subsidy limits are limited to the lesser of the average estimated Total Development Cost per unit for HOME units in years 2015 and 2016 or the High Cost Percentage (HCP) of 244% for the Base City Columbia, SC. The effective date of the HCP for Base City Columbia, SC is November 18, 2015.

The maximum amount of National Housing Trust Fund, or a combination of NHTF and any other federal funds, that may be invested on a per unit basis in a specific county may not exceed the maximum per unit subsidy limit established above.

New limits are subject to HUD final approval.

The single limits are appropriate for the entire state as a result of consistent construction costs throughout the state.

8. Rehabilitation Standards - § 91.320(k)(5)(iv) and § 93.301(b)

The State must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The State's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. At a minimum, the rehabilitation standards must address:

- Health and safety;
- Major systems;
- Lead-Based Paint;
- Accessibility;
- Disaster Mitigation;
- State and local Codes, Ordinances, and Zoning Requirements;
- Inspectable Areas and Observable Deficiencies from HUD's Uniform Physical Condition Standards identified by HUD as applicable to HTF-assisted housing; and
- Capital Needs Assessments (if applicable).

Enter or attach the State's rehabilitation standards. If the State will not use HTF funds for rehabilitation of housing, enter "N/A".

N/A

9. Resale or Recapture Guidelines- § 91.320(k)(5)(v) and § 93.304(f)

If the State intends to use HTF funds to assist first-time homebuyers, it must set forth the guidelines for resale or recapture and obtain HUD specific, written approval, as required in § 93.304(f). Approval of the consolidated plan or annual action plan under § 91.500 or the failure to disapprove the consolidated plan or annual action plan does not satisfy the requirement for specific HUD approval for resale or recapture guidelines.

Enter or attach a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the State will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. HTF Affordable Homeownership Limits- § 91.320(k)(5)(vi) and § 93.305

If the State intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the State will not use HTF funds to assist first-time homebuyers, enter "N/A".

- The State will use the HUD issued affordable homeownership limits.
- The State has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.
- N/A

11. State Limited Beneficiaries or Preferences- § 91.320(k)(5)(vii)

Describe how the State will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the State will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A”.

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the State must not limit or give preferences to students. The State may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

N/A

12. Refinancing of Existing Debt- § 91.320(k)(5)(viii) and § 93.201(b)

Enter or attach the State's refinancing guidelines below. The guidelines describe the conditions under which the State will refinance existing debt. The State's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the State will not refinance existing debt, enter "N/A".

N/A

VII. GRANTEE CERTIFICATIONS

In addition to submitting an HTF allocation plan, the State must submit all the required certifications identified at § 91.225 (for new action plans). If the State is amending the action plan to include HTF, it must resubmit the following certification to include HTF:

- Consistency with plan- The jurisdiction must submit a certification that the housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan. Where the HOPWA funds are to be received by a city that is the most populous unit of general local government in an EMSA, it must obtain and keep on file certifications of consistency from the authorized public officials for each other locality in the EMSA in which housing assistance is provided. HTF must be included in this certification.

VIII. REQUIRED FORMS

In addition to submitting an HTF allocation plan, the State must submit and/or complete the following standard form for its HTF program.

- Standard form- 424: [Application for Federal Assistance](#) (§ 91.320(a))

IX. RESOURCES

The following resources should be referenced before developing and submitting the HTF allocation plan.

HTF Resources

- HTF website- www.hudexchange.info/htf
- HTF [Interim Rule](#)
- Notice CPD-17-05 [Guidance for HTF Grantees on Fiscal Year 2017 Housing Trust Fund \(HTF\) Allocation Plans](#)
- HTF [FAQs](#)
 - o HTF Maximum Per-Unit Development Subsidy Amounts
 - o HTF Rehabilitation Standards
- HTF Webcast on [Overview of the HTF program](#)
- HTF Webinar on [Developing HTF Allocation Plans](#)
- HTF [Formula Allocation](#)


Consolidated Plan Resources

- eCon Planning Suite website- <https://www.hudexchange.info/consolidated-plan/econ-planning-suite/>
- Notice CPD-12-009: [Use of IDIS to Submit the Consolidated Plan](#)
- Consolidated Plan in IDIS [Desk Guide](#)
- Con Plan Quick Guide: [Amending a Consolidated Plan and Annual Action Plan For State, Entitlement & Regional Grantees.](#)

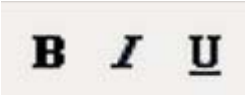
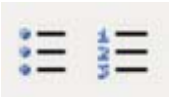


X. APPENDICES




Appendix A: eCon Planning Suite Editing Options

Narrative Fields and the 4,000 Character Limit

The limit on the amount of text is 4,000 characters per field. The character limit includes white spaces, formatting marks such as new paragraphs, and other hidden characters. For example, the following text “The **quick** brown fox” contains 16 visible characters, but also contains 3 white space characters and additional hidden characters related to the bold and underline formatting. Users can select the  option to display and remove the hidden formatting.

Other Editing Options

Tools	Description
	Bold Italics Underline
	Bullet List Numbered List
	Undo Redo
	Paste as Plain Text. If this tool is toggled on, any text pasted into the narrative box will be stripped of all formatting. Paste from Word. This tool will allow the pasted text to retain limited formatting, including Bold, Italics, Underline, and simple

Tools	Description
	numbered and bulleted lists. Paste from Word will not retain more complex formatting, such as tables and indentation.
	Select All. This tool selects all of the text currently entered in the narrative box.
	Show/Hide Visual Control Characters. This tool is used to toggle the display of hidden formatting, such as paragraph marks (not currently functional).
	Edit HTML Source. This tool opens a dialog box where users can edit the HTML Code to format the text of the narrative box.

Adding Additional Text Box for Narrative:

To input additional narrative beyond 4,000 characters, grantees can add another [text box](#). Due to embedded formatting in PDF documents, grantees should not try to copy text from PDFs, but should only use text or Microsoft Word files.

The screenshot below shows the features of narrative fields in the template.



Appendix B: Amending a Consolidated Plan and Annual Action Plan

I. Amending Approved Consolidated Plan/Year 1 Action Plan

The State should follow these instructions to amend its consolidated plan and annual action plan to include HTF. All States are responsible for amending their individual Action Plans.

To amend a Consolidated Plan/Year 1 Action Plan, grantees must first copy the existing plan.

1. Click "Search" under the Consolidated Plan submenu.



2. Make note of the Year and Version of the Plan to be amended.

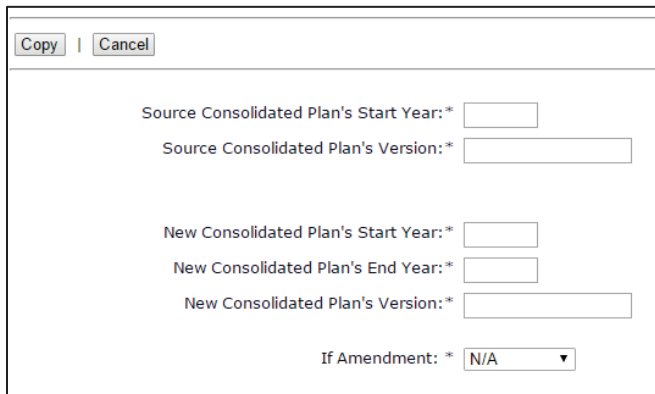
Results Page 1 of 1

Grantee Name	State	Year	Version	Title	Status	Action
SAN ANTONIO	TX	2015	1	San Antonio Five Year Consolidated Plan 2015-2019	Review Completed	View

3. Click "Copy" under the Consolidated Plan submenu.



4. Enter the Source Year and Version from the Plan to be copied (identified in Step 2).

A screenshot of a "Copy" dialog box. At the top left are "Copy" and "Cancel" buttons. The dialog contains several input fields and a dropdown menu:

- Source Consolidated Plan's Start Year: * [input field]
- Source Consolidated Plan's Version: * [input field]
- New Consolidated Plan's Start Year: * [input field]
- New Consolidated Plan's End Year: * [input field]
- New Consolidated Plan's Version: * [input field]
- If Amendment: * [dropdown menu with "N/A" selected]

5. Enter the Start Year, End Year and Version for the amended plan. For amendments, the Start Year must be the same as the Source Plan. Select whether the amendment is Minor or Substantial from the dropdown menu.

6. Once completed, click “Copy.” The Amended plan will be accessible from the Consolidated Plan search screen. The default title of the copied plan will be “ConPlan Copy.” Grantees can change the title on the AD-25 screen.
7. If the copy is a Substantial Amendment, the AD-25 screen will include a text box following the “If Amendment” dropdown menu to explain the amendment.

The screenshot shows a form with a dropdown menu labeled "If Amendment:" set to "Substantial". Below it is a text box labeled "If Substantial Amendment, explain:*" which is currently empty.

8. All amendments, minor and substantial, must be submitted for review in IDIS to ensure the amended information is included in the CAPER. Depending on the amendment, the Field Office may not conduct a full review of the plan, but must functionally mark the amended plan as “Review Complete” in IDIS.

II. Amending the Action Plan

1. Click “Search” under the Action Plan submenu and note the Year and Version of the Action Plan to be amended.
2. Click “Copy” in the Action Plan submenu.



3. Enter information in the fields provided. For amendments, the Program Year for the amended plan must be the same as the Source Program Year.

Copy Annual Action Plan

Copy | Cancel

Source AAP Program Year: *

Source AAP Plan Version: *

New AAP Program Year: *

New AAP Plan Version: *

If Amendment: *

4. Select whether the amendment is Minor or Substantial.
5. When complete, click “Copy”. The amended plan will be accessible from the Action Plan search screen. The default title of the copied plan will be “AAP Copy.” Grantees can change the title on the AD-26 screen.
6. If the copy is a Substantial Amendment, the AD-26 screen will include a text box immediately following the “If Amendment” dropdown menu to explain the amendment.

If Amendment:

If Substantial Amendment, explain:*

7. All amendments, minor and substantial, must be submitted for review in IDIS to ensure the amended information is included in the CAPER. Depending on the amendment, the Field Office may not conduct a full review of the plan, but must functionally mark the amended plan as “Review Complete” in IDIS.