



REGULAR BOARD MEETING
JANUARY 17, 2012 10:00 A.M.

- I. Call to Order (**10:00 a.m.**) **NOTE TIME**
- II. Freedom of Information Act Statement
- III. Adoption of Proposed Agenda
- IV. Regular Session
 - A. Approval of Minutes November 15, 2011 (Chairman Smith)
 - B. 2012 Board Meeting Calendar Revision (Chairman Smith)
 - C. SC HELP Update (Matt Rivers)
 - D. Development Division Update (Laura Nicholson)
 - E. Mortgage Credit Certificates Discussion (Claude Spurlock)
 - F. Reports
 - 1. Chairman (Chairman Smith)
 - 2. Executive Director (Valarie Williams)
 - 3. Deputy Director (Ed Knight)
 - 4. Marketing & HR Director (Cynthia Dannels)
 - 5. Finance Director (Richard Hutto)
- V. Other Business
- VI. Executive Session (if necessary)
- VII. Next Meeting (TBD)
- VIII. Adjournment



South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803)896-9001

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T. Scott Smith
Chairman

Valarie M. Williams
Executive Director

REGULAR COMMISSION MEETING

The Board of Commissioners of the South Carolina State Housing Finance and Development Authority met on Tuesday, November 15, 2010 at approximately 10:00 a.m., at the Authority's office, 300-C Outlet Pointe Boulevard, Columbia, South Carolina.

The following Commissioners were in attendance:

T. Scott Smith, Chairman
Clente Flemming, Vice Chair
Eddie C. Bines
Carl Roberts
Robert Mickle (telephonically)

The following Commissioners were excused: John S. Hill, Felicia D. Morant, and Mary L. Thomas.

Staff and Guests attending the meeting included the following:

STAFF: Valarie M. Williams, Executive Director
Ed Knight, Deputy Director
Richard Hutto, Finance
Carl Bowen, Rental Asst. & Compliance
Wayne Sams, Internal Auditor
Tracey Easton, General Counsel
Cynthia Dannels, Marketing & Human Resources
Matt Rivers, SC HELP
Laura Nicholson, Development
Claude Spurlock, Homeownership Production
Lisa Rivers, Mortgage Servicing
Kim Spires, Investor Services
Luke Lukasewski, Contract Administration
Clayton Ingram, Marketing
Lisa Bussey, Legislative Outreach
Bonita Shropshire, Executive Assistant

GUESTS: Sam Howell, Howell, Linkous, & Nettles
Colleen Siniard, CS Consulting
David Christmas, Connelly Development
Chris Whitaker, Douglas Development
Vicki Wilkes, SC Dept. of Disability & Special Needs

Chairman Smith called the meeting to order and announced that approval of the agenda and all reports requiring board approval would be presented upon the arrival of Commissioner Flemming which would allow a quorum of the board. The Chairman stated that the monthly reports would be presented first.

Freedom of Information Act Statement

Chairman Smith asked Valarie Williams to read into the record the Freedom of Information Statement.

“As required by the provisions of Section 30-4-80(e) of the Code of Laws of South Carolina, notification of this meeting has been given to all persons, organizations, local news media, and other news media which have requested such notifications.”

Reports

Executive Director

The Chairman called upon Valarie Williams for the Executive Director’s report. Ms. Williams began her report by informing the Board of some recent public hearings on foreclosure that Staff had participated in. The hearings were held in Greenville, Columbia, and Charleston and organized by Senator David Thomas. Staff seized the opportunity to provide information on SC HELP to the panel of legislators and audience participants. She continued her report with information on some upcoming security measures that the Authority has taken to enhance the agency’s security. Ms. Williams concluded by informing the Board that she would be attending the NCSHA Board of Directors Meeting and Executive Director’s Forum December 4 – 6, 2011 in Washington, D.C. The report was accepted as information.

Deputy Director

Chairman Smith called upon Ed Knight for the administrative update. Mr. Knight began with an update on the servicing software for the loan division. According to Mr. Knight the State had already posted an RFP and Staff projects an award by the beginning of 2012.

In the absence of Matt Rivers who is in Dallas, TX attending a Hardest Hit Fund Summit, Mr. Knight presented a handout on SC HELP which included staff and loan updates, showing funds committed of \$12.3 million. Mr. Knight also reported that the SC HELP staff was preparing for the upcoming Treasury on-site compliance review scheduled for December 12-16, 2011.

Mr. Knight concluded with his normal monthly production reports. The report was accepted as information.

Marketing & HR Division Director

Chairman Smith asked Cynthia Dannels to present the Marketing & Human Resources report. Ms. Dannels briefly went over all recent hires, resignations, and retirements. She then invited board members to the Agency's Holiday Lunch on December 9, 2011. Ms. Dannels followed with a brief summary of recent legislative and marketing activities. She concluded her report by providing the dates of the 2012 Palmetto Housing Forum, April 18-19, 2012. The report was accepted as information.

Finance

The Chairman asked Richard Hutto to present the finance report. Mr. Hutto presented the audited financial statements for the period ending June 30, 2011 and provided an overview of the statements. Mr. Hutto then presented the monthly financial statements through October 31, 2011. Both reports were accepted as information.

Agenda

Chairman Smith presented the amended agenda for approval noting that the Board had now reached a quorum for votes.

MOTION Commissioner Bines moved to adopt the agenda as amended. The motion received a second from Commissioner Flemming. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

Minutes

The Chairman asked if there were any additions or corrections to the minutes of October 18, 2011. There being none, he called for a motion to approve the minutes.

MOTION Commissioner Roberts moved to approve the minutes of October 18, 2011 as presented. The motion received a second from Commissioner Flemming. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

Bond Committee

The Chairman called upon Tracey Easton to present the following Resolutions.

2011 Carry-Forward Allocation Request

Ms. Easton asked for consideration of a Resolution authorizing a petition to the Budget and Control Board requesting allocation of any unused portion of the State's 2011 Private Activity Bond Ceiling. Ms. Easton stated that Staff had recommended this Resolution to the Bond Committee at an earlier meeting that morning. Commissioner Bines stated that the Bond Committee had received and reviewed the request, and recommended approval by the full Board.

MOTION Commissioner Bines moved to approve the Resolution. The motion received a second from Commissioner Mickle. There being no further discussion, all Commissioners voted in the affirmative and the motion carried.

Resolution for the Waters at Stoney Creek

Ms. Easton provided revised copies of the Resolution for The Waters at Stoney Creek. According to Ms. Easton, the Resolution was revised after Staff was informed that the Trustee named in the original Resolution, Wells Fargo, withdrew from the bond deal because of a conflict of interest. Ms. Easton advised the Board that the only difference between the two resolutions is that the revised version states that the Trustee will be determined.

Ms. Easton then presented consideration of the Resolution which would make provision for the issuance of not exceeding \$8,250,000 aggregate principal amount for a rehabilitation project that consists of 196 units with a target population of family. Ms. Easton stated that the Bond Committee approved the preliminary resolution at a meeting on October 18, 2011. She concluded that Staff had recommended approval to the Bond Committee at a meeting earlier that morning. Commissioner Bines stated that the Bond Committee had received and reviewed the revised Resolution, and recommended approval by the full Board.

MOTION Commissioner Bines moved to approve the revised Resolution. The motion received a second from Commissioner Flemming. After a brief discussion, all Commissioners voted in the affirmative and the motion carried.

Executive Session

The Chairman called for a motion to enter executive session for the purpose of obtaining legal advice and matters pertaining to current litigation.

MOTION Commissioner Roberts moved to enter executive session for the purpose of obtaining legal advice and to discuss matters pertaining to current litigation. The motion received a second from Commissioner Mickle. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

[EXECUTIVE SESSION]

Upon rising from executive session, the Chairman reported that there were no actions or votes taken.

Program Committee**Resolution Approving Allocation for Down Payment Assistance**

Chairman Smith called on Richard Hutto to present the Resolution. Mr. Hutto explained that the Resolution would authorize up to \$2 million from unallocated monies available in the Program Fund and are the result of payoffs and prepayments of down payment assistance to be recycled for continued down payment assistance with the Authority's Single Family Homeownership program. Commissioner Bines stated that the Resolution had been reviewed and discussed by the Program Committee, and recommended approval by the full Board.

MOTION Commissioner Bines moved to approve the Resolution allocating the \$2 million for down payment assistance. The motion received a second from Commissioner Flemming. There being no further discussion, all Commissioners voted in the affirmative and the motion carried.

Housing Trust Fund

Chairman Smith called upon Laura Nicholson for the Housing Trust Fund (HTF) report. Ms. Nicholson presented the HTF's financial report which included a budget analysis, fiscal year-to-date awards by activity, and the fiscal year cash balance analysis. Mr. Rivers noted that the Fund's remaining unencumbered cash balance was approximately \$255,835.39. Ms. Nicholson then presented 17 project proposals with total funds requested of \$653,500.

Owner-Occupied Rehabilitation Block Grants

Project No. 17312	Berean CDC	\$44,500
Project No. 17412	Blackville CDC	\$22,250
Project No. 17512	Camden First CDC	\$22,250
Project No. 17612	Carolina Communities Foundation, Inc.	\$22,250
Project No. 17712	Clarendon County CDC	\$22,250
Project No. 17812	Community Assistance Provider	\$22,250
Project No. 17912	Empowered Personal Care Home Health Alliance	\$22,250
Project No. 18112	Fresh Start CDC	\$22,250
Project No. 18312	Housing Dev. Corp. of Rock Hill	\$66,750
Project No. 18412	Kingdom Vision Christian Center	\$44,500
Project No. 18512	Low Country Community Services, Inc.	\$22,250
Project No. 18612	Nehemiah CRC	\$66,750
Project No. 18712	New Covenant Community Center, Inc.	\$22,250
Project No. 18812	Rural Initiatives	\$22,250
Project No. 18912	S.E.E.D. Faith Ministries Inter. Inc.	\$66,750
Project No. 19012	VEER CDC	\$66,750

Group Homes

Project No. 19212	Williamsburg Co. DSN Board	\$75,000
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Ms. Nicholson stated that Staff recommended approval of the project proposals to the Program Committee at their meeting earlier that day. Commissioner Bines stated that the Program Committee had reviewed the Staff's request and recommended approval of the Trust Fund awards.

MOTION Commissioner Bines moved to approve the project proposals. The motion received a second from Commissioner Flemming. There being no further discussion, all Commissioners voted in the affirmative and the motion carried.

2012 Qualified Allocation Plan

Chairman Smith called on Laura Nicholson to present the 2012 Qualified Allocation Plan. Ms. Nicholson presented the draft of the 2012 Low Income Housing Tax Credit Qualified Allocation Plan (QAP) and Manual. She stated that a public hearing was held on October 31 and that the draft QAP was made available for public comment two weeks prior to the hearing. Ms. Nicholson noted the changes to the Plan and Manual. The final draft of the QAP is expected to go to the Governor for signature within the next two weeks.

The Chairman called for a motion to submit the draft QAP and Manual to the Governor.

MOTION Commissioner Flemming moved to submit the draft QAP and Manual to the Governor. The motion received a second from Commissioner Bines. There being no further discussion, all Commissioners voted in the affirmative and the motion carried.

The Chairman acknowledged that he was aware that there were guests present at the meeting who were concerned with the 2012 Draft QAP. He expressed the intent of the Board to take the next couple of months to investigate ways that would allow S.C. Developers the advantage for developing within the State.

Voucher Program and Contract Administration Update

The Chairman asked Carl Bowen to present the updates for the Voucher Program and Contract Administration Program. Mr. Bowen reported that for the 11th consecutive year, the Housing Choice Voucher Program (Section 8) has been rated by the U.S. Department of Housing and Urban Development as a high performer and scored a 100%.

Mr. Bowen continued his report with a status of the Project Based Contract with the U.S. Department of Housing and Urban Development (HUD). According to Mr. Bowen, HUD has informed Staff that the Notice of Funding Availability (NOFA) is still in draft form and that HUD is expected to extend the current contract an additional ninety days.

Other Business

There being no additional business to come before the Board, Chairman Smith adjourned the meeting.

Respectfully submitted,



Valarie M. Williams, Secretary

Approved: January 17, 2012

By:



T. Scott Smith
Chairman

Respectfully submitted,

Valarie M. Williams, Secretary

Approved: January 17, 2012

By: _____
T. Scott Smith
Chairman



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T. Scott Smith
Chairman

Valarie M. Williams
Executive Director

BOARD MEETING DATES 2012

January 17

(Holiday on Monday January 16)

February 14

March 20

April

(No Meeting)

(NCSHA Legislative Conference April 23-25)

May 15

June 19

(NCSHA Housing Credit Conference June 26 - 29)

July

(No Board Meeting)

(NCSHA Executive Director Conference TBD)

August 21

(National Conference of State Housing Boards TBD)

September 11

(SC Housing Authority Board Retreat)

October 16

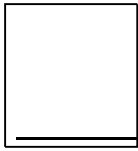
(NCSHA Annual Conference October 20 - 23)

November 13

December

(No Meeting)

*Board meetings are held at the SC State Housing Office.
Meeting times are confirmed a week prior to all meetings, but normally begin around 10:00 a.m.*



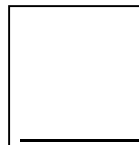
South Carolina

STATE HOUSING

Finance and Development Authority

Division: SC HELP

Subject: Oral Report



Division: Development Division

Subject: Revised Final 2012 Qualified Allocation Plan (QAP)

The Proposed Final 2012 QAP was approved by the Board of Commissioner at its regularly scheduled November 15, 2011 Board meeting. The document was sent to Governor Haley for review and approval on November 17, 2011. The Governor signed the Revised Final 2012 QAP on December 13, 2011. Attached is the Memo Authority staff prepared and posted with the Revised Final 2012 QAP.



South Carolina
STATE HOUSING
Finance and Development Authority

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M e m o r a n d u m

Date: January 9, 2012
To: All Tax Credit Development Partners
From: Laura Nicholson, Development Director
Subject: Revised Executed Final 2012 Qualified Allocation Plan (QAP)

The Authority has received the executed 2012 QAP. The Proposed Final 2012 QAP originally sent to Governor Haley, dated 11/8/11 and posted on the Authority's webpage, has been changed. The changed items are as follows:

1. Additional Tie Breaker Item #4- Owners (which include individual(s), corporation(s), or in the case of a limited partnership, the general partners(s)) who have previously developed a minimum of one LIHTC development in South Carolina. LIHTC development (to include 4% and 9% Tax Credits, TCAP and Exchange funded developments) means, coordinating the development team from the planning, financing and construction of a development through the receipt of Certificates of Occupancy and issuance of 8609s. Applicants **must** have a current ownership interest in the development.
2. Deleted from the Point Criteria section is Sites located in the Community Revitalization Development Plan (CRDP) area. Added as an additional Tie Breaker, Item #5- Sites located in a Community Revitalization Development Plan (CRDP) area will receive points. The CRDP must have been adopted not later than November 15, 2011. Evidence of such must be verified in writing by a City and/or County official and submitted with the application. The proposed development must be part of an existing and ongoing revitalization for the area that promotes affordable housing including single and multifamily housing developments. Evidence of past, current and planned revitalization efforts must be documented using photographs and specific addresses. Consolidated Plans for a County alone do not count as CRDP targeted areas.



Division: Development Division

Subject: Draft 2012 HOME Action Plan

Attached is the Authority's Draft 2012 HOME Action Plan. This draft document has been included as part of the 2012 Consolidated Annual Action Plan. The Consolidated Annual Action Plan includes program information for all federal funding programs operated within the State of South Carolina; i.e. CDBG, HOPWA, and ESG. The Department of Commerce is the lead Agency for collecting and disseminating the annual Consolidated Plan information throughout the State.

A public hearing for the Draft 2012 HOME Action Plan, as well as the other federal funding programs, will be held on January 25, 2012 at the Department of Commerce Office. There is a 30-day public comment period on the Draft Plan. Any comments received by Authority staff during this time must be responded to in writing addressed back to the person or entity making the comment. It is anticipated that the Proposed Final 2012 HOME Action Plan will be sent to HUD on February 13, 2012. HUD has a 45-day review period during which time HUD can make comments and require further changes. It is anticipated that the 2012 HOME Action Plan will be approved by HUD and take effect on April 1, 2012.

2012 HOME Investment Partnerships Program Action Plan

Prepared by
The South Carolina State Housing Finance and Development Authority
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DRAFT

EXECUTIVE SUMMARY

The Action Plan is a document submitted to the U. S. Department of Housing and Urban Development (HUD) annually which describes the method used by the South Carolina State Housing Finance and Development Authority (the Authority) to distribute the HOME Investment Partnership Program (HOME) funds. It also contains information on the application process and program objectives.

HOME was created under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990. The Authority's HOME Program is designed to promote partnerships among HUD and other federal entities, state/local governments, and those in the nonprofit and for-profit sectors who build, own, manage, finance, and support low income housing initiatives. HOME provides the flexibility needed to fund a wide range of low income housing initiatives through creative and unique housing partnerships. As the designated administrator of the state's HOME Program, the Authority has specifically designed the HOME Program to meet the needs of low to moderate income South Carolinians to be in accordance with the HOME regulations 24 CFR Part 92.

As the Participating Jurisdiction (PJ) for the state, the Authority will continue to ensure that HOME funds are distributed in a manner that is reasonably equitable to all regions of the state. The 2012 Action Plan reflects the priorities of the State as set forth in the State's current Consolidated Plan. Our mission is to create quality affordable housing opportunities for the citizens of South Carolina. More specifically, our goal is to promote partnerships with various municipalities, banking institutions, nonprofits, for-profit organizations, and Public Housing Authorities (PHAs). Our purpose is to work with these partners to increase awareness of the HOME Program while increasing housing quality and capacity statewide.

The State of South Carolina has fifteen (15) other local PJs which receive direct funding from HUD for their areas of service. These PJs include: City of Charleston, City of Columbia, City of Greenville, City of Spartanburg, Charleston County, Greenville County, Lexington County, Richland County, Spartanburg County, Anderson County Consortium (*Anderson City and County*), Beaufort County Consortium (*Beaufort, Jasper, Hampton, Colleton*), Georgetown County Consortium (*Horry, Georgetown, Williamsburg*), Greenwood County Consortium (*Abbeville, McCormick, Edgefield, Saluda, Greenwood, Laurens*), Orangeburg County Consortium (*Aiken, Allendale, Bamberg, Barnwell, Calhoun, & Orangeburg*), Sumter County Consortium (*Sumter, Lee, Clarendon, Kershaw*), The Authority does not regulate the administration of the other PJs; however, we do encourage applicants and participants alike to work with local funding sources to leverage all available resources in the state.

In 2012, as the State PJ, the Authority will administer a total of approximately \$8,100,000 in HOME funds. This amount consists of the 2012 anticipated HUD allocation of \$4,400,000 and the anticipated 2012 HOME program income of \$3,700,000. There are several legislated set-asides allowed and required by HUD.

2012 HOME Distribution (Table 1)

Set Asides	Allocation	Program Income	Totals
<i>State PJ Balance/Less the following set asides</i>	\$4,400,000	\$3,700,000	\$8,100,000
Administrative 10%	(\$440,000)		(\$440,000)
CHDO Operating 5%	(\$220,000)		(\$220,000)
HOME/Tax Credit/Multi-Family Bond Program	(\$2,240,000)	(\$2,600,000)	(\$4,840,000)
Single Family Division/Other eligible Activities		(\$1,100,000)	(\$1,100,000)
Statewide Rental *	(\$1,500,000)		(\$1,500,000)
Statewide PJ Balance	\$0.00	\$0.00	\$0.00

(*includes the required 15% legislated set aside for Community Housing Development Organizations (CHDOs))

The Authority shall distribute its 2012 HOME Program funds to eligible entities through one or more funding cycles and utilize the following set-asides: Administration, CHDO Reserve, CHDO Operating Expenses, Low Income Housing Tax Credit (LIHTC) program, Rental and Homeownership activities.

HUD has legislated that of the total anticipated 2012 HUD allocation of \$4,400,000 several set-asides are allowed and/or required. One requirement is to set-aside fifteen percent (15%) or \$660,000, for Community Housing Development Organizations (CHDOs) to develop, sponsor, or own rental and homeownership activities. Allowable set-asides include ten percent (10%) for administration and five percent (5%) for CHDO operating funds.

As referenced in Table 1, the Authority anticipates a total of **\$8,100,000** for distribution as highlighted below:

- Allowable set aside of ten percent (10%) (**\$440,000**) for the administration of the program. Administrative funds will be used for the planning, administration, allocation of indirect costs and monitoring of the program. Funds will also be used to conduct workshops to assist participants in applying for and implementing HOME funded projects.
- Required CHDO set-aside allocation will be fifteen percent (15%) (**\$660,000**) of the Authority's total HOME allocation. CHDOs wanting to receive funds must comply with the established procedures contained in the application for funding. **This amount is included in the total amount set-aside for the statewide rental competition.**
- Allowable set aside of five percent (5%) (**\$220,000**) for CHDO operating expenses. The use of these funds will enhance the CHDOs ability to operate their organizations to capacity and to purchase items needed to operate their businesses successfully, thereby ensuring the quality of rental units produced.
- Set aside of **\$4,840,000** to be used in conjunction with the Low Income Housing Tax Credit (LIHTC) Program and the Multi-Family Bond Program to finance rental developments in an effort to maximize the state's available resources.
- Set aside of **\$1,100,000** to be used in conjunction with the Authority's Single Family Mortgage Revenue Bond (MRB) Program (homeownership, funded with anticipated HOME program income). The funds will provide assistance with down payment and closing costs to potential homebuyers.
- Set aside of **\$1,500,000** to be used in the statewide Rental competition. This set-aside is designed to address smaller rental housing projects, either new construction or rehabilitation, which do not require Low Income Housing Tax Credits.

HOME Program Design

The Authority operates a predominantly decentralized system for the administration of the HOME Program. Units of local government, nonprofits, for-profits, and PHAs are eligible recipients of the awards. The Authority will administer the HOME Program in a manner that will address the needs of very low and low-income persons, special needs groups, rural areas, as well as those areas with limited housing that may be referenced in the Consolidated Plan.

Distribution of 2012 HOME funds will be consistent with the priorities identified in the State's Consolidated Plan. The State's five-year housing goals are as follows:

1. Enhance suitable living environments through new accessibility, affordability and sustainability.
2. Create decent housing with new availability, affordability and sustainability.
3. Provide economic opportunity through improved accessibility, affordability and sustainability.

The Authority's plan will encourage the effective use of funds through two (2) HOME eligible program activities; a competitive Rental cycle and the Authority's Single Family Mortgage Revenue Bond Program for homeownership. The Authority will allow participants to determine the housing needs of the State and will ensure that the activities are consistent with the priorities contained in the State's Consolidated Plan.

Rental Activity - Competitive:

HOME's rental activity will impact living conditions for citizens who cannot participate in homeownership opportunities, but nonetheless deserve affordable housing opportunities. Rental options are designed to create a leveraging vehicle to compliment other rental housing programs, such as Housing Trust Fund (HTF), Community Development Block Grant (CDBG), LIHTC, Federal Home Loan Bank etc., in an effort to ensure project feasibility. Forms of financial assistance may include: a) loans - interest bearing and deferred payable; b) grants (for eligible recipients); and c) other forms approved by HUD. A specific outline of how the Authority will encourage the implementation for rental activities is provided as **Attachment A "RENTAL Threshold & Criteria Requirements"**.

In addition to HOME's regular rental cycle, HOME funds are made available in conjunction with the LIHTC program to support rental projects through a separate competitive cycle. The HOME/LIHTC program application is designed to reinforce the competitive application requirements set forth by the Qualified Allocation Plan (QAP) which defines threshold and rating criteria. The QAP is located on the Authority's web site at <http://www.schousing.com/library/tax%20Credit/2012/Final%20QAP.pdf>.

Rental Activity – Noncompetitive:

A portion of the HOME funds will be made available for the Authority's Multi-Family Bond Program. This is a noncompetitive multi-family rental program.

Homeownership Activity – Noncompetitive:

HOME funds are made available directly to eligible beneficiaries through a noncompetitive process. In conjunction with the Authority's Single Family Mortgage Revenue Bond Program, HOME funds are offered for down payment and closing cost assistance in the form of a soft second deferred forgivable loan. The assistance will not exceed \$10,000 per unit.

Application Process:

Competitive applications for Rental activities will be accepted beginning **Thursday, February 16, 2012 through Friday, March 30, 2012**. All applications must be received not later than 5:00 pm, Eastern Standard Time, on **Friday, March 30, 2012**. Applications received after the deadline **will not be considered and will be returned to the applicant.**

A HOME Application Workshop is conducted annually for persons interested in participating in the HOME Program. At this workshop, application requirements and HUD federal requirements are reviewed. The goal is to

familiarize potential applicants with the HOME application, requirements and regulations, as well as provide an opportunity for questions and answers. Attendance at the HOME Application workshop is strongly encouraged but not mandatory. The 2012 HOME Application Workshop will be held on **Wednesday, February 15, 2012**.

Applications must meet the minimum HOME threshold requirements prior to being rated and ranked for competition. Applications not meeting the threshold requirements will be eliminated. The Authority will then evaluate remaining eligible applications to determine which will be recommended for HOME funding.

Award Process:

Once recommendations for funding have been finalized, participants receiving an award are provided a reservation letter which serves as the initial notification of a HOME award. An Environmental Review is conducted on each of the HOME reservation of awards. When the Environmental Review process is completed and approved, HOME Agreements are created which outline and specify HOME regulatory requirements as well as Authority established requirements that must be adhered to. Agreements are established for a twenty-four month period. The requirements and performance standards found in the Agreements are reviewed in detail at the Authority's HOME Implementation Workshop.

Implementation Process:

Participants awarded HOME funds are required to attend a HOME Implementation Workshop which further reviews federal, state and Authority requirements, procedures, and processes. Topics discussed include: the project schedule, how to request HOME funds, the construction inspection process, reporting requirements, applicable federal requirements, and project close-out. The implementation schedule ensures timeframes are met to successfully complete projects within the twenty-four month Agreement period. Throughout the course of construction or rehabilitation, each HOME rental project receives a minimum of three site visits. Rental projects are visited at the start of the project, during construction, and at project completion.

Applicable federal regulations are reviewed and appropriate forms provided to HOME participants which include Davis-Bacon, Section 3, Minority and Women Owned Business, and 504 handicapped assessable requirements. Quarterly reports are required in order to monitor the project's progress during the agreement period. Project completion forms initiate the close out process and are submitted once projects have met all development requirements.

Monitoring:

The Authority will assume the monitoring responsibility for all HOME activities funded with the State allocation. HOME rental projects receive an initial monitoring review during the lease-up period which serves not only as a monitoring review but provides the HOME participant/owner with technical assistance and guidance to ensure that the affordability requirements are adhered to for future monitoring visits. HOME participants/owners are required to annually review rent, utility allowances and tenant incomes. Ongoing project monitoring will be managed by the Authority's Compliance Monitoring Division. Project compliance is based on HOME regulatory requirements found at 24 CFR Part 92.504 d (1).

Community Housing Development Organizations (CHDOs)

The Authority will ensure that at least fifteen percent (15%) **\$660,000** of the State's HOME funds will be reserved for use by eligible CHDOs. CHDOs participating in eligible HOME program activities will meet the requirements of 24 CFR Part 92.

The Authority has established a specific annual timeframe in which CHDO applications will be accepted to ensure that the requirements are met to become a designated CHDO.

During the application process, the Authority evaluates the applications to ensure that CHDO set-aside funds are only awarded to CHDOs that serve as owners, sponsors or developers.

The following scenario details the CHDO designation, evaluation and funding process:

- a) Identification and evaluation of nonprofit organizations
- b) CHDO Designation
- c) Evaluation of specific program activity and projects involving CHDOs
- d) Technical assistance and training through agency workshops, agency one-on-one training and HUD intermediaries, (if necessary)
- e) CHDO application for funding
- f) Selection and awarding of operating expenses
- g) Execution of written agreements with CHDOs
- h) Monitoring of CHDO activities by the Authority

Matching Contribution

Due to poor economic conditions statewide, many of the Authority's potential recipients (especially rural localities) could not participate in the HOME program if they were required to provide a matching contribution as a condition of receiving an award. The Authority recognizes this problem, and as a result, will provide matching contributions for all 2012 HOME funds in accordance with the required amounts, recognition, and forms found at 24 CFR 92.218 - 92.221.

The SC Housing Trust Fund (HTF) will serve as the matching contribution for the State. The HTF receives approximately four and one half million (\$4,500,000) annually from a dedicated funding source created by the documentary stamp tax on the sale of real estate (twenty cents per \$500.00 of real estate sold). The Authority will carry over any excess match into the next fiscal year. The HTF program finances affordable rental, owner-occupied, and group homes for South Carolinians with low and very low incomes. The affordability periods, housing standards and income requirements are comparable to the HOME regulations.

Total State PJ Allocation	\$ 4,400,000
Less Administrative Costs (10%)	\$ 440,000
Less CHDO Operating Expenses (5%)	<u>\$ 220,000</u>
 Total State PJ Balance	 \$ 3,740,000
 Total Estimated 2012 Matching Contribution	 \$ 935,000

Affirmative Marketing & Outreach to Minority & Women Businesses

Affirmative marketing procedures for fiscal year 2012 will follow the procedures and regulations as noted in Appendix B. Additionally, the Authority certifies that its HOME Program will conform to the requirements of the following Acts and Executive orders:

- | | | |
|----|---|-----------------|
| a) | Fair Housing Act | 24 CFR 100 |
| b) | Executive Order 11063
(Equal Opportunity in Housing) | 24 CFR 107 |
| c) | Title VI Civil Rights Act - 1964
(Nondiscrimination in Federal Programs) | 24 CFR 1 |
| d) | Age Discrimination Act - 1975 | 24 CFR 146 |
| e) | Sect. 504 Rehabilitation Act - 1973 | 24 CFR 8 |
| f) | Executive Order 11246
(Equal Employment Opportunity) | 41 CFR 60 |
| g) | Section 3 of the Housing and Urban
Development Act of 1968 | 24 CFR 35 |
| h) | Executive Order 11625 | |
| i) | Executive Order 12432 | |
| j) | Executive Order 12138 | |
| k) | Site and Neighborhood Standards | 24 CFR Part 938 |

The Authority further certifies that in accordance with Section 281 of the National Affordable Housing Act procedures have been established to oversee a minority outreach program.

The following guidelines are provided for utilization by recipients of the HOME funds to implement outreach programs to ensure the inclusion, to the maximum extent possible, of entities owned by minorities and women. These are basic outreach activities and are not all inclusive actions the Authority or its recipients may take.

1. Develops a systematic method for identifying and maintaining an inventory of certified minority and women's business enterprises (MBEs and WBEs), their capabilities, services, supplies and/or products;
2. Utilizes the local media to market and promote contract business opportunities for MBEs and WBEs;
3. Develops materials (fact sheet; program guides, procurement forecasts, etc.) on contract/subcontract opportunities for MBEs and WBEs;
4. Develops procurement procedures for MBEs and WBEs to participate as vendors and suppliers of goods and services;
5. Sponsors business opportunities, conferences, seminars, etc., with minority and women business organizations;
6. Maintains centralized records when MBEs and WBEs have been utilized as contractor/subcontractors in HUD-assisted program activities.

Narrative A Program Income

It is the intention of the Authority to use HOME Program Income in conjunction with the Authority's Mortgage Revenue Bond (MRB) Program, as well as rental activities.

The MRB Program is a first time homeownership program offered by the Authority. The sale of tax-exempt bonds to investors provides the bulk of the funding available to potential qualified homebuyers. Like all of the Authority's homeownership programs, persons purchasing homes under the MRB Program must meet minimum credit standards, as well as income and purchase price restrictions, which vary by county.

HOME Program Income will be used for down payment and closing cost assistance. Homebuyers that qualify at or below 80% of the area median income will receive a deferred five year forgivable loan in an amount not to exceed \$10,000.

If additional homeownership or rental activities are funded with Program Income, all regular processing procedures will be followed to include: application completion, underwriting, subsidy layering, income targeting, utilization of low and high HOME rents, and the appropriate affordability period.

If HOME Program Income is provided to the Authority's Section 8 division, all regular procedures and program requirements will be followed. The funds would be used to provide rental assistance payments, security deposits, and utility deposits to eligible beneficiaries.

In addition, should Program Income be utilized for administrative costs, they will not exceed 10% as allowed by HOME regulations for Program Income. The total HOME Program Income for the period is anticipated to be \$3,700,000.

Principal and interest receipts on Multifamily loans serviced	\$2,135,116
Principal and interest receipts and recaptures on Single Family first mortgage loans and repayable down payment assistance loans serviced	\$1,590,444
Early payoffs of HOME Trust loans serviced	\$0
Early payoffs of forgivable Single Family Down Payment Assistance loans serviced	\$0
Interest earned on Program Income deposits	\$1,722
Total	\$3,727,282

APPENDIX A - Affirmative Marketing Procedures

The Authority's affirmative marketing policy shall consist of the following elements:

Informing the Public/Owners/Prospective Tenants

The Authority will employ several methods for informing the public, owners and potential tenants about the recipient's applicable federal fair housing laws and the HOME Program's affirmative marketing policy. Acceptable methods may include, but are not limited to: providing a copy of this policy to property owners and tenants, including the elements of the policy in all media releases, using the Equal Housing Opportunity logo and slogan in all media releases, and explaining the policy in general to the media, property owners, and tenants involved with the HOME Program.

Each property owner must follow the recipients' affirmative marketing policy. The policy clearly specifies or suggests activities such as the use of commercial media to advertise vacant units, local community contacts for potential tenants, or the use of the Equal Housing Opportunity logo or slogan. The policy also clearly defines the recordkeeping obligations of the property owner.

Requirements and Practices for Owners and Special Outreach Efforts

Owners must use affirmative marketing policies that inform and solicit applications from eligible persons in the housing market area, who are not likely to apply as defined in general as those who are not the race/ethnicity of the residents of the neighborhood in which the unit is located. Such procedures may include, but are not limited to: the use of community organizations, churches, employment centers, fair housing groups, Public Housing Authorities, or housing counseling agencies specifically chosen because they provide services to, or have as members, persons in the group or groups least likely to apply. The policy should clearly specify who is responsible for the various necessary activities.

Recordkeeping

The Authority will require that its state recipients maintain records of efforts taken by the recipient and owners to affirmatively market units, and also utilize those records to assess the results of these actions.

Assessment of Affirmative Marketing Efforts

The recipient will ensure owners compliance with affirmative marketing requirements by use of an agreement that shall be binding for specific periods of time (affordability period) from the date of completion.

Each recipient will be required to comply with the Authority's affirmative marketing procedures described above as well as maintain the required records and reports in accordance with 24 CFR 92.351. The Authority will review and approve the affirmative marketing efforts and monitor each recipient's performance in order to ensure compliance. The affirmative marketing performance of recipients may be used as a factor in approving future HOME awards.

APPENDIX B – State Participating Jurisdiction Certification

The State Participating Jurisdiction certifies that:

Eligible Activities and Costs – It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in 92.214.

Appropriate Financial Assistance – In accordance with 92.250(b) before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other governmental assistance than is necessary to provide affordable housing.

Valarie M. Williams, Executive Director

Date

Attachment A Rental Threshold & Criteria Requirements

General Program Information

Purpose

The HOME Investment Partnership Program (**HOME**) is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended. The HOME Program regulations are located at 24 CFR Part 92. The South Carolina State Housing Finance and Development Authority's (Authority) HOME Program is designed to promote partnerships among the U.S. Department of Housing and Urban Development (HUD), various federal entities, state and local governments, and those in the non-profit and for-profit sectors. It is designed for those entities who want to create affordable housing for low-income households.

Eligible Applicants

- Units of Local Government (cities, counties, and towns)
- Public Housing Authorities
- Community Housing Development Organizations (CHDOs), CHDOs must be Authority designated or recertified CHDOs at the time of application in order to be eligible to apply as a CHDO and to receive operating funds
- Nonprofit entities
- For-profit entities (individuals)

Eligible Activities

The rental activity is available for both **construction** and **rehabilitation** of rental units. Funds for the rental activity can be combined with other subsidy sources such as the South Carolina Housing Trust Fund (HTF), Community Development Block Grant Program (CDBG), Rural Development and the Federal Home Loan Bank.

Financial Assistance

The maximum HOME rental award amount is **\$400,000** per application. Funds may be awarded as a grant and/or as an amortizing below market rate loan.

For-profit applicants are only eligible to receive a one percent (1%) below market rate loan. The terms and amortization period must not exceed 30 years. All units must be designated as HOME assisted units.

Units of Local Government, Public Housing Authorities, CHDOs and nonprofit entities may request up to **\$300,000** as a grant. In addition, these applicants may blend a one percent (1%) loan with the grant but may not exceed the HOME cap of **\$400,000**. All units must be designated as HOME assisted units.

CHDOs awarded 2012 HOME project funds are eligible and may qualify to receive CHDO operating funds. Funds are awarded based on the amount of available operating funds. CHDOs receiving a HOME award of \$100,000 or less, may receive operating funds of up to 50% of the amount of the project funds awarded. CHDOs awarded more than \$100,000 in project funds may receive up to \$50,000 in operating funds. Please note that CHDOs cannot receive more than \$50,000 in operating funds in any one calendar year. Eligible operating costs include: salaries, wages, and other employee compensation and benefits; employee education, training, travel; rent; utilities; communication costs; taxes; insurance; equipment, materials, and supplies. **CHDOs must be state designated CHDOs at the time of application to be eligible to receive operating funds.**

All projects receiving a HOME below market rate loan will be secured by a Promissory Note and a recorded Mortgage. The HOME affordability period requirements will be enforced by a recorded Restrictive Covenants running with the property.

Terms and conditions of the loan include, but are not limited to, the following:

- In the event the property is to be sold, the HOME Loan becomes due and payable at closing, (per the mortgage and security agreement "Due on Sale" clause).

- Unless cash flow is determined to be sufficient to cover debt service during the underwriting evaluation, a project will not be awarded a HOME loan.
- The project's initial Debt Coverage Ratio (DCR) must **not be less than 1.20**.
- The HOME loan may be in a junior lien position to private lender financing; otherwise, the HOME loan will be in a debt position commensurate with its level of assistance. All loans will automatically be deferred for ninety (90) days following project completion.

HOME funds must be drawn proportionate with other sources of financing. There is no interest charge during the construction phase of the project. All draws are subject to a ten percent (10%) retainage; therefore, ninety percent (90%) of **HOME** funds may be drawn down prior to a private lender construction loan. The ten percent (10%) retainage will be released upon a final approved Authority HOME inspection and 100% completion of the project.

Application Submission

Applications may be obtained from the Authority's web site at www.schousing.com or by writing, emailing or faxing a request to the Authority's address below.

**South Carolina State Housing Finance and Development Authority
ATTN: HOME Program Application Package
300-C Outlet Pointe Blvd.
Columbia, SC 29210
Fax – (803) 551-4952**

Applications may be submitted to the Authority during regular business hours during the application cycle. Applications may be delivered by hand, by mail, or other shipping services; however, facsimile and/or e-mail transmissions **will not** be accepted.

All applications must be received not later than **5:00 pm**, Eastern Standard Time, on **Friday, March 30, 2012**. **Applications received after the deadline will not be considered and will be returned to the Applicant.**

Applicants must submit **one (1) original** and **one (1) copy** of the application package in a **3-ring binder** appropriately separated with the tabs provided. Complete applications must include all pages of the application and all items identified on the Rental Application Tab Checklist along with any supporting documentation. **All applications including copies, must be self-contained and complete. The Authority will not rely on any previously submitted information, written or verbal, to evaluate applications.**

There will be a nonrefundable **\$100** dollar processing fee that must be submitted with the application. Cashier's checks should be made payable to the "South Carolina State Housing Finance and Development Authority." Applications that are submitted without the processing fee will not be processed or reviewed and will be returned to the Applicant.

Any cost incurred by the Applicant in the preparation, transmittal, or presentation of the application package is the responsibility of the Applicant.

Other Application Information

Any revisions that are made by the Authority to the 2012 HOME Application or Manual will be prepared in the form of a bulletin, posted on the Authority's web site and disseminated through email. It is the Applicant's responsibility to check the Authority's web site for any revisions that may occur.

The Authority reserves the right to:

- Award Applicants less than the amount of HOME funds requested
- Reject any and all applications received
- Waive or modify minor irregularities in applications upon notification to the Applicant
- Adjust or correct any arithmetical errors in the application
- Receive clarification from the Applicant to ensure an understanding of the application submitted
- Adopt or utilize all or any part of the application unless covered by legal copyright, patent or property rights in which case the Authority must be notified
- Negotiate with the Applicant to serve the best interest of the Authority

2012 **HOME** Agreements will have deadlines imposed for committing and expending funds and time constraints in which to provide the Authority with required documentation.

HOME Agreements may be terminated by the Authority at any time prior to the Agreements end date due to the lack of project productivity.

All **final** financial commitments must be submitted to the Authority within **ninety (90) days** of the reservation letter date.

No member, officer, agent, or employee of the Authority shall be personally liable concerning any matters arising out of or in relation to, the commitment of HOME Program funds with regard to feasibility or viability of the proposed project.

Program Suspension/Debarment

Any of the following actions may result in a one (1) year suspension from participating in **all** Authority administered programs.

- a) Failure to complete a development by the project completion deadline specified in the Award Agreement and Implementation Schedule.
- b) Failure to complete or comply with the environmental review requirements as specified by 24 CFR Parts 50 and 58 as amended.
- c) Failure to provide **Form M36 - Developer/Owner Construction Management Certification** or providing a false or inaccurate certification that a development meets the above standards when, in fact, it does not, will result in the disqualification of the developer and the architect. The Authority will also file a complaint against the architect with the S.C. Department of Labor, Licensing and Regulation.

Any of the following actions will result in the permanent debarment from participating for funding from all Authority administered programs:

- a) Any Applicant who provides false or misleading information to the Authority with regard to a development seeking HOME funds, in any capacity whatsoever, regardless of when such false or misleading information is discovered. Any award received on the basis of such false or misleading information shall be void. Each Applicant shall be given written notice by the Development Director stating the reason for which the sanction of debarment was imposed.
- b) Any partnership and/or developer agreement, written or otherwise, that attempts to circumvent Authority requirements regardless of when the violation is discovered.

The Authority, in its sole discretion, may determine other acts to be infractions of the program that require suspension or debarment. All suspensions and debarments are conducted as outlined in the Authority's Debarment and Program Suspension Policy.

Review Process

Authority staff will review the rental applications based on the process below:

1. Applications that do not meet the threshold criteria, compliance with federal and state laws, or HOME program requirements will be rejected.
2. Once applications are reviewed for completeness, Applicants will receive written notification of any deficiencies (missing or incomplete information) in their applications. Applicants with **four (4)** or more missing and/or incomplete items will be disqualified. Applicants with less than **four (4)** missing and/or incomplete items will have **seven (7)** business days from the date of notification to provide the information to the Authority. Failure to provide the information to the Authority within the timeframe will result in an automatic disqualification of the application.
3. Rental applications will undergo an underwriting evaluation and will be reviewed for financial feasibility. Applications deemed to be financially feasible, require subsidy and are consistent with HOME policies, will be recommended to the Executive Director for Round One funding starting with the highest scoring application until all available funding is depleted.

If the entire HOME rental allocation is not exhausted during the Round One funding selection, there will be an immediate Round Two Funding Selection. Round Two funding will be awarded starting with the highest scoring applications remaining, which adheres to all threshold requirements (except the percentage of HOME funds awarded to any one county in any one given year see **Threshold Requirements #9**). Proposal acceptance or rejection and utilization of unused funds are at the discretion of the Authority staff.

1. It is anticipated that reservations for 2012 HOME awards will be issued within ninety (90) days of the application deadline. A tentative 2012 schedule is provided below:

HOME Application Workshop	February 15, 2012
Final Submission of Applications	March 30, 2012
Complete Initial Reviews for Threshold and Criteria	April 20, 2012
Missing Documentation Notices Sent	April 27, 2012
Missing Documentation Returned	May 8, 2012
Underwriting Review	April 27 – June 1, 2012
Reservations	June 15, 2012

Threshold Requirements

Applications that do not meet the following minimum threshold requirements will be eliminated from further review.

1. Applicants proposing a project in a local Participating Jurisdiction (PJ) and requesting State HOME funds must provide a **twenty-five percent (25%) match** (See list of PJ's below). A signed **Match Certification (Form M33)** and **commitment letter(s)** must be provided at the time of application.
 - a. The match must be a permanent executed commitment of funds which can be provided by other federal and/or private funds or a local HOME PJ. Funds eligible to be counted as match are listed on the Match Certification Form M-33.
 - b. Owner cash may be set aside and used for match if those funds are clearly identified on the financial statements submitted, or
 - c. An independent Certified Public Accountant (CPA) licensed by the South Carolina Board of Accountancy must certify to the exact amount of funds being counted as match and attach the certification to the financial statements.
 - d. Excess cash in the entity's operating budget cannot qualify as match funds.
 - e. In-Kind services, Infrastructure, or Authority administered program funds, cannot be used as a funding source for a match commitment.

2. The following is a list of designated PJs which are not eligible to apply for State HOME funds.

City of Charleston	Anderson County Consortium (<i>Anderson City and County</i>)
City of Columbia	Beaufort County Consortium (<i>Beaufort, Jasper, Hampton, Colleton</i>)
City of Greenville	Georgetown County Consortium (<i>Horry, Georgetown and Williamsburg</i>)
City of Spartanburg	Greenwood County Consortium (<i>Abbeville, McCormick, Edgefield, Saluda, Greenwood and Laurens</i>)
Charleston County	Orangeburg County Consortium (<i>Aiken, Allendale, Bamberg, Barnwell, Calhoun, Orangeburg</i>)
Greenville County	Sumter County Consortium (<i>Sumter, Lee, Clarendon, Kershaw</i>)
Lexington County	
Richland County	
Spartanburg County	

3. Before HOME funds may be committed to a project, an underwriting review must be conducted along with an assessment of the Applicant's financial capacity. The Applicant must submit with the application current financial statements compiled, reviewed or audited by an independent CPA licensed by the South Carolina Board of Accountancy. The financial statements must include a balance sheet dated on or after December 31, 2010. An applicant or applicant group must have a minimum net worth of \$100,000 and minimum unrestricted liquid assets of \$100,000 as further described in the HOME Application Manual.
4. **ANY** participating organization, developer(s), general partner(s), or managing members(s) will be automatically disqualified if any of the following issues of non-compliance are demonstrated:
- Uncorrected non-compliance violations with the Authority;
 - Not in good standing with other Authority administered programs (which includes payments due to the Authority such as late fees, late loan payments, etc.);
 - Debarred from participation in other federal programs (i.e. HUD, RHS, CDBG, HOPWA, ESG, FHLB, etc.) as well as any other Authority administered programs (i.e. LIHTC, HTF, NSP, etc.)
- The **Authority has sole discretion in the** determination of non-compliance and it is not subject to interpretation (appeal) or final resolution of the non-compliance violation.
5. Applicants who currently have HOME Program Income or CHDO Program Proceeds are not eligible to apply for additional HOME funds until those funds have been expended.
6. Participants that have 2009 and earlier HOME awards must have the award officially closed out in order to be eligible to participate in the 2012 HOME cycle. **(For the Authority's definition of "project completion", please refer to the definitions section of the HOME Manual).**
7. Participants with current HOME awards must be in compliance with the executed HOME award agreements for percentage complete by **March 9, 2012**, in order to be eligible to participate in the 2012 HOME cycle. **(For the Authority's definition of "project completion", please refer to the definitions section of the HOME Manual)**
8. No County, in any given year, can receive more than 50% of the current year's available Rental set aside in the Round One Funding Selection. It is the Authority's intent to promote fair and objective administration of the HOME Program by ensuring that no single County receives an excessive share of the available program funds in any one application cycle.
9. Applicants that are related entities, principals, and/or individuals and are applying for HOME funds are only eligible to apply for two (2) HOME awards and may only be allocated two (2) HOME awards. **(For the Authority's definition of "Individual", "Principal", and "Related Parties", please refer to the definitions section of the HOME Manual).**

10. HOME Applicants must have a designated **Program Administrator on staff** that will be responsible for the coordination of the project (i.e. project implementation through project completion).
11. A market study prepared by an approved third party market analyst must be submitted with the application to ensure there is adequate demand for the proposed project. The approved market analyst list may be found on the Authority's web site at www.2012%20Approved%20Market%20Analyst%20List.
12. Applicants who require HOME funds in combination with a Low-Income Housing Tax Credit (LIHTC) development **may not** apply in this funding round. HOME funds in combination with LIHTC may **only** be obtained during the competitive LIHTC application cycle.
13. Applicants may request Housing Trust Funds (HTF) in combination with the HOME program only during the HOME rental application cycle.
14. For projects involving relocation, Applicants must provide the following:
 - a) A current certified rent role, **AND**
 - b) Completed *Tenant Profile Forms* (**Form M39**) for each occupied household, **AND**
 - c) Acceptable documentation indicating that *General Information Notices* (**Exhibits 4 or 5**) have been completed and successfully delivered to 100% of the existing tenants.

Point Criteria

Experience:

Points are awarded based on the Applicant's experience and success in developing HOME projects or for first time Applicants who can demonstrate their experience in developing housing projects similar to the one(s) proposed. Applicants must complete *Applicant Experience Certification* for points (**Form M34**) and place the form behind **Tab 5**.

1. Owners which include individual(s), corporation(s), nonprofit(s), for-profit(s), public housing authorities or units of local government will receive points for previous development of successful HOME properties. The owner may include experience gained as an owner of another firm, not as an employee of another firm. Experience in HOME projects means coordinating the development team from the planning, financing and construction of a project through receipt of Certificates of Occupancy. Applicants must have a current ownership interest in the project. Experience will be awarded as follows:
 - **One point for each HOME project that was successfully completed for up to 5 projects** **5 Points (maximum)**
2. A FIRST TIME Applicant may demonstrate the ability to implement affordable housing projects as follows:
 - document the management of similar grant programs or other public funds. A list of completed projects must be provided along with contact names and phone numbers, **3 Points**

OR

 - provide an executed contract with an experienced consultant or development firm whom have successfully managed similar grant programs or other public funds. A list of completed projects must be provided along with contact names and phone numbers. **2 Points**

Performance:

Performance points are based on the Applicant's previous **three (3) years** of performance in the areas of program schedule, implementation, reporting, and program results with the State's HOME Program.

1. Points will be awarded to Applicants that have successfully completed

100% of their awarded HOME projects within the allotted 24 month HOME agreement period.

3 Points

2. Points will be awarded to Applicants that have not had funds de-obligated or rescinded due to lack of performance.

3 Points

Program Design:

1. Applicants will receive points for project readiness:
 - a. Site Control – A copy of the recorded deed in the Applicants name. **4 Points**
 - b. Existence of Waiting List: **(Form M43)** – *Waiting List Certification* Applicants will receive points for providing evidence of potential tenants based on evidence of marketing outreach efforts (i.e. brochures, letters, radio etc.). **2 Points**
 - c. For new construction - Applicant provides **Final Plans/** Specifications approved by the locality. **4 Points**
 - d. For Rehabilitation - Applicant provides final work-write-up(s). **4 Points**
 - e. Applicant provides documentation that utilities are located **ON** the site and available at the time of application (must provide letters for water, sewer, and electrical). **2 Points**
2. Applicant will be awarded points for Preservation and/or for working within current state or local initiatives:
 - a. Preservation of existing rental units that increase or preserve affordable housing. **3 Points**
 - b. Less than a ten percent (10%) rent increase over previous rent amount following rehabilitation for one year after completion. **(Form M44)** – *Rent Increase Certification*, must be completed and signed. **3 Points**
 - c. Proposed project includes ten percent (10%) of total units designated homeless units for families. **3 Points**
 - d. Proposed project will be located in a highly impacted foreclosure area(s) per HUD's most current statistics **or** the project uses foreclosed and vacant property. (HUD stats can be researched online at the following website: <http://www.huduser.org/NSP/NSP3.html>. Applicant should create free login account, read instructions on how to use the mapping tool, and provide a copy of the emailed data in the HOME Application. The "Neighborhood NSP3 Score" must be between 16 – 20 to earn points.) Provide this information behind Tab 12. **3 Points**
 - e. Provide evidence that the proposed project is located within a current identified master plan, or revitalization plan, or empowerment zone. **3 Points**
3. Applicant will be awarded points for projects that are designed to provide new construction infill only **3 Points**
4. Applicant will be awarded points for proposed projects that are not seeking other Authority funds (i.e. HTF) in conjunction with HOME funds. **5 Points**

Financial Structure:

Commitment of Other Funding Sources: Applicant has a written permanent financial commitment at the time of application. Be advised that applicants that are required to provide a match contribution will automatically receive these points. Funds from other Authority administered programs cannot be used as match.

1. Applicant proposes a project not entirely funded with HOME dollars. The financial structure consists of additional sources of funds leveraged from non-Authority administered programs. The calculation is as follows:

Total HOME + HTF ÷ Total Development Costs = Total Percentage.

- a. 25% or less of the Total Development Costs will be funded with Authority dollars. **8 Points**
 - b. 50% or less of the Total Development Costs will be funded with Authority dollars. **6 Points**
 - c. 75% or less of the Total Development Costs will be funded with Authority dollars. **4 Points**
2. Financial design proposes repayment of one hundred percent (100%) of the **HOME** award to the Authority. **5 Points**

Green or Energy Efficiency Design:

Applicant will receive points for Energy Efficiency and Green Elements items: (Helpful website www.energystar.gov)

1. Energy Star qualified heat pump (15 SEER/12 EER or greater), furnace, boiler, air conditioning or ventilation equipment all with Energy Star qualified thermostats for equipment that require thermostats. **3 Point**
2. Energy Star rated refrigerator with a minimum size of 18 cubic feet. **1 Point**
3. Energy Star rated dishwashers. **1 Point**
4. All units must have a Range Queen or comparable extinguishing system over the stove. **1 Point**
5. Over the range mounted microwave oven, with re-circulating fan, in all units. **2 Point**
6. Each unit must have an Energy Star ceiling fan with light fixture in the living room. All ceiling fans and overhead lights must connect to wall switches. **2 Point**
7. Energy Star qualified windows in all units. **3 Point**
8. Demolition Plan – Includes recycling, managing waste and hazardous materials. **1 Point**
9. Landscaping – Use of native drought resistance plantings, preserve and protect trees during construction. **1 Point**
10. Green Building Products – Include site design, building materials, renewable energy, water conservation, and healthy home designs. (Helpful websites www.usbgc.org) **1 Point**
11. Water Conserving Features – Toilets with 1.6 gallons or less per flush, shower heads – 2.0 GPM, bath and kitchen faucets 2.0 GPM or less. **2 Point**

MCC (Mortgage Credit Certificates)

PROGRAM PROPOSAL

The Mortgage Credit Certificate (MCC) was authorized by Congress in 1984 and is codified as Section 25 of the Internal Revenue Code of 1986. Congress intended the MCC to be a means of providing housing assistance to low and moderate income First-Time Homebuyers.

A Mortgage Credit Certificate is a direct dollar for dollar federal income tax credit to the homebuyer. The amount of the credit can be from 10% - 50% of the borrower's annual mortgage interest with a maximum annual credit of \$2,000. The rate of the MCC will be determined by the Authority.

The MCC reduces the federal tax liability of eligible homebuyers purchasing qualified residences thereby making more funds available for the house payment or other household expenses. Monthly savings can be achieved by reducing the federal income tax withheld from the borrower's paychecks which will increase their monthly net income, or they can elect to receive a larger tax refund annually.

Example of MCC at 25% for a 150,000 loan:

First Mortgage	\$125,000
Interest Rate	5%
First Years Interest	\$7,500
MCC Rate	25%
Reduce Federal Liability by	1,875.00
Maximum per year	2,000.00
Calendar year divide by	12
Tax Savings per month	166.66

In this example, the borrower would be able to reduce their federal tax deductions on their paycheck by the MCC credit amount. This would allow the borrower to have additional cash flow during the year and would lower their debt-to-income ratios on their loan application.

Examples of HFA MCC Credit Programs:

- Arkansas - 25%
- Mississippi 25%
- North Carolina - 30%
- Alabama - 20%

The MCC cannot be used in conjunction with our current First-Time Homebuyer Bond Program. This product will be marketed to approved lending partners statewide whose borrowers meet our current first time homebuyer requirements. The borrowers can get a market rate loan with any of our approved lending partners and purchase the MCC from the Authority. The MCC would be approved by the Authority prior to the loan closing.

FUNDING FOR MCC

Since the MCC cannot be used in conjunction with our First-Time Homebuyer Program, an allocation of bond cap for the new MCC Program will have to be authorized by the Board. If \$50 Million were authorized for MCC, it could yield:

Example:

The MCC is based on \$1.00 of Bond cap = .25 MCC Cap

Average loan amount \$125,000 x .25 = \$31,250 per loan

\$50 million/\$31,250 = 1,600 loans could be made over the next 3 years

The Authority can use Mortgage Bond Cap that is expiring and re-allocate it to the MCC program extending the cap eligibility for an additional 3 years. We have funds remaining in the 2009 Mortgage Bond Cap that will expire in 2012. This Cap could be used for the MCC program increasing the life of the Cap to 2015.

REQUIREMENTS FOR PROGRAM

The Authority will serve as a conduit for granting the MCCs to qualified borrowers. The Authority will not underwrite the loans for credit, only for compliance:

- First-time Homebuyers Requirements
- Income Requirements
- Home Price Requirements
- Recapture Notification
- Category I income and house price will be used
- MCCs are usually locked for 90 days
- Additional forms as may be required

Income Limits	1 or 2 Persons	3 or more Persons
Targeted Areas	120% of median	140%
Non-Targeted Areas	100%	115%

LENDING PARTNER REQUIREMENTS

- Be approved by the Authority's Mortgage Department
- MCC Approval Packages to the Authority 15 days prior to closing
- Closing packages must be sent to the Authority within 30 days of closing
- Annual reporting to the IRS
- Additional forms as may be required

AUTHORITY REQUIREMENTS

- Approval of Lending Partners
- Approval of MCC prior to closing
- Issue MCC after closing
- Complete quarterly and annual reporting to IRS

INCOME TO THE AUTHORITY

Estimated Income

Since the MCC program will be new for the Authority and the state of South Carolina, the staff has no benchmark data to compare at this time. Estimating that we could generate around 100 loans the first year and using \$300.00 as a per loan fee, our program could generate about \$30,000 not including extension or late fees. Other fees could also be charged to increase income for the program. Existing staff can assume the implementation of the MCC program if approved, therefore, **no staff increases are required to offer this program.**

Example of fees generated by other HFAs

ARK

- .50 of loan amount (500.00 per loan)
- 25.00 reservation fee
- 50.00 extension fee, if extended
- 125.00 re-issuance fee, if assumed or refinanced

MS

\$300 fee

Production for 2011 – 252 loans

NC

- 300.00 fee at application that is non-refundable (fee will be increased to \$425.00 February 2012)
 - 200.00 fee for lender efforts
 - Extension \$50.00 per month
 - Late fee \$50.00 per month
 - 125.00 re-issuance fee, if assumed or refinanced
- Production for 2011 – 686 loans/\$90 million**

AL

- Gives the MCC as a bonus for getting one of their non-bond loans to make the loan more attractive

FL

- Rolling out program in the spring of 2012

The Staff plans to have a final proposal of the MCC Program for the Board's review and approval this spring.



South Carolina

STATE HOUSING

Finance and Development Authority

January 17, 2012

Division: Chairman

Subject: Oral Report



South Carolina

STATE HOUSING

Finance and Development Authority

January 17, 2012

Division: Executive Director

Subject: Oral Report



South Carolina
STATE HOUSING
Finance and Development Authority

Homeownership

January 17, 2012

The following Homeownership Division monthly status reports as of December 31, 2011 are presented for information:

- Monthly and Fiscal YTD Loan Purchase Statistics
- Monthly and Fiscal YTD Portfolio Statistics
- Delinquency Statistics
- Rate Sheet

Monthly Loan Purchase Statistics

Month Ending December 31, 2011

Funding Source	Average Loan Amount	Average Household Income	Beginning Fund Balance (Allocated)	Purchases		New Fund Allocations	Recyled Funds	Ending Balance	Outstanding Reservations	Unreserved Balance
				Volume	Units					
MRB	\$117,586	\$46,541	\$28,672,332	(\$1,763,803)	15	\$0	\$0	\$26,908,529	(\$20,714,310)	\$6,194,219
DPA Repayable	\$4,400	\$49,760	\$1,476,308	(\$154,000)	35	\$0		\$1,322,308	(\$613,814)	\$708,494
HOME DPA	\$4,200	\$33,240	\$3,230,569	(\$42,000)	10	\$6,200		\$3,194,769	(\$412,000)	\$2,782,769
Home Voucher	\$0	\$0	\$50,000	\$0	0	\$0		\$50,000	\$0	\$50,000
TOTAL			\$33,429,209	(\$1,959,803)	136	\$6,200	\$0	\$31,475,606	(\$21,740,124)	\$9,735,482

UNRESERVED FUNDS	
Series 2011-A HRB US Bank 064	\$4,829,127
Series 2011-A HRB US Bank 065	\$1,365,092
TOTAL	\$6,194,219

July 1, 2011 Through December 31, 2011

Funding Source	Beginning Fund Balance (Allocated)	Purchases		New Fund Allocations	Recyled Funds	Ending Balance	Outstanding Reservations	Unreserved Balance
		Volume	Units					
MRB	\$55,356,442	(\$28,447,913)	267	\$0	\$0	\$26,908,529	(\$20,714,310)	\$6,194,219
DPA Repayable	\$2,213,308	(\$891,000)	205	\$0	\$0	\$1,322,308	(\$613,814)	\$708,494
HOME DPA	\$3,648,736	(\$483,500)	113	\$0	\$29,533	\$3,194,769	(\$412,000)	\$2,782,769
HOME Voucher	\$60,000	(\$10,000)	1	\$0	\$0	\$50,000	\$0	\$50,000
TOTAL	\$61,278,486	(\$29,832,413)	586	\$0	\$29,533	\$31,475,606	(\$21,740,124)	\$9,735,482

Monthly Portfolio Statistics

Month Ending December 31, 2011

Loan Type	New Purchases		Payoffs		Foreclosures		Net Change		Ending Balance	
	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units
First Mortgage	\$0	0	(\$3,395,043)	(44)	(\$1,919,431)	(25)	(\$5,314,474)	(69)	\$682,137,187	9,425
Second Mortgage	\$154,000	35	(\$38,227)	(34)	(\$29,973)	(14)	\$85,800	(13)	\$15,446,139	6,280
Other	\$0	0					\$0	0	\$0	0
TOTAL	\$154,000	35	(\$3,433,270)	(78)	(\$1,949,405)	(39)	(\$5,228,675)	(82)	\$697,583,325	15,705

YTD Portfolio Statistics

July 1, 2011 Through December 31, 2011

Loan Type	New Purchases		Payoffs		Foreclosures		Net Change		Ending Balance	
	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units
First Mortgage	\$609,581	6	(\$16,796,205)	(227)	(\$6,229,506)	(76)	(\$22,416,130)	(297)	\$682,137,187	9,425
Second Mortgage	\$1,384,500	319	(\$221,470)	(209)	(\$102,407)	(62)	\$1,060,623	48	\$15,446,139	6,280
Other	\$0	0					\$0	0		0
TOTAL	\$1,994,081	325	(\$17,017,674)	(436)	(\$6,331,913)	(138)	(\$21,355,507)	(249)	\$697,583,325	15,705

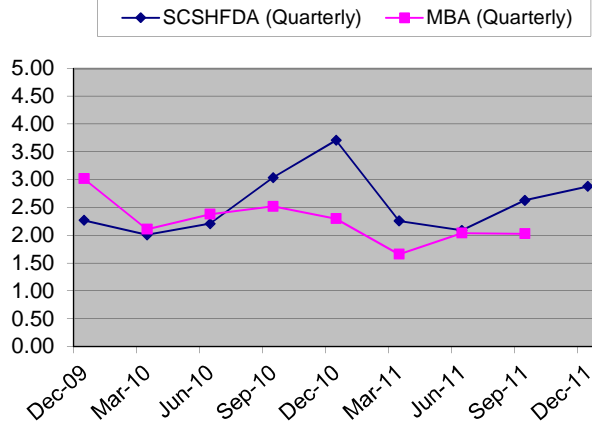
Portfolio by Servicer

Servicer	First Mortgages Serviced	Outstanding Principle Balance	Second Mortgages Serviced	Outstanding Principle Balance	Total Principle Balance of Loans Serviced
State Housing	8,522	\$640,401,733.43	6,280	\$15,446,138.81	655,847,872
First Citizens	903	\$41,735,453.17	0	\$0.00	41,735,453
Total All Servicers	9,425	\$682,137,186.60	6,280	\$15,446,138.81	697,583,325

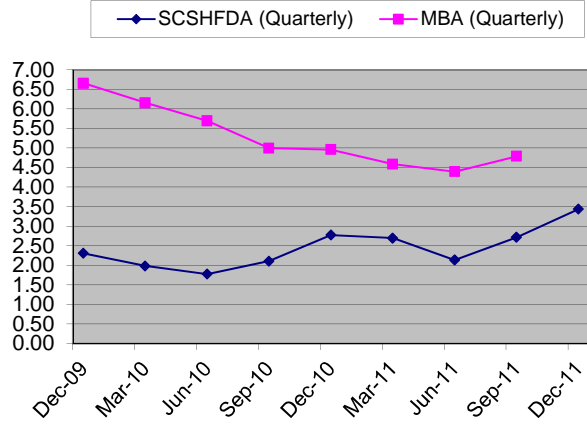
DELINQUENCY REPORT

				60 Day				90 Day				Foreclosures				Bankruptcies		
				SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA (Quarterly)		SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA (Quarterly)		SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA		SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA
2010	Jul-10	Q.3 2010		2.30	3.04	2.52		2.07	2.11	5.00		1.90	1.87	2.97		1.10	1.07	N/A
	Aug-10			3.22				1.83				1.87				1.05		
	Sep-10			3.61				2.44				1.83				1.05		
	Oct-10	Q.4 2010		3.62	3.71	2.30		2.85	2.78	4.96		1.91	2.00	2.94		1.03	1.06	N/A
	Nov-10			4.07				2.79				2.02				1.03		
	Dec-10			3.43				2.71				2.07				1.13		
2011	Jan-11	Q.1 2011		3.02	2.26	1.66		3.70	2.70	4.59		2.25	2.37	3.04		1.14	1.10	N/A
	Feb-11			2.17				2.36				2.47				1.07		
	Mar-11			1.60				2.05				2.38				1.09		
	Apr-11	Q.2 2011		2.11	2.09	2.04		1.89	2.14	4.40		2.44	2.53	2.93		1.11	1.12	N/A
	May-11			2.03				2.40				2.50				1.08		
	Jun-11			2.12				2.14				2.64				1.16		
	Jul-11	Q.3 2011		2.65	2.63	2.03		2.41	2.72	4.79		2.46	2.57	3.12		1.14	1.19	N/A
	Aug-11			2.79				2.52				2.59				1.22		
	Sep-11			2.46				3.22				2.66				1.21		
	Oct-11	Q.4 2011		2.86	2.88	N/A		3.43	3.44	N/A		2.41	2.58	N/A		1.21	1.21	N/A
	Nov-11			3.06				3.65				2.62				1.21		
	Dec-11			2.72				3.25				2.72				1.21		

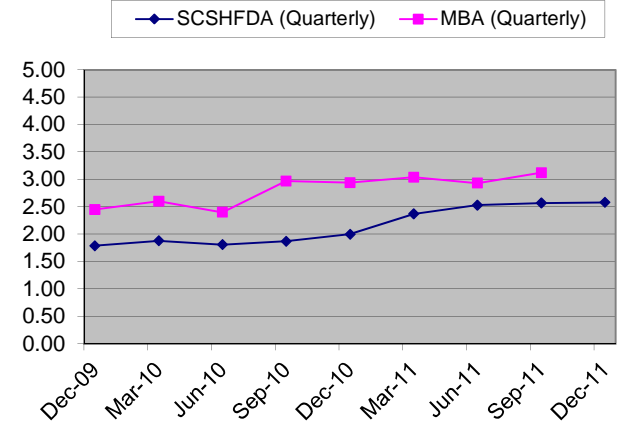
60 Day Delinquencies



90 Day Delinquencies



Foreclosures





South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803) 896-9396

FAX: (803) 896-8589

RATE SHEET FOR LENDERS

Effective Date: 11:30 AM January 6, 2012

CATEGORY I Above 80% of Median Income See Income Charts for each County	DOWN PAYMENT ASSISTANCE AVAILABLE	First Mortgage Rate
<i>First-Time Homebuyer Program</i>	\$4,000 Repayable	4.250
<i>Single Parent Program</i> (First time homebuyer requirement waived)	\$4,000 Repayable	4.250
<i>Disability Program</i> (First time homebuyer requirement waived)	\$4,000 Repayable	4.250

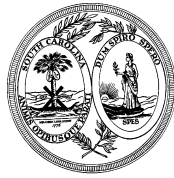
CATEGORY II 80% and below of Median Income See Income Charts for each County	DOWN PAYMENT ASSISTANCE AVAILABLE	First Mortgage Rate
<i>First-Time Homebuyer Program</i>	\$4,000 Forgivable	4.250
<i>Single Parent Program</i> (First time homebuyer requirement waived)	\$4,000 Forgivable	4.250
<i>Disability Program</i> (First time homebuyer requirement waived)	\$4,000 Forgivable	4.250

Note: Category III has been merged into Category II

All the rates, fees, and terms on this sheet are for informational purposes for participating lenders only and are subject to change without notice. The customer's rate will be the rate that is in effect on the date and time that the reservation is received by the Authority. For the APR (annual percentage rate), please contact one of our participating lending partners.

FOR ADDITIONAL INFORMATION SEE OUR WEBSITE

www.schousing.com



South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803) 896-9396

FAX: (803) 896-8589

RATE SHEET FOR LENDERS **PALMETTO HEROES PROGRAM**

Effective Date: 11:30 AM January 6, 2012

CATEGORY I Above 80% of Medium Income See Income Charts for each County	DOWN PAYMENT ASSISTANCE AVAILABLE	First Mortgage Rate
<i>Palmetto Heroes Homebuyer Program</i>	\$5,000 Repayable	4.000

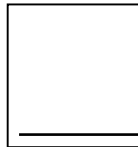
CATEGORY II 50.01% to 80% of Median Income See Income Charts for each County	DOWN PAYMENT ASSISTANCE AVAILABLE	First Mortgage Rate
<i>Palmetto Heroes Homebuyer Program</i>	\$5,000 Forgivable	4.000

FUNDS REMAINING - 2011 Palmetto Heroes Program \$1.8 million

All the rates, fees, and terms on this sheet are for informational purposes for participating lenders only and are subject to change without notice. The customer's rate will be the rate that is in effect on the date and time that the reservation is received by the Authority. For the APR (annual percentage rate), please contact one of our participating lending partners.

FOR ADDITIONAL INFORMATION SEE OUR WEBSITE

www.schousing.com



Division: **Human Resources**

Subject: **Monthly Report**

Total Authorized Permanent Positions	145
Filled Permanent Positions	123
Vacancies	22
Temporaries	12

New Hires, Promotions & Transfers

Division\Department	Employee Name	Job Title	Effective Date
SC HELP	Laura Mullen	Program Coordinator I	10/17/2011
Finance	Jay Wise	Accountant/Fiscal Manager I	12/01/2011
Development	Jessica Donald	Program Coordinator I	12/19/2011
Development	Courtney McDuffie	Program Coordinator I	12/22/2011
SC HELP	Mandie Mills	Program Coordinator II	12/22/2011
Investor Services	Ligia Ricarte	Accountant/Fiscal Analyst II	1/3/2012

Resignations & Retirements

Division\Department	Employee Name	State Job Title	Effective Date
Mortgage Production	Cyndy Storm	Accountant/Fiscal Analyst II	12/31/2011

Job Postings

Department/Title	State Job Title	Vacancy Posting Dates
Development: Awards Program Coordinator	Program Coordinator I	11/22/2011 to 11/30/2011
Development: Development Program Coordinator	Program Coordinator I	11/22/2011 to 11/30/2011
SC HELP: Client Relations Manager	Program Coordinator II	12/13/2011 to 12/19/2011

South Carolina State Housing Finance and Development Authority
Balance Sheet--Proprietary Funds
Unaudited Results

	General Operating Fund	Single Family Finance Programs	Program Fund	As of December 31	
				2011	2010
Assets					
Cash and cash equivalents	\$ 15,402,882	\$ 190,081,689	\$ 9,693,085	\$ 215,177,656	\$ 261,057,920
Accounts receivable	2,636,980	112,001	-	2,748,981	4,295,849
Investments, at market	-	152,748,870	-	152,748,870	87,104,448
Loans receivable, net of unamortized discounts	76,862,988	674,045,882	11,072,803	761,981,673	824,609,450
Interest receivable:					
Loans	361,070	6,091,185	16,246	6,468,501	6,204,781
Deposits and investments	-	1,150,410	28,148	1,178,558	577,830
Prepayments	541,455	-	-	541,455	620,329
Unamortized bond issuance cost	-	6,473,045	-	6,473,045	7,278,276
Furniture and equipment, net of depreciation	784,998	-	-	784,998	822,599
Total Assets	<u>96,590,373</u>	<u>1,030,703,082</u>	<u>20,810,282</u>	<u>1,148,103,737</u>	<u>1,192,571,482</u>
Liabilities and Retained Earnings					
Liabilities					
Accounts payable and accrued expenses	1,525,588	1,451,886	135,550	3,113,024	13,924,374
Bonds payable, net of unamortized discounts	-	791,073,835	-	791,073,835	838,294,896
Notes Payable	-	-	-	-	-
Interest payable on bonds and notes	-	18,698,936	-	18,698,936	19,490,959
Mortgage escrows	2,172,108	-	-	2,172,108	2,030,214
Other	77,572	486,003	2,195	565,770	390,482
Total Liabilities	<u>3,775,268</u>	<u>811,710,660</u>	<u>137,745</u>	<u>815,623,673</u>	<u>874,130,925</u>
Retained Earnings					
Reserved for debt service	-	41,556,888	-	41,556,888	53,522,540
Reserved for bond reserves	-	8,505,459	-	8,505,459	10,860,077
Designated for special programs	-	168,930,075	20,672,537	189,602,612	163,868,391
Undesignated	92,815,105	-	-	92,815,105	90,189,549
Total Retained Earnings	<u>92,815,105</u>	<u>218,992,422</u>	<u>20,672,537</u>	<u>332,480,064</u>	<u>318,440,557</u>
Total Liabilities and Retained Earnings	<u>\$ 96,590,373</u>	<u>\$ 1,030,703,082</u>	<u>\$ 20,810,282</u>	<u>\$ 1,148,103,737</u>	<u>\$ 1,192,571,482</u>

South Carolina State Housing Finance and Development Authority
Statement of Revenues, Expenses and Changes In Retained Earnings--Proprietary Funds
Unaudited Results

	General Operating Fund	Single Family Finance Programs	Program Fund	Period Ending December 31	
				2011	2010
Operating Revenues					
Interest on loans	\$ 791,997	\$ 19,561,585	\$ 82,357	\$ 20,435,939	\$ 22,929,942
Interest on deposits and investments	572	3,224,146	2,682	3,227,400	2,283,192
Administrative fees	5,128,497	-	-	5,128,497	6,216,454
Other	93,559	318,301	-	411,860	386,886
Total Operating Revenues	<u>6,014,625</u>	<u>23,104,032</u>	<u>85,039</u>	<u>29,203,696</u>	<u>31,816,474</u>
Operating Expenses					
Interest expense for bonds and notes	-	18,904,970	-	18,904,970	20,569,935
Program expenses	448,303	2,079,600	-	2,527,903	2,007,516
General and administrative expenses	4,863,081	-	-	4,863,081	5,186,699
Bond issuance cost amortization	-	255,862	-	255,862	270,443
Depreciation	130,368	-	-	130,368	59,984
Other	-	243,985	-	243,985	159,342
Total Operating Expenses	<u>5,441,752</u>	<u>21,484,417</u>	<u>-</u>	<u>26,926,169</u>	<u>28,253,919</u>
Operating Income (Loss)	<u>572,873</u>	<u>1,619,615</u>	<u>85,039</u>	<u>2,277,527</u>	<u>3,562,555</u>
Nonoperating Revenues (Expenses)					
Federal grant and contract revenue	71,603,142	-	-	71,603,142	129,632,673
HUD housing assistance payments and grant awards disbursed	(70,280,018)	-	(100,481)	(70,380,499)	(129,100,407)
Other grant awards disbursed	-	-	-	-	(1,550,736)
Total Nonoperating Revenue (Expenses) - Net	<u>1,323,124</u>	<u>-</u>	<u>(100,481)</u>	<u>1,222,643</u>	<u>(1,018,470)</u>
Income (Loss) Before Operating Transfers	1,895,997	1,619,615	(15,442)	3,500,170	2,544,085
Transfers					
Transfers among SHA funds	(1,810,000)	1,810,000	-	-	-
Transfers - Housing Trust Fund	-	-	-	-	-
Transfers - State General Fund	-	-	-	-	-
Income (Loss) Before Extraordinary Item	<u>85,997</u>	<u>3,429,615</u>	<u>(15,442)</u>	<u>3,500,170</u>	<u>2,544,085</u>
Extraordinary Items					
Extraordinary loss on early extinguishment of debt	-	-	-	-	-
Net Income (Loss)	<u>85,997</u>	<u>3,429,615</u>	<u>(15,442)</u>	<u>3,500,170</u>	<u>2,544,085</u>
Retained Earnings					
At beginning of fiscal year	92,729,108	215,562,807	20,687,979	328,979,894	315,896,472
Retained Earnings at End of Period	<u>\$ 92,815,105</u>	<u>\$ 218,992,422</u>	<u>\$ 20,672,537</u>	<u>\$ 332,480,064</u>	<u>\$ 318,440,557</u>

South Carolina State Housing Finance and Development Authority
Housing Trust Fund
Statement of Assets, Liabilities and Fund Balance--Governmental Fund
Unaudited Result:

	As of December 31	
	2011	2010
Assets		
Cash and cash equivalents	\$ 7,560,722	\$ 9,303,063
Accounts receivable	959,535	872,813
Loans receivable, net of unamortized discounts	10,336,221	11,993,987
Interest receivable:		
Loans	108,225	89,770
Deposits and investments	-	-
Total Assets	18,964,703	22,259,633
Liabilities and Fund Balance		
Liabilities		
Mortgage escrows	-	-
Total Liabilities	-	-
Fund Balance		
Unpaid Grants/Awards	5,704,043	6,200,256
Reserved for Housing Trust Programs	13,260,660	16,059,377
Total Fund Balance	18,964,703	22,259,633
Total Liabilities and Fund Balance	\$ 18,964,703	\$ 22,259,633

South Carolina State Housing Finance and Development Authority
Housing Trust Fund
Statement of Revenues, Expenses and Changes In Fund Balance--Governmental Fund
Unaudited Result:

	As of December 31	
	2011	2010
Operating Revenues		
Interest on loans	\$ 78,979	\$ 107,264
Interest on deposits and investments	2,278	8,459
Documentary stamp fees	2,957,027	2,778,114
Total Operating Revenues	3,038,284	2,893,837
Expenditures		
Grant disbursements for Housing Trust Programs	4,447,015	3,670,306
Total Expenditures	4,447,015	3,670,306
Revenues Over (Under) Expenditures	(1,408,731)	(776,469)
Transfers		
Transfers To Other Funds	-	-
Transfers From State General Fund	-	-
Fund Balance		
At beginning of fiscal year	20,373,434	23,036,102
Fund Balance at End of Period	\$ 18,964,703	\$ 22,259,633

South Carolina State Housing Finance and Development Authority
SC HELP
Statement of Assets, Liabilities and Fund Balance--Governmental Fund
Unaudited Results

	As of December 31	
	2011	2010
Assets		
Cash and cash equivalents	\$ 10,878,802	\$ 6,947,211
Accounts receivable	-	-
Loans receivable, net of unamortized discounts	-	-
Interest receivable:		
Loans	-	-
Deposits and investments	-	-
Total Assets	10,878,802	6,947,211
Liabilities and Fund Balance		
Liabilities		
Accounts payable and accrued expenses	419,738	54,369
Other - deferred revenue	10,458,901	6,892,842
Total Liabilities	10,878,639	6,947,211
Fund Balance		
Undesignated	163	-
Total Fund Balance	163	-
Total Liabilities and Fund Balance	\$ 10,878,802	\$ 6,947,211

South Carolina State Housing Finance and Development Authority
SC HELP
Statement of Revenues, Expenses and Changes In Fund Balance--Governmental Fund
Unaudited Results

	Period Ending December 31	
	2011	2010
Operating Revenues		
Administrative fees	\$ 1,190,585	\$ 607,158
Interest on deposits and investments	228	710
Total Operating Revenues	<u>1,190,813</u>	<u>607,868</u>
Operating Expenditures		
General and administrative expenses	<u>1,190,650</u>	<u>607,868</u>
Total Expenditures	<u>1,190,650</u>	<u>607,868</u>
Operating Revenues Over (Under) Expenditures	163	-
Nonoperating Revenues (Expenses)		
Federal grant and contract revenue	8,321,537	-
HUD housing assistance payments and grant awards disbursed	<u>(8,321,537)</u>	<u>-</u>
Total Nonoperating Revenue (Expenses) - Net	<u>-</u>	<u>-</u>
Total Revenues Over (Under) Expenditures	163	-
Transfers		
Transfers To Other Funds	-	-
Transfers From State General Operating Fund	-	-
Fund Balance		
At beginning of fiscal year	-	-
Fund Balance at End of Period	<u><u>\$ 163</u></u>	<u><u>\$ -</u></u>

South Carolina State Housing Finance and Development Authority
Total Agency
Budget vs Actual
Unaudited - December 31, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Year-to-Date Budget</u>	<u>Year-to-Date Actual</u>	<u>Variance</u>
Revenue Sources:					
Interest on Loans	3,800,000	3,800,000	1,900,000	874,673	(1,025,327)
Administrative Fees	12,612,105	11,050,763	5,525,382	3,987,175	(1,538,207)
Federal Program Revenue	155,537,153	155,537,153	77,768,577	71,550,071	(6,218,506)
Other Revenue	-	-	-	29,720	29,720
Total Revenue Sources	<u>171,949,258</u>	<u>170,387,916</u>	<u>85,193,959</u>	<u>76,441,639</u>	<u>(8,752,320)</u>
Expenses:					
Payroll--Permanent Employees	6,784,312	6,774,312	3,387,159	2,845,664	541,495
Payroll--Temporary Employees	452,750	452,750	226,375	113,733	112,642
Payroll--Per Diem	4,500	4,500	2,250	1,645	605
Employee Benefits	2,220,052	2,220,052	1,110,025	935,765	174,260
Contractual Services	2,327,180	2,327,180	1,163,590	438,820	724,770
Supplies	449,738	449,739	224,869	128,870	95,999
Rent & Other Fixed Fees	1,212,765	1,462,764	731,384	513,661	217,723
Travel	487,403	487,403	243,701	145,819	97,882
Equipment	947,374	947,374	473,687	-	473,687
Depreciation	-	-	-	130,368	(130,368)
Program Payments/Allocations	32,887,153	33,387,153	16,693,577	7,454,325	① 9,239,252
Housing Assistance Payments	128,250,000	128,250,000	64,125,000	62,828,481	1,296,519
Total Expenses	<u>176,023,227</u>	<u>176,763,227</u>	<u>88,381,617</u>	<u>75,537,151</u>	<u>12,844,466</u>
Transfers from (to) Other Departments:					
Transfer from Single Family-Operations	3,025,867	3,025,867	1,512,934	-	(1,512,934)
Transfer from Single Family-Special Initiatives	-	-	-	-	-
Transfer from Housing Trust Fund	248,714	248,714	124,357	-	(124,357)
Transfer from Programs-Special Initiatives	1,890,000	-	-	-	-
Transfer from Programs-Operations	1,110,439	1,508,255	754,128	3,600,000	2,845,872
Transfer to Program Fund-Special Initiatives	-	-	-	-	-
Transfer to Exec, Supp Serv, Finance-Operations	(1,342,045)	(2,079,585)	(1,039,793)	(3,600,000)	(2,560,207)
Transfer to Programs - Operations	(740,077)	(740,077)	(370,039)	-	-
Transfer from Off STARS Servicing Revenue Account	1,509,281	1,509,281	754,641	-	-
Total Transfers	<u>5,702,179</u>	<u>3,472,455</u>	<u>1,736,228</u>	<u>-</u>	<u>(1,351,626)</u>
Gain (Loss)	1,628,210	(2,902,856)	(1,451,430)	904,488	2,355,918

① During the current fiscal year the Authority has purchased mortgages totaling \$1,303,705 as follows:
\$211,185 using Earned Income funds
\$185,520 using HOME funds
\$907,000 using Program funds.

Although budgeted as expenses in the corresponding category above, these mortgages have been appropriately reclassified to loans receivable in the balance sheet of the Authority.

South Carolina State Housing Finance and Development Authority
1-Development & Rental Assistance
Budget vs Actual
Unaudited - December 31, 2011

	Original Budget	Revised Budget	Year-to-Date Budget	Year-to-Date Actual	Variance
Revenue Sources:					
Interest on Loans	2,000,000	2,000,000	1,000,000	583,744	(416,256)
Administrative Fees	9,109,105	9,547,763	4,773,882	3,758,821	(1,015,061)
Federal Program Revenue	153,537,153	153,537,153	76,768,577	71,550,071	(5,218,506)
Other Revenue	-	-	-	29,720	29,720
Total Revenue Sources	164,646,258	165,084,916	82,542,459	75,922,356	(6,620,103)
Expenses:					
Payroll--Permanent Employees	3,302,185	3,302,185	1,651,094	1,297,442	353,652
Payroll--Temporary Employees	178,000	178,000	89,000	19,562	69,438
Employee Benefits	1,089,253	1,089,253	544,625	421,245	123,380
Contractual Services	723,000	723,000	361,500	200,670	160,830
Supplies	125,420	125,420	62,710	38,807	23,903
Rent & Other Fixed Fees	864,496	1,114,496	557,249	348,881	208,368
Travel	318,913	318,913	159,456	86,640	72,816
Equipment	171,360	171,360	85,680	-	85,680
Allocations	27,287,153	25,987,153	12,993,577	6,047,009	① 6,946,568
Program Payments/Allocations - TCAP	-	1,300,000	650,000	1,296,382	(646,382)
Program Payments/Allocations - TC Exchange	-	-	-	-	-
Housing Assistance Payments	128,250,000	128,250,000	64,125,000	62,828,481	1,296,519
Total Expenses	162,309,780	162,559,780	81,279,891	72,585,119	8,694,772
Transfers from (to) Other Departments:					
Transfer from Single Family-Operations	-	-	-	-	-
Transfer from Housing Trust Fund	248,714	248,714	124,357	-	(124,357)
Transfer to Program Fund-Special Initiatives	-	-	-	-	-
Transfer from Programs-Operations	-	-	-	-	-
Transfer to Exec, Supp Serv, Finance-Operations	(1,342,045)	(2,079,585)	(1,039,793)	(3,600,000)	(2,560,207)
Total Transfers	(1,093,331)	(1,830,871)	(915,436)	(3,600,000)	(2,684,564)
Gain (Loss)	1,243,147	694,265	347,132	(262,763)	(609,895)

① The Authority has purchased mortgages totaling \$185,520 using HOME funds during this fiscal year. Although budgeted as expenses under Allocations, these mortgages have been appropriately reclassified to assets and appear as loans receivable in the balance sheet of the Authority.

South Carolina State Housing Finance and Development Authority
2-Homeownership
Budget vs Actual
Unaudited - December 31, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Year-to-Date Budget</u>	<u>Year-to-Date Actual</u>	<u>Variance</u>
Revenue Sources:					
Interest on Loans	600,000	600,000	300,000	208,253	(91,747)
Other Revenue	-	- ②	-	-	-
Total Revenue Sources	<u>600,000</u>	<u>600,000</u>	<u>300,000</u>	<u>208,253</u>	<u>(91,747)</u>
Expenses:					
Payroll--Permanent Employees	1,277,090	1,277,090	638,545	568,168	70,377
Payroll--Temporary Employees	192,500	192,500	96,250	73,470	22,780
Employee Benefits	420,365	420,365	210,183	198,708	11,475
Contractual Services	640,130	640,130	320,065	59,215	260,850
Supplies	88,500	88,500	44,250	19,656	24,594
Rent & Other Fixed Fees	109,469	109,468	54,734	44,316	10,418
Travel	38,990	38,990	19,495	8,815	10,680
Equipment	485,414	485,414	242,707	-	242,707
Allocations	600,000	1,100,000	550,000	10,453 ①	539,547
Total Expenses	<u>3,852,458</u>	<u>4,352,457</u>	<u>2,176,229</u>	<u>982,801</u>	<u>1,193,428</u>
Transfers from Other Departments:					
Transfer from Single Family-Operations	401,201	401,201	200,601	-	(200,601)
Transfer to Program Fund-Special Initiatives	874,860	874,860	437,430	-	(437,430)
Transfer from Programs-Operations	467,116	967,115	483,558	-	(483,558)
Total Transfers	<u>1,743,177</u>	<u>2,243,176</u>	<u>1,121,589</u>	<u>-</u>	<u>(1,121,589)</u>
Gain (Loss)	(1,509,281)	(1,509,281)	(754,640)	(774,548)	(19,908)

① The Authority has purchased mortgages totaling \$211,185 using Earned Income funds during this fiscal year. Although budgeted as expenses under Allocations, these mortgages have been appropriately reclassified to assets and appear as loans receivable in the balance sheet of the Authority.

South Carolina State Housing Finance and Development Authority
3-Executive
Budget vs Actual
Unaudited - December 31, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Year-to-Date Budget</u>	<u>Year-to-Date Actual</u>	<u>Variance</u>
Revenue Sources:					
Interest on Loans	1,200,000	1,200,000	600,000	82,676	(517,324)
Administrative Fees	3,458,000	1,458,000	729,000	228,354	(500,646)
Housing Assistance Revenue	2,000,000	2,000,000	1,000,000	-	(1,000,000)
Total Revenue Sources	<u>6,658,000</u>	<u>4,658,000</u>	<u>2,329,000</u>	<u>311,030</u>	<u>(2,017,970)</u>
Expenses:					
Payroll--Permanent Employees	794,635	794,635	397,318	348,281	49,037
Payroll--Temporary Employees	35,750	35,750	17,875	1,400	16,475
Payroll--Per Diem	4,500	4,500	2,250	1,645	605
Employee Benefits	253,824	253,824	126,912	105,939	20,973
Contractual Services	402,250	402,250	201,125	35,176	165,949
Supplies	128,993	128,994	64,497	32,588	31,909
Rent & Other Fixed Fees	114,280	114,280	57,140	69,365	(12,225)
Travel	80,000	80,000	40,000	38,214	1,786
Equipment	10,000	10,000	5,000	-	5,000
Depreciation	-	-	-	126,200	(126,200)
Program Payments	5,000,000	5,000,000	2,500,000	100,481	① 2,399,519
Total Expenses	<u>6,824,232</u>	<u>6,824,233</u>	<u>3,412,117</u>	<u>859,289</u>	<u>2,552,828</u>
Transfers from Other Departments:					
Transfer from Single Family-Operations	-	-	-	-	-
Transfer from Single Family-Special Initiatives	-	-	-	-	-
Transfer from Programs-Special Initiatives	1,890,000	-	-	-	-
Transfer from Programs-Operations	276,232	276,232	138,116	3,600,000	3,461,884
Total Transfers	<u>2,166,232</u>	<u>276,232</u>	<u>138,116</u>	<u>3,600,000</u>	<u>3,461,884</u>
Gain (Loss)	2,000,000	(1,890,001)	(945,001)	3,051,741	3,996,742

① The Authority has purchased mortgages totaling \$907,000 using Program funds during this fiscal year. Although budgeted as expenses under Allocations, these mortgages have been appropriately reclassified to assets and appear as loans receivable in the balance sheet of the Authority.

South Carolina State Housing Finance and Development Authority
4-Support Services
Budget vs Actual
Unaudited - December 31, 2011

	Original Budget	Revised Budget	Year-to-Date Budget	Year-to-Date Actual	Variance
Revenue Sources:					
Administrative Fees	45,000	45,000	22,500	-	(22,500)
Total Revenue Sources	<u>45,000</u>	<u>45,000</u>	<u>22,500</u>	<u>-</u>	<u>(22,500)</u>
Expenses:					
Payroll--Permanent Employees	769,910	759,910	379,956	372,236	7,720
Payroll--Temporary Employees	12,500	12,500	6,250	3,304	2,946
Employee Benefits	249,155	249,155	124,578	125,392	(814)
Contractual Services	425,800	425,800	212,900	131,684	81,216
Supplies	91,825	91,825	45,912	31,277	14,635
Rent & Other Fixed Fees	88,975	88,975	44,488	36,729	7,759
Travel	35,500	35,500	17,750	5,857	11,893
Equipment	275,600	275,600	137,800	-	137,800
Depreciation	-	-	-	4,168	(4,168)
Total Expenses	<u>1,949,265</u>	<u>1,939,265</u>	<u>969,634</u>	<u>710,647</u>	<u>258,987</u>
Transfers from Other Departments:					
Transfer from Single Family-Operations	1,537,174	1,537,174	768,587	-	(768,587)
Transfer from Programs-Operations	367,091	264,908	132,454	-	(132,454)
Total Transfers	<u>1,904,265</u>	<u>1,802,082</u>	<u>901,041</u>	<u>-</u>	<u>(901,041)</u>
Gain (Loss)	-	(92,183)	(46,093)	(710,647)	(664,554)

South Carolina State Housing Finance and Development Authority
5-Finance
Budget vs Actual
Unaudited - December 31, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Year-to-Date Budget</u>	<u>Year-to-Date Actual</u>	<u>Variance</u>
Revenue Sources:					
Administrative Fees	-	-	-	-	-
Total Revenue Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses:					
Payroll--Permanent Employees	640,492	640,492	320,246	259,537	60,709
Payroll--Temporary Employees	34,000	34,000	17,000	15,997	1,003
Employee Benefits	207,455	207,455	103,727	84,481	19,246
Contractual Services	136,000	136,000	68,000	12,075	55,925
Supplies	15,000	15,000	7,500	6,542	958
Rent & Other Fixed Fees	35,545	35,545	17,773	14,370	3,403
Travel	14,000	14,000	7,000	6,293	707
Equipment	5,000	5,000	2,500		2,500
Total Expenses	<u>1,087,492</u>	<u>1,087,492</u>	<u>543,746</u>	<u>399,295</u>	<u>144,451</u>
Transfers from Other Departments:					
Transfer from Single Family-Operations	1,087,492	1,087,492	543,746	-	(543,746)
Transfer from Programs-Operations		-	-		-
Total Transfers	<u>1,087,492</u>	<u>1,087,492</u>	<u>543,746</u>	<u>-</u>	<u>(543,746)</u>
Gain (Loss)	-	-	-	(399,295)	(399,295)