



**Regular Board Meeting
Francis Marion Hotel
387 King Street
Charleston, SC 29403**

- I. Call to Order (**9:00 a.m.**) **NOTE TIME**
- II. Freedom of Information Act Statement
Recognition of Guests
- III. Adoption of Proposed Agenda
- IV. Regular Session
 - A. Approval of Minutes of September 25, 2007
and October 2, 2007 (Chairman Fraser)
 - B. Resolutions
 1. Making Final Provision for the Issuance of Multi-Family Rental Housing Revenue Bonds (Bridle Ridge Apartments Project) (Tracey Easton)
 2. Consideration of Two Resolutions Regarding the Collection of Debts in Accordance with the Setoff Debt Collection Act (Carl Bowen)
 - C. Consideration of Funding for the Housing Action Partnership Program (Laura Nicholson)
 - D. Consideration of 2008 Board Meeting Schedule (Chairman Fraser)
 - E. Community Redevelopment and Revitalization Program Update (Nancy Fairley)
 - F. HOME Program Presentation (Nancy Fairley)
 - G. Housing Trust Fund Presentation (Matt Rivers)
 - H. Accountability Report (Stewart Cooner)
 - I. Reports
 1. Chairman (Chris Fraser)
 2. Interim Executive Director (Valarie Williams)
 3. Deputy for Programs (Valarie Williams)
 4. Deputy for Administration (Ed Knight)
 5. Human Resources (Valarie Williams)
 6. Finance (Debra Seymour)

- V. Other Business
- VI. Executive Session (If Needed)
- VII. Next Meeting (November 27, 2007)
- VIII. Adjournment



South Carolina State Housing Finance and Development Authority

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

Telephone: (803)896-9001

TTY: (803) 896-8831

Christopher B. Fraser
Chairman

Valarie M. Williams
Interim Executive Director

REGULAR COMMISSION MEETING

The Board of Commissioners of the South Carolina State Housing Finance and Development Authority met on Tuesday, September 25, 2007 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:

Clente Flemming, Vice Chair
Eddie C. Bines
Carl Roberts
Robert Mickle
John S. Hill
Felicia D. Morant

Commissioners excused:

Chris Fraser

Staff and Guests attending the meeting included the following:

STAFF:

Valarie M. Williams, Interim Executive Director
Ed Knight, Deputy for Administration
Debra Seymour, Director of Finance
Tracey Easton, Legal Counsel
Carl Bowen, Rental Assistance
Richard Hutto, Contract Administration
Laura Nicholson, LIHTC
Nancy Fairley, HOME
Stewart Cooner, Special Projects
Claude Spurlock, Homeownership
Barbara Pearson, Special Projects
Enid Conner, Human Resources

Lisa Bussey, Special Projects
Luke Lukasewski, Contract Administration
Ann Craddock, Assistant Secretary

GUESTS:

Charles Small, Diversified Development
Allan Jaffe, Goldman Sachs
Bob Detjen, CSG
Sam Howell, Howell, Linkous & Nettles, LLC
Tushar Chikhlikar, Nexsen Pruet, LLC
David Christmas, Connelly Development, LLC
State Representative Harold Mitchell
Roy Johnson, Spartanburg Housing Authority
Joe Wilczewski
Michael Kozlarek, Parker Poe

Vice Chairman Flemming called the meeting to order and asked Ms. 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.”

Agenda

Vice Chairman Flemming presented the agenda for approval.

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

Minutes

The Vice Chairman asked if there were any additions or corrections to the minutes of July 24, 2007. There being none, he called for a motion to approve the minutes.

MOTION Commissioner Roberts moved to approve the minutes of July 24, 2007 as presented. The motion received a second from Commissioner Bines. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

Special Recognition

On behalf of the Board of Commissioners and the Authority, Vice Chairman Flemming thanked Charles I. Small for his service as Chairman of the Board from 2003 to 2007. The following resolution was presented to Mr. Small.

RESOLUTION

WHEREAS, Charles I. Small has served as the Chairman of the Board of Commissioners to the South Carolina State Housing Finance and Development Authority from August 8, 2003 to September 1, 2007, and

WHEREAS, Charles I. Small has consistently worked for what he felt was right and proper for the Authority as a whole, and

WHEREAS, Charles I. Small has been a great asset to this Commission, and

WHEREAS, during his tenure many milestones were achieved under his direction:

- *The agency received an upgrade from Moody's to Aa1 from Aa2 on its Mortgage Revenue Bonds and issued \$413,260,000.00 in Mortgage Revenue Bonds.*
- *The agency greatly expanded its broker program, reintroduced the Single Parent Mortgage Program, introduced the popular Workforce Initiative special which resulted in 330 families benefiting from low-interest loans totaling \$40,246,686.00, and surpassed the \$2 Billion mark in homeownership loans with over \$500 Million of that resulting in over 10,000 loans taking place during his tenure.*
- *The agency set aside \$300,000 to assist victims of Hurricane Katrina who relocated to South Carolina and helped in administering over \$650,000 of temporary rental assistance on behalf of the Federal Emergency Management Authority.*
- *The agency set aside \$5 Million for its State Housing Authority Disaster Relief Fund to address gaps in assistance resulting from natural disasters, man-made disasters and catastrophic events.*
- *The agency combined and relocated office buildings resulting in a savings of over \$200,000 for the agency.*
- *The agency's organization was restructured to include the creation of two Deputy Director positions.*
- *The agency introduced www.SCHousingSearch.com a free on-line listing of statewide affordable housing units.*
- *The agency issued over \$9.7 Million in multifamily bonds resulting in the construction or rehabilitation of 1691 affordable housing units.*
- *The agency awarded nearly \$33 Million in tax credit allocations to a total of 94 developments creating nearly 5000 affordable housing units.*
- *The administration of the Housing Trust Fund resulted in awards exceeding \$64 Million for over 3500 affordable housing units.*

WHEREAS, the members of this body are proud to call him friend and do most sincerely wish him all the best in future years.

NOW, THEREFORE, BE IT RESOLVED that the South Carolina State Housing Finance and Development Authority in a meeting duly assembled this 25th day of September 2007 does express its gratitude to Charles I. Small for his considerable gift of time, thought and effort on behalf of the Authority and Commission.

BE IT FURTHER RESOLVED that this Resolution be made part of the minutes of this meeting and a true and faithful copy hereby be presented to Charles I. Small with our thanks and best wishes.

Signed: s/Christopher B. Fraser
Christopher B. Fraser
Chairman

Attest: s/Valarie M. Williams
Valarie M. Williams
Secretary

Mr. Small thanked the Board and Authority staff for their hard work in meeting the affordable housing needs of South Carolina’s citizens.

The Vice Chairman expressed appreciation for the service and support of two former Board members, Brenda Martin and Fran Gilbert.

Introductions

Vice Chairman Flemming introduced and welcomed the Board’s newest members, Felicia Morant and John Hill. Both residents of Columbia, Ms. Morant is affiliated with AgFirst Farm Credit Bank and Mr. Hill is affiliated with Keenan Development Associates, LLC.

Affordable Housing Study Committee

The Vice Chairman recognized Representative Harold Mitchell who appeared before the Board on behalf of the South Carolina Affordable Housing Study Committee. Representative Mitchell presented a request for funding a portion of the costs to direct and coordinate the activities of the Study Committee. Representative Mitchell stated that the initial request has been reduced to \$64,775 and will cover expenses related to the staff consultant. The Board received the request as information. Vice Chairman Flemming thanked Representative Mitchell and indicated the Board would take the matter under consideration in October.

Resolutions

Multifamily Rental Housing Revenue Bonds Avalon Hills Apartment Projects

Vice Chairman Flemming asked Tracey Easton to present the proposed resolution. Ms. Easton stated that the resolution makes preliminary provision for the issuance of not exceeding \$8,000,000 aggregate principal amount of Multifamily Rental Housing Revenue Bonds, Series 2007. She added that the developer, 295 Southport Partners, LP seeks preliminary approval of a bond issue for new money issue for Avalon Hills Apartments, a 144 unit project. Staff recommends approval.

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

Supplemental Indenture of Trust Towers East Apartment Projects

The Vice Chairman asked Ms. Easton to explain the resolution. Ms. Easton stated the Housing Sponsor requests approval of an amendment to the Indenture that will protect the bondholders from the effects of negative arbitrage. She stated further that based on bond counsel's (Lewis M. Levy, Parker Poe) draft opinion, staff recommends approval.

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

Multifamily Rental Housing Revenue Bonds Bridle Ridge Apartment Projects

The Vice Chairman called upon Ms. Easton and she stated that because of some restructuring of the transaction, the partnership has asked that this item be withdrawn from today's consideration. It is expected that the partnership will seek the Board's approval at the October, 2007 meeting.

Multifamily Rental Housing Revenue Bonds Various Rural Housing Apartment Projects

Vice Chairman Flemming asked Ms. Easton to present the resolution. Ms. Easton stated that this amended and restated resolution makes provision for the issuance of not to exceed \$30,000,000 aggregate principal amount of Multifamily Rental Housing Revenue Bonds, Series

2007, for the purpose of financing the acquisition, renovation, and rehabilitation of rental units located in the rural areas of the state for the elderly and families. The original Resolution was approved in July. Changes to the financing structure require an amendment of the original Resolution. Staff recommends approval.

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

Mortgage Revenue Bond Update

Vice Chairman Flemming called upon Bob Detjen, CSG Advisors, and Allan Jaffe, Goldman Sachs, to present the update. Mr. Detjen and Mr. Jaffe recapped the results of the pricing of the Authority’s \$83,000,000 of Series 2007A Bonds and \$50,000,000 of the Series 2007B Mortgage Revenue Notes. Both Mr. Detjen and Mr. Jaffe agreed that in a very difficult market, the Authority was able to meet its programmatic goals without taking any undue risk.

Housing Trust Fund

The Vice Chairman asked Matt Rivers to present the Housing Trust Fund report. Mr. Rivers presented the Trust Fund’s budget analysis which included projected as well as actual receipts for May through August. Mr. Rivers pointed out that actual receipts are slightly higher than projected. With Board approval of the awards presented today, the unencumbered cash balance will be slightly over \$2 million.

Mr. Rivers presented for Board approval seventeen Homeownership Block Grant proposals, sixteen Owner-Occupied Rehabilitation Block Grant proposals, two Supportive Housing proposals, and twenty-three Rental Housing proposals in the total amount of \$10,044,133.

<u>Homeownership Block Grant Project Nos</u>	
6808 - Southern Carolina Regional CDC	\$ 80,500
3308 - Higher Grounds CDC	80,500
6408 - Lowcountry Housing & Economic Dev. Foundation, Inc.	150,500
3808 - Grand Strand Housing and CDC	46,000
7008 - Sea Island Habitat for Humanity	160,000
3408 - Habitat for Humanity of Spartanburg, Inc.	11,500
6108 - Greenwood Area Habitat for Humanity	80,500
3908 - Habitat for Humanity of Horry County, Inc.	46,000
6208 - Charleston Area CDC	153,500
3608 - Urban league of Upstate Housing Corp.	46,000
6008 - ReGenesis Economic Dev. Organization (REDO)	80,500

Homeownership Block Grants Cont'd.

5708 - LowCountry CDC	\$ 163,000
5908 - Homes of Hope, Inc.	11,500
3508 - Spartanburg Housing Authority	80,500
7508 - East Cooper Habitat for Humanity	129,000
6308 - Sumter County CDC	80,500
4008 - Habitat for Humanity of Anderson County, Inc.	80,500

Owner-Occupied Rehabilitation Block Grant Project Nos

4808 - Spartanburg Housing Authority Development, Inc.	\$ 155,750
6608 - Clarendon County CDC	155,750
5808 - Allendale County ALIVE	155,750
4708 - Spartanburg Housing Authority	155,750
8308 - Brookland West-Columbia Community & Housing Dev.	155,750
4408 - Community Assistance Provider	155,750
4608 - Higher Grounds CDC	120,000
6508 - Darlington County Disabilities and Special Needs	89,000
4208 - Palmland Community Development Foundation	155,750
4108 - Fishers of Men of South Carolina	44,500
4508 - Scott's Branch 76 Foundation	155,750
6908 - Mt. Olive Corporation	155,750
6708 - Southern Carolina Regional CDC	155,750
7108 - Metanoia CDC	79,994
3708 - Spartanburg Leased Housing Corporation	155,750
4308 - Santee-Lynches Regional Council of Governments	155,750
5608 - Upstate Homeless Coalition of South Carolina	44,000
5508 - Upstate Homeless Coalition of South Carolina	81,738

Rental Housing Project Nos

5008 - Community Development & Improvement Corporation	\$ 104,808
7208 - Community Assistance Provider	183,250
5108 - Community Development & Improvement Corporation	104,808
5408 - Redemption Community Development Corporation	125,455
8108 - Spartanburg Housing Authority Development, Inc.	190,938
5308 - Apple Tree Housing Corporation	53,456
5208 - Community Development & Improvement Corporation	37,375
8008 - Spartanburg Housing Authority	295,542
8208 - Spartanburg Leased Housing Corporation	300,000

Rental Housing - Joint HTF/HOME Project Nos

9208 - Upstate Homeless Coalition of South Carolina	\$ 292,590
9708 - Genesis Homes	205,750
10008 - United Housing Associates, Inc.	300,000
9408 - Homes of Hope, Inc.	500,000
9808 - Blackville Community Development Corporation	260,130
9908 - Butterfly House, Inc.	124,816

9608 – Soteria World Outreach Ministries	300,000
9508 – Allen Temple Community Economic Development Corp.	394,500
9308 – MHA of McCormick County	153,984

Rental Housing – Joint HTF/LIHTC

8608 – Pond Place Apartments, LLC	\$ 308,000
8708 – Clark Street, LP	500,000
8808 – Nichol Town Green, LP	500,000
8908 – Pin Oak, LP	500,000
9008 – Newberry Green Associates, LP	500,000

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 unanimously.

Low Income Housing Tax Credit

Vice Chairman Flemming asked Laura Nicholson to present an update on the tax credit program. Ms. Nicholson stated that the 2007 Tax Credit reservations totaling over \$8.4 million were issued on August 15 with all nineteen developers accepting their reservations.

Ms. Nicholson stated that work has begun on the 2008 Qualified Allocation Plan and Tax Credit manual. In conjunction with this, a developer roundtable was held on September 21 where comments and suggestions were received. The final draft of the 2008 Plan will be presented for Board approval in November.

HOME

The Vice Chairman called upon Nancy Fairley for the HOME program report. Ms. Fairley stated that a total of \$8,000,000 was awarded to thirty-eight applicants representing 513 units. Funds were distributed to twenty-five counties in the State.

Ms. Fairley informed the Board that the draft HOME Action Plan will be provided for the Board’s review at the November Board meeting. She added that an environmental workshop will be held for applicants on November 13.

Housing Choice Voucher Program

Vice Chairman Flemming called upon Carl Bowen for the voucher program update. Mr. Bowen informed the Board that effective September 1, 2007 the Authority transferred administration of vouchers for participants in Williamsburg County to the Lake City Housing Authority.

With regard to homeownership for voucher participants, Mr. Bowen stated that a total of seven voucher recipients are purchasing homes. This HUD approved plan allows qualified

voucher recipients to use their HUD subsidy toward homeownership expenses. These loans are made available to voucher recipients using the Homeownership Program funds with some forgivable down payment assistance and requires no mortgage insurance.

Reports

Interim Executive Director

The Vice Chairman called upon Valarie Williams. Ms. Williams updated the Board on federal legislation relating to the subprime mortgage market. She stated that the US House of Representatives seeks legislative approval for the Expanding American Homeownership Act of 2007. This Act is intended to address the problems facing the mortgage lending industry and makes changes to the FHA program. The US Senate has a similar Bill pending.

Ms. Williams stated that she and Matt Rivers recently attended public forums in Charleston and Greenville regarding banking disparities related to minorities. These forums resulted from a published report of the National Commission on Reinvestment Coalition which placed Charleston and Greenville in the top ten.

Deputy for Administration

Vice Chairman Flemming called upon Ed Knight for the administrative update. Mr. Knight informed the Board that a recommendation regarding a document imaging system for the Authority will be brought to the Board in November.

Mr. Knight stated that homeownership reservations for the past couple of weeks were below expectation and that incentives including down payment assistance have been added in an effort to increase production.

Human Resources

The Vice Chairman called upon Enid Conner to present the human resources report. Ms. Conner stated that the Authority currently has vacancies in internal audit, special projects, and investor services. Ms. Conner stated that the Authority has one new employee and she asked Richard Hutto to introduce Luke Lukasewski. Mr. Hutto stated that Mr. Lukasewski rejoins the Authority as a program coordinator in the Contract Administration area. On behalf of the Board, Vice Chairman Flemming welcomed Mr. Lukasewski.

Finance

Vice Chairman Flemming called upon Debra Seymour for the finance update. Ms. Seymour presented financial statements for the period ending June 30. The Board received the update as information.

Minutes, September 25, 2007

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Other Business

The Vice Chairman asked if there was any other business to come before the Board. There being none, he called for a motion to adjourn.

Minutes, September 25, 2007

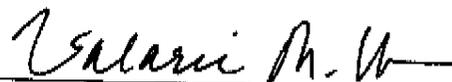
Page 10

Other Business

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MOTION Commissioner Hill moved to adjourn the meeting. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

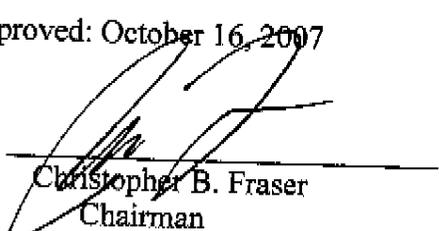
Respectfully submitted,



Valarie M. Williams, Secretary

Approved: October 16, 2007

By:


Christopher B. Fraser
Chairman

MOTION Commissioner Hill moved to adjourn the meeting. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

Respectfully submitted,

Valarie M. Williams, Secretary

Approved: October 16, 2007

By: _____
Christopher B. Fraser
Chairman



South Carolina State Housing Finance and Development Authority

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Christopher B. Fraser
Chairman

Valarie M. Williams
Interim Executive Director

TELEPHONIC COMMISSION MEETING

The Board of Commissioners of the South Carolina State Housing Finance and Development Authority met on Tuesday, October 2, 2007 at approximately 2:30 p.m., via conference call.

The following Commissioners participated in the call:

Chris Fraser, Chairman
Clente Flemming, Vice Chairman
Eddie C. Bines
Robert Mickle
John Hill
Felicia Morant

Commissioners excused:

Carl Roberts

Staff participating in the call included the following:

STAFF: Valarie M. Williams, Interim Executive Director
Debra Seymour, Director of Finance
Tracey Easton, Legal Counsel
Ann Craddock, Assistant Secretary

Chairman Fraser called the meeting to order and asked Ms. 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.”

Agenda

Chairman Fraser presented the tentative agenda for approval.

Minutes, October 2, 2007

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

Affordable Housing Study Committee

The Chairman asked Valarie Williams to present the request. Ms. Williams stated that the purpose of today's call is to ask the Board to act on the Affordable Housing Study Committee's request for funding which was originally presented to the Board on September 25, 2007. She added that staff recommends contributing the sum of \$64,775 to cover costs of the staff consultant.

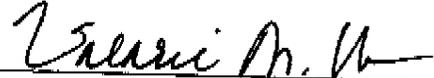
MOTION Following discussion, Vice Chairman Flemming moved to accept staff's recommendation. The motion received a second from Commissioner Bines. There being no further discussion, all Commissioners voted in the affirmative and the motion carried.

Adjourn

There being no further business, the Chairman called for a motion to adjourn.

MOTION Commissioner Bines moved to adjourn the meeting. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

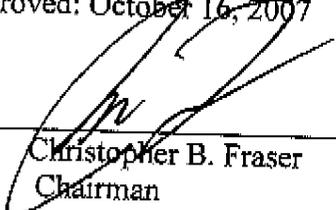
Respectfully submitted,



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Approved: October 16, 2007

By: _____


Christopher B. Fraser
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MOTION Following discussion, Vice Chairman Flemming moved to accept staff's recommendation. The motion received a second from Commissioner Bines. There being no further discussion, all Commissioners voted in the affirmative and the motion carried.

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Respectfully submitted,

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Approved: October 16, 2007

By: _____
Christopher B. Fraser
Chairman

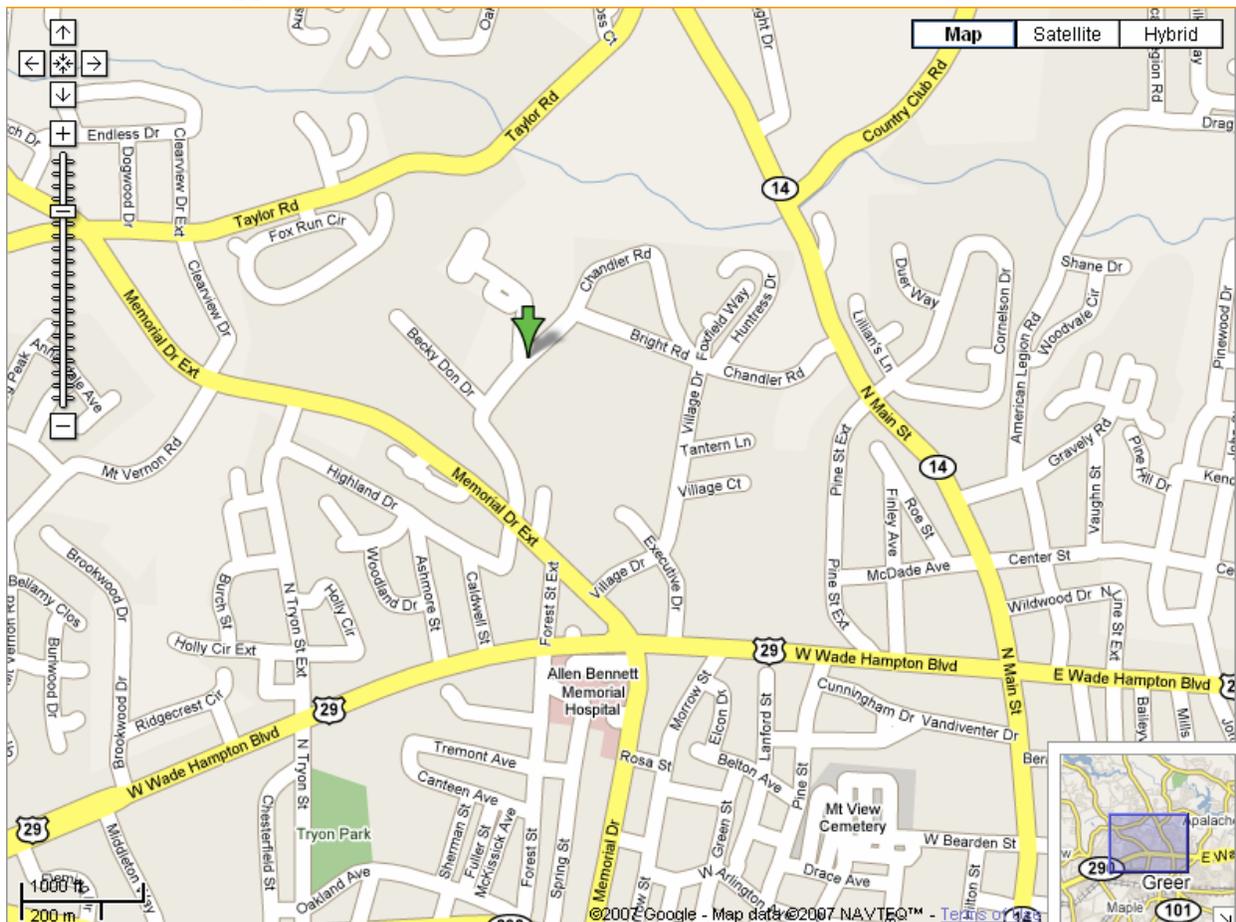


Division: **Legal**

Subject: **Consideration of a Resolution making Final Provision for the Issuance of not exceeding \$8,600,000 aggregate principal amount of Multifamily Rental Housing Revenue Bonds, (Bridle Ridge Apartments), Series 2007 of the South Carolina State Housing Finance and Development Authority and other matters related thereto.**

Developer: Bridle Ridge Apts LP
 Issue Type: New Money
 Project Type: Acquisition and Rehabilitation
 Units: 152
 Location: 310 Chandler Road, Greer, Greenville County, SC 29651
 Amount: not exceeding \$8,600,000.00
 Amount of Cap: not exceeding \$8,600,000.00
 Type of Offering: Private Placement
 Credit Enhancement:

Bridle Ridge Apts LP is requesting final approval of a bond issue for a new money issue for Bridle Ridge Apartments. Bridle Ridge consists of 152 units with a target population of elderly, disabled and large family. The Bond Committee preliminarily approved this project July 24, 2007. Staff recommends the approval of this resolution.



BOND RESOLUTION

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF NOT TO EXCEED \$8,600,000 AGGREGATE PRINCIPAL AMOUNT OF SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY MULTIFAMILY RENTAL HOUSING REVENUE BONDS (BRIDLE RIDGE APARTMENTS) SERIES 2007; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE AND OTHER DOCUMENTS RELATING THERETO; AUTHORIZING PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE; AND OTHER MATTERS INCIDENTAL THERETO.

WHEREAS, the South Carolina State Housing Finance and Development Authority (the “Authority”) is authorized and empowered under and pursuant to the provisions of Title 31, Chapter 13, of the Code of Laws of South Carolina, 1976, as amended (the “Act”), upon making determinations that sufficient persons or families of either beneficiary class (as defined by the Act) (the “Beneficiary Classes”) are unable to pay the amounts at which private enterprise is providing decent, safe and sanitary housing, and that through the exercise of one or more of the programs authorized by the Act, decent, safe and sanitary housing would become available to members of the Beneficiary Classes in need therefor, to issue bonds in order to alleviate the lack of decent, safe and sanitary housing available to the members of the Beneficiary Classes;

WHEREAS, the Authority is further authorized by the Act to make (i) construction and/or rehabilitation loans secured by mortgages of housing sponsors; and (ii) permanent mortgage loans to housing sponsors who agree to provide construction and/or rehabilitation of residential housing for rental by persons or families of the Beneficiary Classes provided certain conditions are met as required therein;

WHEREAS, Companion at Bridle Ridge, L.P. (the “Housing Sponsor”), a South Carolina limited partnership, proposes to acquire and rehabilitate a 152-unit apartment development located in Greer, South Carolina (the “Project”), and has requested the assistance of the Authority in the financing thereof through the issuance of revenue bonds; and

WHEREAS, in furtherance of the purposes of the Act and in order to provide decent, safe and sanitary housing to members of the Beneficiary Classes, the Authority proposes to finance the cost of the Project pursuant to a Loan Agreement dated as of October 1, 2007 (the “Loan Agreement”) by and between the Authority and the Housing Sponsor; and

WHEREAS, pursuant to and in accordance with the Act, the Authority has authorized and undertaken to issue, in one or more series, its not exceeding \$8,600,000 aggregate principal amount Multifamily Rental Housing Revenue Bonds (Bridle Ridge Apartments) Series 2007 (the “Bonds”), pursuant to this Bond Resolution and a Trust Indenture dated as of October 1, 2007 (the “Indenture”), between the Authority and the Trustee, in order to (i) provide funds to finance the costs of the Project; and (ii) pay the costs of issuance of the Bonds; and

WHEREAS, the Authority has undertaken to finance the cost of the Project by lending the proceeds derived from the sale of the Bonds to the Housing Sponsor for such Project pursuant to the Financing Agreement under the terms of which the Housing Sponsor is required to make loan payments sufficient to pay when due the principal and purchase price of, premium (if any) and interest on, the Bonds and related fees, costs and expenses and thereby provide a revenue source with which to pay the Bonds; and

WHEREAS, it has been determined that the estimated amount necessary to finance the cost of the Project, including necessary expenses incidental to the issuance of the Bonds, will require the issuance, sale and delivery of the Bonds in the amount not to exceed \$8,600,000; and

WHEREAS, in accordance with the Act, the State Budget and Control Board has given its preliminary approval to the issuance of the Bonds; and

WHEREAS, there has been prepared for review and consideration by the Authority the forms of the Loan Agreement and the Indenture; and

WHEREAS, it appears that the Loan Agreement and the Indenture, which are now before this meeting for consideration, are in substantially final form and are appropriate instruments to be executed and delivered by the Authority for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED, by the Authority as follows:

Section 1. In order to provide decent, safe and sanitary housing to members of the Beneficiary Classes, the establishment of a loan program for the acquisition and renovation of the Project is hereby authorized, ratified and approved.

Section 2. The Bonds shall be in substantially the form set forth in the Indenture, now before this meeting and filed with the Executive Director of the Authority, with necessary or appropriate variations, omissions and insertions as permitted or required by the Indenture. The form, terms and provisions of the Bonds presented to this meeting and filed with the Executive Director of the Authority are hereby approved, and all of the terms, provisions and conditions thereof are hereby incorporated by reference as if set out in this resolution in their entirety. The Chairman, the Executive Director of the Authority, or either of them are hereby authorized, empowered and directed to execute and deliver the Bonds to the Trustee, and the Secretary or Assistant Secretary of the Authority are hereby authorized and directed to affix the corporate seal of the Authority to the Bonds and to attest the same. The Bonds are to be in substantially the form now before this meeting and hereby approved, or with such changes, insertions and omissions therein as may be deemed necessary or convenient by the Chairman or Executive Director of the Authority executing the same, said execution to constitute conclusive evidence of such approval.

Section 3. The Bonds shall be limited obligations of the Authority payable by the Authority solely from the Trust Estate (as defined in the Indenture). The Bonds do not and shall never constitute a debt, grant or loan of the State of South Carolina (the "State") or any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation, nor give rise to a pecuniary liability as a result of the issuance thereof. The Bonds and the interest thereon are not payable out of any funds other than those of the Authority specified

therefor, nor are they secured by or payable from the full faith, credit and taxing power of the State. Upon assignment of the Loan Agreement, the Authority shall, as required by the Act, be deemed not in default under any Bonds in the event that the Housing Sponsor fails to pay, when due, principal of, premium, if any, or interest on the Note (as such term is defined in the Loan Agreement). The holders of the Bonds must look solely to the Housing Sponsor to make payments under the Note fully sufficient to pay principal of, premium, if any, and interest on the Bonds.

Nothing in this resolution or any other document executed in connection with the issuance of the Bonds shall be construed as an obligation or commitment by the Authority to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the revenues derived by the Authority from the Loan Agreement, (iii) any proceeds accruing to the Authority on account of insurance on the Project, (iv) any moneys accruing to the Authority on account of any taking or condemnation of title to all or part of the Project, and (v) any moneys arising out of the investment or reinvestment of said proceeds, revenues or moneys.

Section 4. Each Bond shall be executed in the name of the Authority with the manual or facsimile signature of the Chairman or Executive Director of the Authority, shall have the seal of the Authority impressed or imprinted thereon, which seal shall be attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority. In case the officers whose signatures shall appear on the Bonds shall cease to be such officers before the delivery of the Bonds, such signatures shall nevertheless be valid and sufficient for all purposes, the same as if such officers had remained in office until delivery.

Section 5. The Indenture as submitted herewith is hereby approved with respect to the Bonds. Regions Bank is hereby appointed trustee. The Chairman of the Authority, the Executive Director of the Authority or either of them are hereby authorized and directed to execute and deliver the Indenture with such changes, insertions and omissions as they deem necessary or convenient, said execution being conclusive evidence of such approval; and the Secretary or Assistant Secretary of the Authority are hereby authorized and directed to affix the corporate seal of the Authority to the Indenture and to attest the same.

Section 6. The Loan Agreement as submitted herewith is hereby approved with respect to the Bonds. The Chairman of the Authority, the Executive Director of the Authority or either of them are hereby authorized and directed to execute and deliver the Loan Agreement with such changes, insertions and omissions as they deem necessary or convenient, said execution being conclusive evidence of such approval; and the Secretary or Assistant Secretary of the Authority are hereby authorized and directed to affix the corporate seal of the Authority to the Loan Agreement and to attest the same.

Section 7. The Chairman of the Authority, the Executive Director of the Authority, or any other proper officer of the Authority, be and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution; including without limitation the Regulatory Agreement, any mortgage, assignment, bond purchase or placement agreement or agreement as to restrictive covenants customarily used in the transactions contemplated by the Loan Agreement and Indenture.

Section 8. The Trustee is hereby authorized to receive and receipt for the proceeds of the Bonds on behalf of the Authority and to hold, invest and disburse said proceeds in accordance with the provisions of the Indenture.

Section 9. No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the Authority contained in this Bond Resolution, the Bonds or any other document executed in connection therewith against any officer of the Authority or employee, as such, in his or her individual capacity, past, present or future, of the Authority, either directly or through the Authority, whether by virtue of any constitutional provision, statute or rule or law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Bond Resolution, the Bonds and all other documents referred to herein are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any officer of the Authority, employee as such, past, present or future, of the Authority, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the Authority and the Trustee or the bondholder or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Bond Resolution and the execution of the Bonds or any other documents referred to herein and as a condition of, and as a part of the consideration for, the adoption of this Bond Resolution and the execution of the Bonds or any other documents referred to herein, expressly waived and released. The immunity of officers of the Authority and employees of the Authority under the provisions contained in this Section 8 shall survive the termination of this Bond Resolution.

Section 10. This Bond Resolution shall be construed and interpreted in accordance with the laws of the State of South Carolina.

Section 11. This Bond Resolution shall become effective immediately upon its adoption by the Board of Commissioners of the Authority.

Section 12. There is hereby granted a conditional allocation of carryforward private activity bond ceiling in the amount of \$8,600,000 to support the issuance of the Bonds authorized by this Resolution. Unless extended for a period not to exceed 31 days by the Executive Director, said conditional allocation shall expire 90 days from the date on which this Resolution is adopted.

Section 13. The provisions of this resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

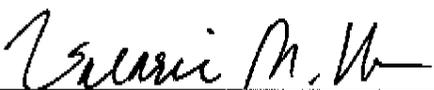
Section 14. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this resolution shall take effect and be in full force from and after its passage and approval.

STATE OF SOUTH CAROLINA**COUNTY OF LEXINGTON**

I, the undersigned Secretary of the South Carolina State Housing Finance and Development Authority (the "Authority") do hereby certify that I am the duly qualified and acting Secretary to the Authority and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Board of Commissioners of the Authority at a meeting duly called and held on October 16, 2007, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended or repealed and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this 16th day of October, 2007.

SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT
AUTHORITY

By: 
Valarie M. Williams
Secretary

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

I, the undersigned Secretary of the South Carolina State Housing Finance and Development Authority (the "Authority") do hereby certify that I am the duly qualified and acting Secretary to the Authority and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Board of Commissioners of the Authority at a meeting duly called and held on October 16, 2007, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended or repealed and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this _____ day of _____, 2007.

**SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT
AUTHORITY**

By: _____
Valarie M. Williams
Secretary



Division: **Housing Choice Voucher**

Subject: Consideration of a Resolution Authorizing the Municipal Association of South Carolina to Act as Claimant Agent for the South Carolina State Housing Finance and Development Authority (Claimant) for the Collection of Debt in Accordance with the Setoff Debt Collection Act

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the Authority holds the owner or participant liable to return any overpayments. The Housing Choice Voucher Program began participating in the South Carolina Department of Revenue Setoff Debt Collection Program in 1995 to recover funds when the debtor failed to enter into or abide by a debt repayment agreement.

Each fall, letters are sent to each debtor demanding repayment and offering the debtor an opportunity for a hearing to protest the collection. A list of debtors, social security numbers and amounts owed is then submitted to the South Carolina Department of Revenue.

The Municipal Association of South Carolina desires to act as Claimant Agent on behalf of the South Carolina State Housing Finance and Development Authority (Claimant) for the collection of debt owed. If an individual is due a tax refund, the South Carolina Department of Revenue will attach a portion towards the satisfaction of the debt.

The staff of the Housing Choice Voucher Program recommends that the Board adopt the attached Resolution.

Policy No. PR07-13**RESOLUTION NO. 2007**

TO AUTHORIZE THE MUNICIPAL ASSOCIATION OF SOUTH CAROLINA TO ACT AS CLAIMANT AGENT FOR THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY FOR THE COLLECTION OF DEBT IN ACCORDANCE WITH THE SETOFF DEBT COLLECTION ACT.

WHEREAS, the Setoff Debt Collection Act (§12-56-10) allows the South Carolina Department of Revenue to render assistance in the collection of debt owing to political subdivisions of the State; and

WHEREAS, the Municipal Association of South Carolina will act as a claimant agent for political subdivisions in South Carolina; and

WHEREAS, the South Carolina State Housing Finance and Development Authority desires to participate in the Setoff Debt Collection Program of the Municipal Association;

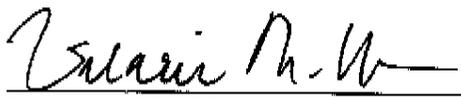
Now, Therefore, Be It

RESOLVED, That the South Carolina State Housing Finance and Development Authority authorizes the Chairman of the Board of Commissioners for said Participant to enter into an agreement with the Municipal Association of South Carolina for the collection of debt owed the South Carolina State Housing Finance and Development Authority.

BE IT FURTHER RESOLVED, that the South Carolina State Housing Finance and Development Authority indemnifies the Municipal Association of South Carolina to the extent permitted by law against any injuries, actions, liabilities or proceedings arising from performance under the setoff debt provisions.

Resolved by the Board of Commissioners for said Participant this 16th day of October, 2007.

Attest:



Valarie M. Williams, Secretary

RESOLUTION NO. 2007

TO AUTHORIZE THE MUNICIPAL ASSOCIATION OF SOUTH CAROLINA TO ACT AS CLAIMANT AGENT FOR THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY FOR THE COLLECTION OF DEBT IN ACCORDANCE WITH THE SETOFF DEBT COLLECTION ACT.

WHEREAS, the Setoff Debt Collection Act (§12-56-10) allows the South Carolina Department of Revenue to render assistance in the collection of debt owing to political subdivisions of the State; and

WHEREAS, the Municipal Association of South Carolina will act as a claimant agent for political subdivisions in South Carolina; and

WHEREAS, the South Carolina State Housing Finance and Development Authority desires to participate in the Setoff Debt Collection Program of the Municipal Association;

Now, Therefore, Be It

RESOLVED, That the South Carolina State Housing Finance and Development Authority authorizes the Chairman of the Board of Commissioners for said Participant to enter into an agreement with the Municipal Association of South Carolina for the collection of debt owed the South Carolina State Housing Finance and Development Authority.

BE IT FURTHER RESOLVED, that the South Carolina State Housing Finance and Development Authority indemnifies the Municipal Association of South Carolina to the extent permitted by law against any injuries, actions, liabilities or proceedings arising from performance under the setoff debt provisions.

Resolved by the Board of Commissioners for said Participant this 16th day of October, 2007.

Attest:

Valarie M. Williams, Secretary



Division: **Housing Choice Voucher**

Subject: Consideration of a Resolution Relating to the Recovery of Collection Costs by the Municipal Association of South Carolina (Claimant Agent) as a Part of Delinquent Debts Collected Pursuant to the Setoff Debt Collection Act

The South Carolina State Housing Finance and Development Authority (Claimant) has contracted with the Municipal Association of South Carolina (Claimant Agent) to submit claims on its behalf. The Authority (Claimant) has elected to not charge a fee for cost of collection; however, the Claimant Agent will charge a fee for the services which is a cost of collection incurred by the Claimant that arises through contract, and is considered part of the delinquent debt owed the Claimant.

The staff of the Housing Choice Voucher Program recommends that the Board adopt the attached Resolution.

Policy No. PR07-14**RESOLUTION****RELATING TO THE RECOVERY OF COLLECTION COSTS AS A PART OF DELINQUENT DEBTS COLLECTED PURSUANT TO THE SETOFF DEBT COLLECTION ACT**

WHEREAS, the South Carolina State Housing Finance and Development Authority is a claimant agency as defined in the Setoff Debt Collection Act, S.C. Code Ann. § 12-56-10, et. Seq. (the Act) and is therefore entitled to utilize the procedures set out in the Act to collect delinquents debts owed to the South Carolina State Housing Finance and Development Authority (Claimant);

AND WHEREAS, "delinquent debt" is defined in the Act to include "collection costs, court costs, fines, penalties, and interest which have accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for that sum which is legally collectible and for which a collection effort has been or is being made;"

AND WHEREAS, the Claimant has contracted with the Municipal Association of South Carolina to submit claims on its behalf to the SC Department of Revenue pursuant to the Act;

AND WHEREAS, the Municipal Association of South Carolina charges a fee for the services it provides pursuant to the Act;

AND WHEREAS, the fee charged by the Municipal Association of South Carolina is a cost of collection incurred by the Claimant that arises through contract, and is therefore properly considered as a part of the delinquent debt owed to the Claimant as that term is defined in the Act;

AND WHEREAS, the Claimant also incurs internal costs in preparing and transmitting information to the Municipal Association, which costs are also collection costs that are a part of the delinquent debt owed to the Claimant;

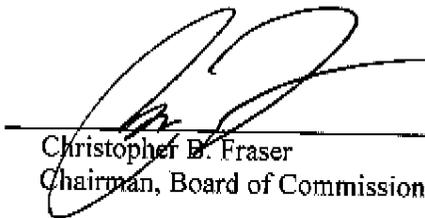
AND WHEREAS, the Claimant desires to recover its internal costs of collection by charging a fee that will be added to the delinquent debt;

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners for the Claimant as follows:

Policy No. PR07-14

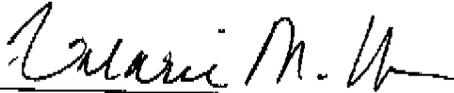
1. The South Carolina State Housing Finance and Development Authority (Claimant) hereby imposes an administrative fee in the amount of \$0 to defray its internal costs of collection for any delinquent debts that are sought to be collected pursuant to the provisions of the Setoff Debt Collection Act, S.C. Code Ann. § 12-56-et. Seq. This fee is hereby declared to be a collection cost that arises by operation of law and shall be added to the delinquent debt and recovered from the debtor.
2. The Claimant hereby declares that the administrative fee in the amount of \$25.00 charged by the Municipal Association of South Carolina is also a collection cost to the Claimant, which shall also be added to the delinquent debt and recovered from the debtor.
3. The Claimant hereby declares that the administrative fee in the amount of \$25.00 charged by the S.C. Department of Revenue is also a collection cost to the Claimant, which shall also be added to the delinquent debt and recovered from the debtor.
4. This Resolution shall be effective on the date of adoption, provided however, that this Resolution is declared to be consistent with prior law and practice and shall not be construed to mean that any fees previously charged to debtors as costs of collection under the Act were not properly authorized or properly charged to the debtor.

Adopted by majority vote this 16th day of October, 2007.



Christopher B. Fraser
Chairman, Board of Commissioners

Attest:



Valarie M. Williams, Secretary

RESOLUTION

RELATING TO THE RECOVERY OF COLLECTION COSTS AS A PART OF DELINQUENT DEBTS COLLECTED PURSUANT TO THE SETOFF DEBT COLLECTION ACT

WHEREAS, the South Carolina State Housing Finance and Development Authority is a claimant agency as defined in the Setoff Debt Collection Act, S.C. Code Ann. § 12-56-10, et. Seq. (the Act) and is therefore entitled to utilize the procedures set out in the Act to collect delinquents debts owed to the South Carolina State Housing Finance and Development Authority (Claimant);

AND WHEREAS, “delinquent debt” is defined in the Act to include “collection costs, court costs, fines, penalties, and interest which have accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for that sum which is legally collectible and for which a collection effort has been or is being made;”

AND WHEREAS, the Claimant has contracted with the Municipal Association of South Carolina to submit claims on its behalf to the SC Department of Revenue pursuant to the Act;

AND WHEREAS, the Municipal Association of South Carolina charges a fee for the services it provides pursuant to the Act;

AND WHEREAS, the fee charged by the Municipal Association of South Carolina is a cost of collection incurred by the Claimant that arises through contract, and is therefore properly considered as a part of the delinquent debt owed to the Claimant as that term is defined in the Act;

AND WHEREAS, the Claimant also incurs internal costs in preparing and transmitting information to the Municipal Association, which costs are also collection costs that are a part of the delinquent debt owed to the Claimant;

AND WHEREAS, the Claimant desires to recover its internal costs of collection by charging a fee that will be added to the delinquent debt;

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners for the Claimant as follows:

1. The South Carolina State Housing Finance and Development Authority (Claimant) hereby imposes an administrative fee in the amount of \$0 to defray its internal costs of collection for any delinquent debts that are sought to be collected pursuant to the provisions of the Setoff Debt Collection Act, S.C. Code Ann. § 12-56-et. Seq. This fee is hereby declared to be a collection cost that arises by operation of law and shall be added to the delinquent debt and recovered from the debtor.
2. The Claimant hereby declares that the administrative fee in the amount of \$25.00 charged by the Municipal Association of South Carolina is also a collection cost to the Claimant, which shall also be added to the delinquent debt and recovered from the debtor.
3. The Claimant hereby declares that the administrative fee in the amount of \$25.00 charged by the S.C. Department of Revenue is also a collection cost to the Claimant, which shall also be added to the delinquent debt and recovered from the debtor.
4. This Resolution shall be effective on the date of adoption, provided however, that this Resolution is declared to be consistent with prior law and practice and shall not be construed to mean that any fees previously charged to debtors as costs of collection under the Act were not properly authorized or properly charged to the debtor.

Adopted by majority vote this 16th day of October, 2007.

Christopher B. Fraser
Chairman, Board of Commissioners

Attest: _____
Valarie M. Williams, Secretary



Housing Action Partnerships Program

Program Description	<p>The Housing Action Partnerships Program is designed to provide financing for mixed used housing developments. The program provides matching funds to applicants whose financial needs cannot be addressed with other existing Authority programs. The program is available on a statewide basis. Eligible activities include rental development and homeownership opportunities. Each fiscal year, the Authority's Board of Commissioners will determine if money is available to support the program.</p>
Threshold Requirements	<ul style="list-style-type: none">• Eligible applicants are Nonprofit Organizations and Units of Local Government that are in good standing with all Authority administered programs• Applicants must have a dedicated continual source of revenue to support the partnerships program• Rental developments must be apartments, duplexes, townhomes, or single-family houses• Rental activities that can be undertaken include new construction, acquisition with substantial rehabilitation, or substantial rehabilitation only• Homeownership activities that can be undertaken include down payment and closing cost assistance as well as construction and permanent financing• Incomes of recipients to be served may not exceed 80% of the area median• At application submission, applicants must have site control and proper zoning• Developments must be designed as mixed use housing developments
Financial Assistance	<ul style="list-style-type: none">• Applicants will receive grants• No funds can be used for any administrative fees• Priority for funding will be given to applicants that have not received a previous HAPP award
Submission Requirements/Project Awards	<ul style="list-style-type: none">• Applications will be available beginning October 17, 2007 and will include all application submission requirements, the review process, and applicable fees. The deadline for the submission of applications is November 14, 2007 at 5:00 p.m. (EST)
Questions	<p>Questions regarding the Housing Action Partnerships Program can be directed to Laura Nicholson in the Housing Development Division at (803) 896-9190.</p>

**SOUTH CAROLINA STATE HOUSING FINANCE
AND DEVELOPMENT AUTHORITY**

**2007 HOUSING ACTION PARTNERSHIPS PROGRAM
MANUAL**

I. Program Overview

The mission of the South Carolina State Housing Finance and Development Authority (the “Authority”) is to create quality affordable housing opportunities for the citizens of South Carolina. We expect the applicants of all programs to follow appropriate environmental practices and requirements as well as to discourage urban sprawl when existing available sites have the necessary infrastructure – utilities, roads, schools, etc. – to be used for development.

The Housing Action Partnerships Program (HAPP) is an Authority funded program designed to provide financing for mixed use housing developments whose financial needs cannot be addressed within the confines of other existing Authority programs. Each fiscal year the Board of Commissioners will determine whether money is available for the Program. Applications submitted for funding should be able to substantiate that there are unmet housing needs in the area for which the funding is being requested. Examples of unmet housing needs include but are not limited to a lack of available affordable housing in the area or existing housing available in the area that is not habitable and should be demolished and rebuilt as opposed to rehabilitation, or existing affordable housing at a risk of being converted to market rate housing, or special tenant populations in the area for which affordable housing is not currently available, etc.

HAPP funds are available on a statewide basis. HAPP funds can be used for the affordable housing components of mixed use developments that preserve and/or create rental housing or homeownership opportunities. Eligible properties are limited to apartments, duplexes, town homes, or single-family houses. Eligible rental activities include new construction, acquisition with substantial rehabilitation, or substantial rehabilitation only. Homeownership activities include down payment and closing cost assistance as well as on-site construction and permanent financing. Developments must be solely for housing. Commercial properties are not eligible to receive HAPP funds. HAPP funds may only be applied to the low income portion of the development. Market rate housing and beneficiaries over 80% of the area median income are not eligible for HAPP funds.

Eligible applicants are nonprofit organizations (established 501(C)3 or 501(C)4 organizations as recognized by the Internal Revenue Service) and units of local government. All applicants must be in good standing with all other Authority administered programs. Applicants applying for HAPP funding must have committed financial support, of at least 10% of the HAPP funding request, from the local government in the area they are proposing to work in. All applicants must have a dedicated continual source of revenue to support the partnerships program as well as other verifiable financial resources which can be used as match funds with the HAPP award. Anticipated or projected earned income is not considered a dedicated continual source of revenue. The revenue stream and financial resources to undertake and complete the proposed development must be available and committed at the time of the HAPP application submission and available throughout development completion. HAPP funds will be awarded to all applicants in the form of a grant. HAPP funds can be used only for eligible activities as outlined in this manual and no HAPP funds can be used for any type of administrative fees. Priority for HAPP funding will be given to applicants that have not previously received a HAPP award and those applicants that maximize HAPP funds with matching funds. Awards granted may be different from that

requested in the application and it is at the sole discretion of the Authority's Board of Commissioners to make such a determination. All awards to be made will be at the discretion of the Authority's Board of Commissioners. All decisions are final with no recourse for appeals.

Applicants may only be involved with and submit one (1) HAPP application per year. No one applicant is eligible to receive more than \$700,000 in HAPP funds per year. Previously awarded HAPP Applicants must provide evidence that previous developments are at least 75% complete prior to being eligible to submit another HAPP application.

II. Application Cycle and Fees

Once the Authority's Board of Commissioners determine if funding will be available for the Housing Action Partnerships Program applications for all HAPP activities will be made available on the Authority's website, www.schousing.com . There will be one (1) funding cycle per year. Applications for the 2007 funding cycle will be accepted October 17, 2007 to November 14, 2007 until 5:00 p.m. (EST). Funding announcements for each year will be made by the end of December.

A nonrefundable application fee of \$1,000.00 is due at the time of application submission. The fee must be certified funds made payable to SC State Housing Finance and Development Authority.

III. Financial Assistance

Eligible applicants may receive no more than \$700,000 in HAPP funds per year. Applicants may apply for homeownership only, rental development only, or a combination of both activities; however, no more than \$700,000 dollars will be awarded in total to any applicant regardless of the activity type proposed. Applicants will be awarded HAPP funds in the form of a grant.

HAPP funds awarded to a development may be used only for that specific development. Failure to observe this provision will result in the award being rescinded and may result in the disqualification of the applicant and all other persons or organizations involved in the development from further participation in the Housing Action Partnerships Program as well as other Authority administered programs.

The Authority reserves the right to require a cost certification to be performed by a third party independent certified public accountant in order to determine the expenditures made by the applicant of the HAPP award. Costs associated with hiring a CPA and all associated accounting fees will be charged to the applicant.

IV. Rental Developments

Eligible activities for rental developments include new construction, acquisition with substantial rehabilitation or substantial rehabilitation only. The Authority defines substantial rehabilitation as a minimum of \$10,000.00 in hard construction costs per unit. It is expected that the \$10,000.00 per unit rehabilitation cost is work to be performed on an actual unit and not a combination of unit repairs plus other things such as parking lot repairs, landscape installation, etc. Only developments that do not have Authority administered funds as part of their financing are eligible under this activity.

Rental development sites should promote greater choice in housing opportunities and should avoid an undue concentration of affordable housing in areas already containing a high proportion of low-income persons in affordable housing developments. Sites should be in close proximity to services such as grocery stores, restaurants, medical services, schools, etc. Sites within close proximity to landfills, junkyards, industrial areas, detention centers, etc. or that contain wetlands have slope or terrain not suitable for development should be avoided. Developments that include mobile homes are not eligible for funding from the Housing Action Partnerships Program.

Eligible developments should attempt to provide some market rate units along with affordable rental housing for lower income households. Lower income households are defined as households at or below 80% of the county median income based on household size. Current income limits can be found on the Authority's Compliance Monitoring webpage. A household is a single person, family, or unrelated persons living together whose gross annual income adjusted for household size is at or below 80% of the median income of the area of residence as determined by the US Department of Housing and Urban Development (HUD). The Section 8 definition for calculating incomes will apply. Income verification is required for all households in order to determine if the family is eligible for funding. No HAPP funds may be used to provide assistance for households above 80% of the area median income.

Affordable rental units are housing units that have a restriction on the amount of gross rent that can be charged. Gross rent is calculated based on the number of bedrooms and not the number of family members. Gross rent includes actual rent and a utility allowance. Gross rents for affordable housing units may not exceed 80% of the area median income (AMI) gross rent limit as established by HUD. Current rent limits can be found on the Authority's Compliance Monitoring webpage. The utility allowance is the estimated monthly expense for utilities, except for telephone and cable television. Utility cost estimates can be obtained from the local Public Housing Authority. The owner must review the maximum monthly rents and utility allowances annually upon the anniversary of the lease renewal and update as necessary. No HAPP funds may be used to fund market rate units.

The affordability period for rental developments is twenty (20) years. Rental developments funded with HAPP funds are required to have full property and hazard insurance on the development for the length of the affordability period. The Authority must be named "loss payee" on the policy. Evidence of insurance coverage must be provided to the Authority.

V. Homeownership

Homeownership activities include down payment and closing cost assistance as well as construction and permanent financing. Only developments that do not have Authority administered funds as part of their financing are eligible to apply.

Homeownership sites should promote greater choice in housing opportunities and should avoid an undue concentration of affordable housing in areas already containing a high proportion of low-income persons in affordable housing developments. Sites should be in close proximity to services such as grocery stores, restaurants, medical services, schools, etc. Sites within close proximity to landfills, junkyards, industrial areas, detention centers, etc. or that contain wetlands have slope or terrain not suitable for development should be avoided. Developments that include mobile homes are not eligible for funding from the Housing Action Partnerships Program. Homes in which any type of commercial business is to be operated from are not eligible.

Homeownership developments should attempt to provide some market rate units along with affordable homeownership opportunities for low income households. HAPP funds cannot be

used to fund market rate houses. HAPP down payment and closing cost assistance can be used only for families whose incomes are at or below 80% of the area median income. Current income limits can be found on the Authority's Compliance Monitoring webpage. Houses funded with HAPP funds must be reserved exclusively for use by households at or below 80% of the county median income based on household size. A household is a single person, family, or unrelated persons living together whose gross annual income adjusted for household size is at or below 80% of the median income of the area of residence as determined by HUD. The Section 8 definition for calculating incomes will apply.

If developing subdivisions the applicant should be aware of the market conditions in the area where the development is to be built since the development may not necessarily be representative of the existing market conditions. The type of house to be built as well as the selling price of the house must be taken into consideration in order to ensure that the product being developed will be affordable to the population to be served. House prices should be determined based on a thorough review of the market area.

VI. Application Submission Requirements

1. Complete Application - All pages of the HAPP Application must be completed and the application certification page executed. All required signatures must be originals.

2. Application Fee - A nonrefundable application fee of \$1,000.00 is due at the time of application submission.

3. Entity Information - A list of all persons to be associated with the development either as individuals, nonprofits, units of local governments, partnerships, limited liability companies, corporations, consultants, and/or financial guarantors must be provided. Any identity of interest between any persons associated with the development must be specified on the Authority's Identity of Interest form.

4. Site Information - Each application submitted must be site specific. Each application must accurately identify the development site(s) and submit the following:

- a) Written directions from the Authority (300-C Outlet Pointe Blvd., Columbia, SC) to the site(s);
- b) A legal description of the site(s);
- c) A site plat;
- d) Color photographs of the proposed site(s) and a description of the surrounding land uses; and
- e) A map clearly identifying the exact location of the site(s) including the development address.

5. Site Control Documents - At the time of application submission, the applicant must have site control. The applicant must show evidence of site control by having one of the following executed documents:

- a) The Applicant holds title to the property on which the development will be constructed by a properly executed and recorded Deed; or
- b) The Applicant has an executed purchase option with date certain performance (the Authority will not accept options on other options); or
- c) The Applicant has an executed purchase contract with date certain performance.

6. Development Plans and/or Specifications - For new construction developments preliminary plans must be submitted. Plans should include the front, rear and side elevations of the buildings

as well as detailed unit floor plans for each bedroom size. All required plans should be presented in a format that will fit in a 3-ring binder, neatly folded if necessary, and utilize a scale in which one (1) inch equals 100 feet or less. For rehabilitation developments a copy of the work write up project specifications must be submitted.

7. Financial Commitments – Financial commitments must be provided at the time of application submission as follows:

- a) Construction and permanent lender(s) commitments that specify all terms and conditions of their funding.
- b) Executed financial commitment(s) and a support letter from the unit of local government specific to the proposed project.
- c) Verifiable documentation regarding the dedicated continual source of revenue.
- d) Verifiable documentation and/or executed commitment letter(s) regarding funds to be used as matching funds.

VII. Application Evaluations and Approvals

Authority staff will review initial applications for completeness. A compilation of all applications submitted for funding will be provided to the Authority's Board of Commissioners for review and evaluation. The Authority's Board of Commissioners will make the determination if each application submitted meets the criteria for the Housing Action Partnerships Program as outlined in this manual. Determinations as to funding are at the sole discretion of the Authority's Board of Commissioners. Notification of funding awards will be forwarded directly to the applicant once a final decision has been made. A final award list will be posted to the HAPP webpage on the Authority's website.

VIII. Other Program Requirements

All units in a development must meet or exceed minimum code standards in jurisdictions having such codes or meet HUD's Uniform Physical Conditions Standards in jurisdictions that have not adopted a minimum housing code. All contractors performing work on developments must be licensed. Work must be completed pursuant to the plans and specifications submitted with the initial HAPP application. Materials used for construction or rehabilitation must be new. All units, during the course of construction, must be inspected and certified by the local building inspector, licensed architect, engineer, or other qualified inspector. The Authority, as necessary, will conduct initial, construction, and final inspections on all developments. Upon completion of the development all units must be inspected and a certificate of occupancy issued by the local jurisdiction for the unit and/or entire development.

Applicants must begin work within one (1) year of award notification. All developments must be completed within the specified time frames outlined in the Funding Agreement which is the binding document executed between the applicant and the Authority. HAPP funds are subject to recapture by the Authority if the development is not completed as proposed and/or completed within the specified time frames. The Authority will require the applicant to file quarterly progress reports and provide all other related information as requested by the Authority in order to determine that the development is progressing and adhering to the established time frames.

Applicants must certify that all information furnished in support of an application is true and complete and that the activities proposed in the application can be completed and operated as proposed to the Authority.

The Authority may conduct its own independent review and analysis of the documentation provided by an applicant for its own protection and may, in its sole discretion, require additional information or make adjustments in required documentation. In determining and establishing the amount, terms, and conditions of a HAPP award, the Authority may request or require adjustments or changes in the information submitted in connection with an application.

The Funding Agreement must be executed and returned to the Authority along with other documents deemed necessary by the Authority in order to receive HAPP funds. Failure of the applicant to abide by the HAPP program requirements will result in the recapture of all HAPP award proceeds and the disqualification of the applicant and all other persons or organizations involved in and associated with the development from further participation in all Authority administered programs for a period of time to be determined solely by the Authority. If HAPP funds subject to recapture are not repaid when requested, the Authority will take the necessary legal action to recover the funds. All legal expenses incurred by the Authority in its attempt to recapture HAPP funds will become the responsibility of the applicant and as such will be repaid back to the Authority.

In order to receive a HAPP award the applicant must be in compliance with all Authority administered programs in which it does and/or has participated. The applicant nor any of its officers, principals, advisors, consultants, or any other member(s) of its development team must not presently be nor within the past five years have been debarred from participation in any federal program, to include, but not limited to, U.S. Housing and Urban Development, the Internal Revenue Service, and U.S. Department of Agriculture. The applicant can not be delinquent in any financial obligation that it owes the Authority.

Falsification of any of the statements and/or documentation, regardless of when discovered, made in an application or in the attachments provided with the application will result in the cancellation of the HAPP award.

2004 Housing Action Partnerships Program Award List

Organization	Award Amount	Activity	Geographic Area
LowCountry Housing Trust (a/k/a Charleston Housing Trust Fund)	\$1,000,000.00	Homeownership & Rental Development	Charleston, Berkeley, Dorchester

2005 Housing Action Partnership Program Award List

Organization	Award Amount	Activity	Geographic Area
Housing Authority of the City of Greenville	\$100,000.00	Rental Development	Greenville County
City of Anderson	\$356,000.00	Property Acquisition & Relocation	West Anderson Redevelopment Area
City of Florence Dept. of Community Services	\$100,000.00	Homeownership	City of Florence
Spartanburg Housing Authority	\$200,000.00	Rental Development	Spartanburg County
Charleston Bank Consortium	\$200,000.00	Homeownership	Charleston, Berkeley, Dorchester
City of Aiken	\$500,000.00	Homeownership	City of Aiken

2006 Housing Action Partnership Program Award List

Organization	Award Amount	Activity	Geographic Area
City of Rock Hill	\$620,000.00	Homeownership	City of Rock Hill
United Housing Associates, Inc.	\$700,000.00	Rental Development	City of Ware Shoals
Southeastern Housing Foundation	\$500,000.00	Rental Development	City of Laurens
City of Florence	\$180,000.00	Homeownership	City of Florence

Expenditures as of October 5, 2007:

2004:

All Funds have been disbursed to LowCountry Housing Trust. LowCountry Housing Trust awarded 10 projects with the \$1,000,000 dollars provided by the Authority. As of October 5, 2007, six of the developments were 100% complete and closed out. There are 4 remaining developments still under construction, with one at 99% complete, one at 85% complete, and the other two at 80% complete.

2005:

Housing Authority of the City of Greenville:	All funds disbursed and project is 99% complete.
City of Anderson:	\$224,011 disbursed and project is 73% complete.
City of Florence Dept. of Community Services:	All funds disbursed and project is 100% complete.
Spartanburg Housing Authority:	All funds disbursed and project is 100% complete.
Charleston Bank Consortium:	All funds disbursed and project is 100% complete.
City of Aiken:	\$450,000 disbursed and last house is under construction.

2006:

City of Rock Hill:	No funds disbursed. Demo complete awaiting DHEC approvals.
United Housing Associates, Inc.:	\$175,000 disbursed. Architectural drawings being finalized.
Southeastern Housing Foundation:	All funds disbursed and project 75% complete
City of Florence:	\$20,000 disbursed. Two (2) homeowners assisted.



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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Christopher B. Fraser
Chairman

Valarie M. Williams
Interim Executive Director

PROPOSED MEETING DATES 2008

January 15

February 19
(Holiday on Monday February 18)

March 18
(NCSHA Legislative Conference
March 3-5)

April
(No Meeting)

May 27
(NCSHA Spring Workshops
May 17-20)

June 17

July 22
(NCSHA Executive Director
Conference July 13-16)

August
(No Meeting)

September 16

October 21
(NCSHA Annual Conference
October 25-28)

November 18

December
(No Meeting)

Community Redevelopment and Revitalization Program 2006

Organization	Award Amount	Activity(s)	Target Area	Geographic Area
Allendale County ALIVE, Inc.	\$600,000.00	Homeownership, Owner-Occupied Rehabilitation and Infrastructure	Hill Street Community	Allendale County
City of Beaufort	\$1,000,000.00	Owner-Occupied Rehabilitation and Rental	Northwest Quadrant	Beaufort County
City of Rock Hill	\$600,000.00	Homeownership and Infrastructure	Arcade/Hagins-Fewell Neighborhood	York County
Homes of Hope	\$500,000.00	Homeownership, Rental and Infrastructure	West Greenville Neighborhood	Greenville County
Silver Spur Properties LLC	\$300,000.00	Homeownership and Infrastructure	North Main Street	Richland County
City of Spartanburg	\$1,000,000.00	Homeownership and Rental	Collins/Forest Park Neighborhood	Spartanburg County



Division: HOME

Subject: Slide Presentation



Division: Housing Trust Fund

Subject: Slide Presentation



Accountability Report

FY

2006 – 2007

South
Carolina

State Housing
Finance and Development Authority

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“Housing South Carolina Is Our Business”

For 36 years, the South Carolina State Housing Finance and Development Authority (hereinafter referred to as the “Authority”) has been helping low and low-to-moderate income families, older adults, persons with disabilities, and others who are frequently underserved find quality, safe, and affordable housing. The Authority is able to do this by using its proven financial strength to sell securities to investors all over the country. This allows the Authority to make mortgage loans to sponsors of affordable multifamily rental units and enables first-time and special needs home buyers to get their piece of the American Dream. Additionally, the Authority administers a number of federal and state programs providing housing help where it is needed most.

The Authority takes pride in knowing that it has been able to serve the State of South Carolina for over three decades and in knowing that its work also helps the state’s local economies – and not just with jobs in the construction, financial, or real estate industries.

The Authority’s programs offer opportunities from rental assistance to homeownership and have made the quality of life better for tens of thousands of South Carolinians. But it has not accomplished all this by working alone. The Authority enjoys significant partnerships with the Governor and his Administration, a wide spectrum of individuals, agencies, businesses, and other affordable housing advocates – all working together to help fulfill a basic need for the citizens of South Carolina.

MISSION, VISION AND VALUES

The mission of the Authority is to create quality affordable housing opportunities for the citizens of South Carolina through a vision that all South Carolinians have the opportunity to live in safe, decent, and affordable housing. In order to accomplish our mission and fulfill our vision, the Authority operates within four core values.

- **Customer Focus:** We strive to know and understand our customers and their needs. We respect all persons and value their diversity. We continually seek ways to improve our service. We encourage and appreciate our partnerships.
- **Public Trust:** We take responsibility for our actions and protect the public trust by upholding the constitution and laws of our nation and state. As guardians of public funds and resources, we will exercise competent and judicious management. We value integrity and ethical conduct above all else.
- **Employee Focus:** We value our employees and treat them with dignity and respect. We ensure that our employees have the tools and the training they need to be successful. We recognize and reward them for their outstanding contributions to our mission. We empower them to improve upon the systems and processes that they control.
- **Quality and Innovation:** We are dedicated, committed, and competent public servants. We are visionary, creative, and open to change. We constantly seek to improve our knowledge and ability to serve our customers. Professionalism, Quality, and Innovation are the hallmarks of the Authority.

MAJOR ACHIEVEMENTS OF FY06-07

Measuring achievement does not always mean measuring dollars. While economic impact is certainly an important outcome, achievement can also be measured by partnerships, participation, leadership and social impacts. With a mission to create affordable housing opportunities for the citizens of South Carolina, the Authority is able to, in addition to administering its own programs, evaluate a multitude of other projects that may uniquely address other housing needs. It is this flexibility that has afforded the Authority the opportunity to not only achieve its success in its Contract Administration, HOME Investment Partnerships, Housing Trust Fund, Mortgage Revenue Bond (MRB), Multifamily Tax Exempt Bond, Low Income Housing Tax Credit and Section 8 Housing Choice Voucher Programs but also have a critical role in other equally far-reaching initiatives. The highlights of some of these initiatives follow.

- Issuance of \$182 Million (AAA) bonds to benefit potential homebuyers.
- Partnership with the Lieutenant Governor's Office on Aging to offer rental assistance to senior citizens.
- Partnership with the Lieutenant Governor's Office and other housing professionals as a member of the South Carolina Affordable Housing Study Committee.
- Partnership with Department of Mental Health to assist with the housing cost of clients transitioning into the community.
- Partnership with the Department of Health and Human Services to support the Community Long Term Care Program that addresses targeted home modifications.
- Execution of the State Housing Authority Disaster Relief Fund that assisted approximately 18 families with \$6,618.22 of temporary housing assistance, the need for which resulted from the effects of natural disasters, man-made disasters and catastrophic events.

KEY STRATEGIC GOALS FOR PRESENT AND FUTURE YEARS

The Authority has outlined a set of five strategic planning objectives with associated action plan initiatives that collectively will achieve the four primary goals set forth below.

- Create and maintain a positive work culture that reinforces our mission, encourages innovation and is based on a spirit of cooperation and teamwork.
- Constantly review processes and the use of technology to improve customer service and enhance employee performance.
- Develop mutually supportive relationships that expand our ability to provide affordable housing while enhancing the value of investments.
- Actively seek new and innovative ideas to improve affordable housing opportunities.

Table 2.2-1 Strategic Planning Chart outlines the objectives and initiatives and Table 1.5-1 Performance Measures By Program outlines the performance measures that will be evaluated in order to determine the success rate of achieving these goals. Some goals will only be accomplished through the combination of successes of two or more objectives and initiatives.

OPPORTUNITIES AND BARRIERS IMPACTING STRATEGIC GOALS

The Authority has been measurably successful over its 36-year existence because its mission has been broad enough and flexible enough to shift with adjustments in needs, opportunities, market conditions, organizational transitions and the ever-changing environment of the affordable housing industry and the priorities of legislative bodies. This breadth and flexibility ensures that the Authority will be able to react appropriately and address effectively situations that affect its business functions, to originate programs and initiatives that are timely and relevant and to participate in opportunities that extend beyond the core components of its major programs.

That is not to say, however, that the Authority does not have barriers to its potential success. The most significant barriers in addressing the Authority's strategic goals, and more broadly, in achieving its mission and purpose, are the limitations incurred by being a governmental agency and the uncertainty of bond cap allocation. While the Authority has certainly been successful in achieving its mission, these two issues exist as constraints sufficient for notation.

Regarding the issue of limitations associated with being a governmental agency and its associated complications, many housing finance agencies have found this to be the case and have been allowed by their sponsoring states to become quasi-governmental agencies and, in some cases, to become private organizations. This allows the agencies, which are essentially financial institutions, to react more quickly to changing market conditions, similar to more traditional financial institutions.

Regarding the uncertainty of bond cap allocation, many other states, including some in the southeast, have set allocations of the state's bond cap that are earmarked for Mortgage Revenue Bond (MRB) programs. This allows the housing finance agency to effectively manage the allocation of bond proceeds within a fixed budget so that the flow of resulting mortgages can be reasonably controlled through the use of forecasting and loan production models. At present, the Authority must request bond cap each year, with no guarantee or expectation in advance as to the amount or availability of said bond cap. This method of allocation necessitates a more cumbersome process for controlling activity and production.

The highlights of the Authority's major achievements and business results for FY06-07 are not indicative of a serious constraint from the limitations mentioned above, but noticeable improvements to program performance and Authority overall effectiveness could be achieved if these barriers were removed.

USING THE ACCOUNTABILITY REPORT TO IMPROVE PERFORMANCE

The Accountability Report, in the form it has taken over the past several years, has afforded the Authority the ability to not only measure its performance over successive years and to evaluate the trends associated with such performance but to also evaluate the performance measures themselves. Such evaluation has led to a review of supplemental measures during FY05-06 that not only measured employee efficiency, but also program inputs, activities, outputs and most importantly, outcomes. The Authority is currently reviewing the addition of dozens of performance measures that will reflect a comprehensive review of its operations.

MAIN PRODUCTS AND SERVICES AND PRIMARY DELIVERY METHODS

The Authority has seven major ‘products and services’ that represent its core business functions and that are delivered by various methods depending on the guidelines set forth in each program’s rules and regulations (see also Section III, Category 7 – Business Results).

- The Mortgage Revenue Bond Program is delivered through lenders and brokers who offer mortgages secured by bond proceeds from bonds issued under the Authority’s name that are subsequently used to purchase said mortgages.
- The South Carolina Housing Trust Fund Program is delivered primarily through developers (private sector and non-profit) who act according to the rules set forth in state guidelines and who are regulated by the draw-down of funds by Authority staff (see also South Carolina Housing Trust Fund FY06-07 Annual Report submitted to the South Carolina General Assembly).
- The HOME Investment Partnerships Program is delivered through developers (private sector and non-profit) who act according to the rules set forth in federal guidelines and who are regulated by the draw-down of funds by Authority staff.
- The Multifamily Tax Exempt Bond Program is delivered through developers (private sector and non-profit) who act according to the rules set forth in federal guidelines and who are monitored by Authority staff.
- The Low Income Housing Tax Credit Program is delivered through developers (private and non-profit) who act according to the rules set forth in federal guidelines and who are monitored by Authority staff.
- The Section 8 Housing Choice Voucher Program is delivered through Housing Assistance Payments Contracts with landlords and property owners who are under the administrative oversight of both the Authority and the Department of Housing and Urban Development.
- The Contract Administration Program is delivered through property owners and management agents who are under administrative oversight by both the Authority and the Department of Housing and Urban Development.

KEY CUSTOMER SEGMENTS AND KEY REQUIREMENTS AND EXPECTATIONS

The Authority’s end-point key customer segments are primarily dependant on the program under which the customer is classified. For the Contract Administration, Multifamily Tax Exempt Bond, Low Income Housing Tax Credit and Section 8 Housing Choice Voucher Programs, the primary customers are very low and low income tenants. For the HOME Investment Partnerships Program, the primary customers are very low and low income families and homeowners. For the South Carolina Housing Trust Fund Program, the primary customers are tenants, homeowners and the homeless. For the Mortgage Revenue Bond Program, the primary customers are low to moderate income borrowers.

The key requirements and expectations of these customer segments are broad, but can be assimilated into the summary expectation of financing being available to produce appropriate affordable housing units for their respective needs.

KEY CUSTOMERS (STAKEHOLDERS) LINKED TO KEY SERVICES

The Authority’s intermediate key customers and thereby key stakeholders are primarily dependant on the program under which the stakeholder operates. For the Contract Administration Program, the stakeholders are the federal government, property owners and management agents. For the HOME Investment Partnerships Program, the stakeholders are the federal government, state government, local governments, nonprofit entities and private sector entities. For the South Carolina Housing Trust Fund Program, the stakeholders are state government, local governments, nonprofit entities and private sector entities. For the Mortgage Revenue Bond Program, the stakeholders are lenders, brokers, bond investors and qualified borrowers. For the Multifamily Tax Exempt Bond Program, the stakeholders are non-profit entities and private sector entities. For the Low Income Housing Tax Credit Program, the stakeholders are the federal government, non-profit entities and private sector entities. For the Section 8 Housing Choice Voucher Program, the stakeholders are the federal government and private sector property owners.

KEY SUPPLIERS

Listed in the table below are the Authority’s key suppliers by service or product vended.

Service or Product	Supplier
Computer Software	Applications Oriented Design (AOD), Housing Development Software (HDS), Yardi, Easy Track Inspection System
Computer Hardware	Dell Computers, HP Direct, Compaq Computers, CDW Computer Supplies
Office Supplies	Lorick Office Supplies, Forms & Supply, J M Grace Peachtree Business Products, United Product Distributors Staples
Office Equipment	Xerox Corporation, Pitney Bowes
Office Furniture	SCDC Division of Industries, Lorick Office Supplies, J M Grace
Printing and Binding	SCDC Printing & Graphics, Professional Printers, University of South Carolina Press, Colonial Printers, Lexington Printers
Mail, Freight and Courier Services	U S Postal Service, Federal Express, United Parcel Service, DHL Express
Temporary Services	Flemming Group
Travel Services	Travel Network, Forest Lake Travel
Promotional Supplies	Paper Pro, Adstreet Specialties, Palmetto Promotions, Joe Henry Company

OPERATION LOCATIONS

The Authority's operations are located at 300-C Outlet Pointe Boulevard, Columbia, South Carolina 29210. This is its only location.

EMPLOYEES SEGMENTED BY CATEGORY

The Authority staff consists of 115 filled classified positions, 1 vacant unclassified position, 6 vacant classified positions and 10 Authority temporaries.

REGULATORY ENVIRONMENT

The Authority operates under the regulatory oversight of the South Carolina General Assembly, the Department of Housing and Urban Development and the Internal Revenue Service.

KEY STRATEGIC CHALLENGES

The primary key strategic challenges for the Authority can be easily articulated by evaluating the action plan initiatives outlined in Table 2.2-1. These action plan initiatives are the direct results of key strategic challenges that have presented themselves to such a degree that some resolution was required, whether that resolution be immediate and singular or continual, requiring a solution that provided sufficient flexibility to remain relevant as the key strategic challenge evolved over time.

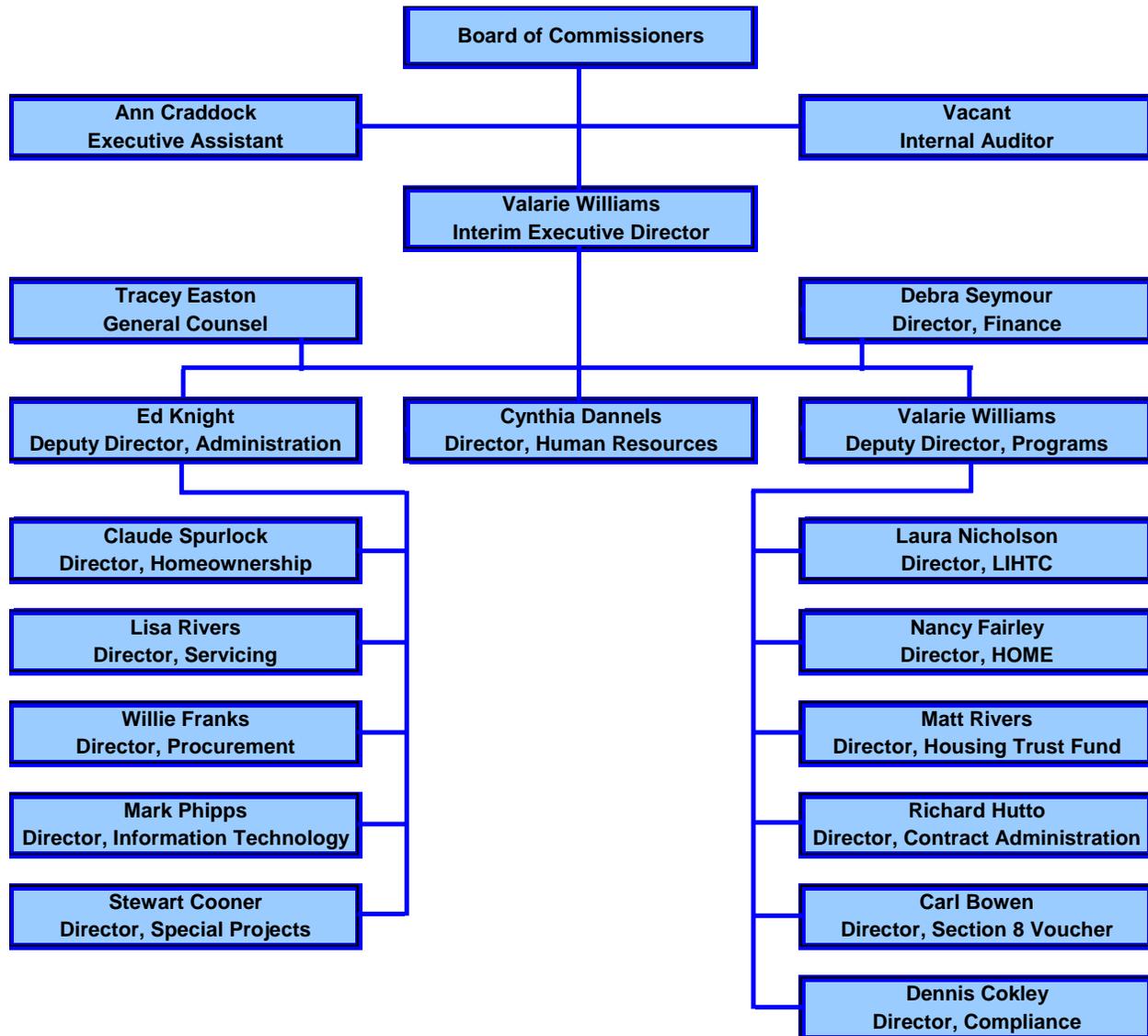
PERFORMANCE IMPROVEMENT SYSTEM

The Authority utilizes the Employee Performance Management System (Section III, Category 5 – Human Resource Focus) as a performance improvement system for all employees, exclusive of the Executive Director.

The Authority utilizes program appropriate performance measures (Table 1.5-1) as a performance improvement system for all programs.

ORGANIZATIONAL STRUCTURE

**SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT
AUTHORITY**



EXPENDITURES AND APPROPRIATIONS

The Authority is a self-sustaining agency that does not rely on state general fund revenues for its operations. It is supported through proceeds generated by the sale of revenue bonds; funds provided by the Department of Housing and Urban Development and tax credits authorized by the Internal Revenue Service and user fees. All notes and bonds issued by the Authority are special obligations of the Authority and do not constitute a debt, grant, or loan of credit by the State of South Carolina, or any political subdivision thereof. The Authority works in partnership with the private sector and operates in a fashion that more closely resembles a private financial institution than a governmental entity.

The only allocation to the Authority from the State of South Carolina comes in the form of a portion of deed recording fees transferred to the South Carolina Housing Trust Fund to be used for award allocations. There is no funding, however, for operational expenses.

BASE BUDGET EXPENDITURES AND APPROPRIATIONS

Major Budget Categories	05-06 Actual Expenditures		06-07 Appropriations Act		07-08 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$5,073,892	\$0	\$5,333,932	\$0	\$6,077,500	\$0
Other Operating	\$3,561,942	\$0	\$3,916,462	\$0	\$2,963,776	\$0
Special Items	\$0	\$0	\$0	\$0	\$0	\$0
Permanent Improvements	\$18,723	\$0	\$0	\$0	\$0	\$0
Case Services	\$119,154,403	\$0	\$100,353,282	\$0	\$100,250,000	\$0
Distributions to Subdivisions	\$16,655,506	\$0	\$15,426,086	\$0	\$24,500,000	\$0
Fringe Benefits	\$1,368,975	\$0	\$1,474,281	\$0	\$1,841,799	\$0
Non-recurring	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$145,833,441	\$0	\$126,504,043	\$0	\$135,633,075	\$0

OTHER EXPENDITURES

Sources of Funds	05-06 Actual Expenditures	06-07 Actual Expenditures
Supplemental Bills	\$0	\$0
Capital Reserve Funds	\$0	\$0
Bonds	\$0	\$0

MAJOR PROGRAM AREAS

Program Number and Title	Major Program Area Purpose (Brief)	FY 05-06 Budget Expenditures	FY 06-07 Budget Expenditures	Key Cross References for Financial Results*
II.A. Contract Administration and Compliance	Monitor and disburse rental assistance under HUD contract; monitor other government assisted affordable housing.	State: 0.00 Federal: 88,600,644.30 Other: 755,866.77 Total: 89,356,511.07 % of Total Budget: 61%	State: 0.00 Federal: 91,301,066.74 Other: 1,402,324.18 Total: 92,703,390.92 % of Total Budget: 73%	7.0-1, 7.1-6, 7.2-1, 7.2-2, 7.2-3, 7.2-4
II.C. Housing Initiatives	HOME and Housing Trust Fund promote partnerships to support development and maintenance of affordable housng.	State: 0.00 Federal: 20,774,828.55 Other: 1,064,384.39 Total: 21,839,212.94 % of Total Budget: 15%	State: 0.00 Federal: 12,444,511.13 Other: 2,283,455.50 Total: 14,727,966.63 % of Total Budget: 12%	7.0-1, 7.1-7
II.B. Rental Assistance	Voucher Program provides rental assistance to very low income families.	State: 0.00 Federal: 11,359,095.00 Other: 0.00 Total: 11,359,095.00 % of Total Budget: 8%	State: 0.00 Federal: 9,865,621.98 Other: 0.00 Total: 9,865,621.98 % of Total Budget: 8%	7.0-1, 7.1-1, 7.1-2, 7.1-3, 7.1-4, 7.1-5
III. Homeownership	Homeownership provides below market home mortgages to low to moderate income families.	State: 0.00 Federal: 0.00 Other: 17,163,970.20 Total: 17,163,970.20 % of Total Budget: 12%	State: 0.00 Federal: 0.00 Other: 2,517,302.16 Total: 2,517,302.16 % of Total Budget: 2%	7.0-1, 7.1-2, 7.1-8
		State: Federal: Other: Total: % of Total Budget:	State: Federal: Other: Total: % of Total Budget:	

Below: List any programs not included above and show the remainder of expenditures by source of funds.

Low Income Housing Tax Credit Program and Administration

Remainder of Expenditures:	State:	0.00	State:	0.00
	Federal:	243,367.32	Federal:	317,769.98
	Other:	5,871,284.32	Other:	6,371,992.72
	Total:	6,114,651.64	Total:	6,689,762.70
	% of Total Budget:	4%	% of Total Budget:	5%

1. LEADERSHIP

1.1 How do senior leaders set, deploy, and ensure two-way communication for: a) short and long term direction and organizational priorities, b) performance expectations, c) organizational values, d) empowerment and innovation, e) organizational and employee learning, and f) ethical behavior?

The Board of Commissioners provides policy direction for the Authority, and executive and senior management are responsible for translating this direction into strategic and tactical plans. Most direction is set by senior leaders during regularly scheduled meetings, as well as monthly Board meetings. The Board of Commissioners utilizes several committees composed of Board members to address important decisions regarding organizational direction that must be dealt with outside of the normal planning process. Although goals and plans are published and disseminated to all employees, it is the ultimate responsibility of all managers to communicate these goals and their importance. The most effective way in which senior leaders set, communicate, and deploy direction at the individual level is through the annual review process using the Employee Performance Management System (EPMS). This review ensures that the employee is aware of the goals of the Authority, and the responsibilities of the employee toward helping the Authority meet those goals.

Senior leaders have set the tone for setting, deploying and communicating performance expectations by requiring that each employee's objectives and success criteria as outlined in the employee's EPMS align with the Authority's strategic goals. Senior leaders also communicate a high standard for performance by placing a strong emphasis on maintaining excellent standing with our stakeholders, particularly the Department of Housing and Urban Development which conducts annual audits of the Authority's performance in several departments.

Organizational values are the nucleus of the Authority's operations. New employees are introduced to our core values of public trust, quality and innovation, employee focus, and customer focus at an orientation program designed to instill the importance of these values and their importance to the Authority's mission. These values are reinforced in Authority newsletters, other internal communiqués and the Employee Handbook. As role models, senior leaders display these values by remaining good stewards of public funds and resources, by always endeavoring to improve processes and services and encouraging the same of their employees, by cultivating their employees to be contributors and treating them with respect, and by realizing and communicating a strong customer focus, remembering that meeting the often divergent needs of our customers is at the center of what they do.

Innovation and employee focus are among our most important stated organizational objectives. Senior leaders empower their employees with the information, education, resources, and flexibility employees need to do their jobs to the best of their abilities. Creativity and innovation in the services ("products") the Authority provides, the delivery of those services, and process management are encouraged through awards and recognition.

Organizational and employee learning is encouraged through access to seminars and other training. All supervisors and managers are encouraged to participate in the Associate and Certified Public Manager courses and all employees are encouraged to make use of the Authority's Tuition Assistance program. The amount of training each employee and each department receives annually is tracked by the Human Resources Division. Each employee follows an individualized training plan to ensure consistency and thoroughness.

Ethical behavior standards are endorsed and communicated by the actions and examples of Authority leadership, and through the employee handbook and personnel policies. Progressive discipline and proper conduct are addressed in performance reviews and on an ongoing basis as needed. *Public trust* is one of our four core stated organizational values.

1.2 How do senior leaders establish and promote a focus on customers and other stakeholders?

The Authority has continued its emphasis on special initiatives in order to affect the expansion of knowledge and awareness of Authority products by reaching out to current and prospective customers and stakeholders. The senior staff continues to create technical assistance functions to assist customers and stakeholders in their utilization and application of Authority products.

1.3 How does the organization address the current and potential impact on the public of its products, programs, services, facilities and operations, including associated risks?

Public trust is a core value of the Authority; therefore, addressing the impact of its programs and services on the public is of great importance. The Authority gauges the current and potential impact of its programs and services on the public in a variety of ways. Perhaps the most important tool for determining impact is through our annual Stakeholder Investment Report which outlines the amount of money that has been invested in the state through Authority programs that create affordable housing. This report measures the impact these programs have on job creation, expansion of tax base, generation of tax revenues and, most importantly, families assisted. This report not only serves as a means to address the Authority's impact on the public, but is also a method of being held accountable to Authority customers and stakeholders.

The Authority also makes use of "roundtables" and public hearings to outline proposed program enhancements. These forums are used to garner public input that is incorporated into any final decisions.

1.4 How do senior leaders maintain fiscal, legal, and regulatory accountability?

Fiscal accountability is accomplished via a comprehensive internal budgeting process. This process is conducted in addition to the usual agency-level budgets required by the Comptroller General's office. The internal budgeting process requires each program director to carefully review past and expected revenues and expenses and to provide a detailed estimate for each line item.

Legal and regulatory accountability is driven by both external and internal forces. Externally, each program area is subject to various compliance audits by the Department of Housing and Urban Development or other outside parties. These audits generally focus on process compliance in addition to results. The results of all audits are reviewed in detail by the program director, the Executive Director, the Internal Auditor, and any other affected staff.

Internally, each program area carefully coordinates new processes or products with internal and external legal counsel to ensure compliance with all legal and regulatory requirements. In addition, our Internal Auditor periodically reviews different areas of the Authority for compliance.

1.5 What key performance measures are regularly reviewed by your senior leaders?

Performance measures vary by program. Table 1.5-1 outlines the key performance measures regularly reviewed by senior staff:

TABLE 1.5-1 PERFORMANCE MEASURES BY PROGRAM

Program or Support Area	Measure
Rental Assistance	Percent of Voucher Program Participant Satisfaction
	Percent of Voucher Program Owner Satisfaction
	HUD SEMAP Score
	Percent of Administrative Fees Earned
	Number of Annual Compliance Review Findings
	Number of Families Assisted
	Dollar Cost Per Voucher
	Dollar Cost Per Contract Administration Unit
Homeownership	Number of Mortgage Loans Purchased
	Number of Mortgage Loans Managed
	Number of Mortgage Loans Serviced
	SCSHFDA Foreclosure Rate
	Number of Serviced Loans Per Servicing FTE
	Dollar Cost Per Service Loan
	Pull Through Rate
	Dollar Cost Per Purchased Loan
HOME	Number of Awards
	Dollar Value of Awards
	Number of Units Produced
	Percent of Budget Awarded
	Dollar Awards Per FTEs
	Dollar Cost Per Dollar Award
Low Income Housing Tax Credit	Dollar Value of Awards
	Number of Developments Awarded
	Number of Units Produced
	Dollar Cost Per Dollar Award
Housing Trust Fund	Number of Awards
	Dollar Value of Awards
	Number of Units
	Percent of Budget Awarded
	Dollar Awards Per FTEs
Human Resources	State Percent Turnover
	SCSHFDA Percent Turnover

1.6 How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness and the effectiveness of management throughout the organization? How do their personal actions reflect a commitment to the organizational values?

Senior leaders compare organizational performance with either industry standards or historical data to determine progress and effectiveness, where possible. Senior leaders regularly review

findings collected as part of the EPMS process, and exit interviews to evaluate leadership effectiveness. All senior leaders are also encouraged to complete the Certified Public Manager program. Within this curriculum is the Edge 360 class which includes a formal assessment by peers, supervisors, and employees.

1.7 How do senior leaders promote and personally participate in succession planning and the development of future organizational leaders?

Senior leaders provide leadership opportunities through which staff members are able to showcase their innovation, ideas and leadership potential. Employees who demonstrate thought that is not constrained by convention or status quo, who are creative and foster an inventive atmosphere that is receptive and adaptive to new and different ideas, who are solution- and goal-oriented and who seek out opportunities to improve processes and procedures are rewarded with opportunities to attend leadership skills building workshops and conferences, such as those offered through NCSHA and the State of South Carolina's Executive Institute.

1.8 How do senior leaders create an environment for performance improvement, accomplishment of strategic objectives, and innovation?

Major organizational priorities for improvement are generally set and addressed through regular meetings of the senior management group. Depending on the complexity of the improvement task, the Authority may assemble a team comprised of employees from across the organization working collectively to come up with a final solution. Of course, the EPMS process is another very effective way in which senior leaders communicate the organizational priorities that have been chosen for improvement.

1.9 How does senior leadership actively support and strengthen the communities in which your organization operates? Include how senior leaders and employees contribute to improving these communities.

Providing affordable housing is, by its nature, a community strengthening public service. Every time our employees place a very low-income family in an affordable apartment, each time we are able to finance the new home of a low-income single parent, each time we help a nonprofit build an affordable housing complex for elderly, disabled, or low-income individuals, the Authority is strengthening the community. Beyond this, the Authority supports many community activities benefiting low-income individuals and families. Community activities sponsored by the Authority and its staff concentrate on helping individuals who are in the same economic positions as our customers. Some of these activities include an annual children's coloring and essay contest that benefits many children whose families are served by our various programs; supporting Harvest Hope Food Bank by holding food drives; participation in the Angel Tree Charity supporting orphaned children; fundraising for Salvation Army; participation in Red Cross blood drives; and the Authority's Education and Outreach Program which includes a Speaker's Bureau. In addition to these, senior leadership encourages voluntary payroll deductions to charity causes such as the United Way Campaign and Community Health Charities.

2. STRATEGIC PLANNING

2.1 *What is your Strategic Planning process, including KEY participants, and how does it address:*

- a. Your organization's strengths, weaknesses, opportunities and threats*
- b. Financial, regulatory, societal and other potential risks*
- c. Shifts in technology or the regulatory environment*
- d. Human resource capabilities and needs*
- e. The opportunities and barriers you described in the Executive Summary*
- f. Business continuity in emergencies*
- g. Your ability to execute the strategic plan*

Strategic planning is accomplished through regular meetings among the senior staff of the Authority. For FY05-06, this process included a two-day offsite retreat where the management group evaluated current program area operations, identifying needs that were not met by current program guidelines, and allocated resources through special initiatives in order to capitalize on opportunities to address those needs.

The strategic planning process is simplistic in its execution so as to provide the maximum opportunity for senior staff involvement. All program directors and support department directors are represented during these periodic meetings and are afforded the opportunity to express their comments, views and feedback on issues that are brought before the group. This creates an environment of free-flowing dialogue that facilitates out-of-the-box thinking and conceptually philosophical debate. The simplicity of the process should not, however, be mistaken for a lack of focus or attention to detail. Minutes are recorded and information subsequently disseminated to effect continual consideration of the issues at hand. By directly involving senior staff with programmatic, regulatory, oversight, and support responsibilities, this planning process ensures that all internal and external needs and risks are addressed.

2.2 *What are your key strategic objectives?*

See Table 2.2-1.

2.3 *What are your key action plans/initiatives?*

See Table 2.2-1.

TABLE 2.2-1 STRATEGIC PLANNING CHART

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 06-07 Key Agency Action Plan/Initiative(s)	Key Cross References for Performance Measures*
All	Maintain Effective Programs	<ul style="list-style-type: none"> - Quickly disseminate information regarding program changes - Use all available resources to identify best practices and programs, as well as needs and opportunities - Actively seek new business partners to expand the reach and depth of the programs offered by the Authority - Insure that the housing mission of the Authority operates in harmony with the State's overall goals of economic development 	7.0-1, 7.1-1, 7.1-2, 7.1-3, 7.1-4, 7.1-5, 7.1-6, 7.1-7, 7.1-8, 7.1-9, 7.2-4, 7.2-5, 7.3-1
All	Continuously Improve Our Processes	<ul style="list-style-type: none"> - Actively involve employees at all levels in simplifying our processes both internally and for our external partners - Identify common processes and missions within the Authority to eliminate redundant and/or conflicting requirements and to streamline operations - Establish quantifiable benchmarks to measure performance across the organization 	7.0-1, 7.1-1, 7.1-2, 7.1-3, 7.1-4, 7.1-5, 7.1-6, 7.1-7, 7.1-8, 7.1-9, 7.2-4, 7.2-5, 7.3-1
All	Strengthen Our Internal Environment	<ul style="list-style-type: none"> - Maintain a clear understanding of our current financial position, and institute planning and monitoring to accommodate and anticipate market changes - Provide defined communication channels at all levels of the organization - Promote an environment that values cross-training and learning across traditional organizational lines - Promote an environment that encourages teamwork and problem-solving at all levels of the organization - Create and maintain a project management discipline throughout the organization to insure that expectations and results are quantifiable and measured. 	7.0-1, 7.1-1, 7.1-2, 7.1-3, 7.1-4, 7.1-5, 7.1-6, 7.1-7, 7.1-8, 7.1-9, 7.2-4, 7.2-5, 7.3-1, 7.4-1
All	Improve Community Relations	<ul style="list-style-type: none"> - Actively seek partnerships within our communities that expand the reach of the Authority's programs - Work through established media channels to promote the Authority's programs and public perception - Maintain effective relationships with our Congressional Delegation to insure that they are kept abreast of Federal programs and regulations that impact the mission of the Authority - Maintain effective relationships within the General Assembly to further the mission of the Authority - Expand outreach efforts to other state and local agencies to promote affordable housing 	7.0, 7.2-1, 7.2-2, 7.2-3
All	Make Effective Use of Information Technology	<ul style="list-style-type: none"> - Define the role of the Information Technology division as business-centric and include the IT organization in the business processes - Implement recognized "best practices" in the IT sector to include formal business analysis and project management - Use technology as a measure to rapidly disseminate information inside and outside the Authority 	

**2.4 How do you develop and track action plans that address your key strategic objectives?
Note: Include how you allocate resources to ensure accomplishment of your action plans.**

Action plans are developed by small groups of Authority staff members, usually led by a member of the senior staff, who are charged with analyzing the strategic objective, including gathering all relevant data, and developing an action plan. The action plan is then shared with senior staff for consensus. In most cases, the group responsible for creating the action plan is also responsible for creating performance measures and tracking performance.

2.5 How do you communicate and deploy your strategic objectives, action plans and related performance measures?

The senior staff of the Authority meets periodically to discuss a variety of issues. Part of this process involves periodic updates on objectives, plans and measures from the strategic plan. Work groups from across the Authority are assembled to address specific strategic objectives or related tactical issues, and the progress and results generated by these teams are communicated both to the senior staff group and all employees in general.

Specific objectives or duties that directly relate to components of the strategic plan are also included in the EPMS. By including these objectives in each employee's planning document, objectives, plans and measures are pushed down to all levels of the organization.

2.6 How do you measure progress on your action plans?

Progress on action plans is measured through the accomplishment of specified objectives with accompanying performance measurements, if applicable, periodic updates that are provided to senior staff, executive staff and periodically to the Board and identifiable outcomes that may be reflected in financial performance, change in productivity, change in outputs, identification of additional opportunities or barriers, and allocation of resources that will ultimately reflect in a rating of performance on an employee's EPMS.

2.7 How do your strategic objectives address the strategic challenges you identified in your Organizational Profile?

The strategic objectives addressed in Table 2.2-1 provide the Authority with a means to operate within the key strategic challenges that manifest themselves through the action required by the action plan initiatives identified in said table. Essentially, the Authority has identified its key strategic challenges and those strategic challenges are reflected in the action plan initiatives. There is a direct correlation between the achievement of the Authority's action plan initiatives, the achievement of the key strategic objectives, the accomplishment of the Authority's key strategic goals and the resolution of the Authority's key strategic challenges.

2.8 If the Authority's strategic plan is available to the public through the Authority's internet homepage, please provide an address for the plan on the website.

The Strategic Plan is located at www.schousing.com, "About the Authority", "Strategic Plan".

3. CUSTOMER FOCUS

3.1 How do you determine who your customers are and what their key requirements are?

Regulatory guidelines and enabling legislation of the various Authority programs mandate the beneficiary class and corresponding awards. The beneficiary classes range from extremely low-income households (less than 30% of the area median income, or AMI) to low-income households (less than 80% of AMI). Some beneficiaries include moderate-income individuals and families. Intermediary customers and stakeholders are determined by the services the Authority must provide in order to effectively administer its housing programs.

In an effort to stay abreast of changing customer/business needs, the Authority administered random sampling surveys and implemented quality assurance programs to streamline processes with more user friendly products. These changes reflect the Authority's desire to tailor industry products with new trends. In addition to customer service interaction and workshops, the Authority encourages customers to submit suggestions, comments and concerns. Builders, investors and owner-agents in the Multifamily Tax Exempt Bond Program and lenders and brokers in the Mortgage Revenue Bond Program participate in training, "wellness" meetings and periodic workshops to ensure intermediary customers' needs have been met.

The annual Palmetto Affordable Housing Forum continues to provide helpful, thought provoking opportunities for affordable housing professionals from across the state. This is an excellent opportunity for customers and stakeholders to share best practice techniques and voice opinions, needs and concerns.

3.2 How do you keep your listening and learning methods current with changing customer/business needs and expectations?

In an effort to stay current regarding changes in the business environment, staff employees routinely attend local and national conferences. Interaction with such organizations as the National Council of State Housing Agencies (NCSHA), Southeastern Affordable Housing Management Association (SAHMA), the Department of Housing and Urban Development, and industry groups such as the Southeast Regional Section 8 Housing Association (SERSHA) and Nan McKay and Associates provides feedback from customers and stakeholders that encourages change. This exchange of information has prompted changes in the development of products that better meet customers' needs. Quality control, changes in regulatory guidelines and monthly conference calls with Department of Housing and Urban Development liaisons allow staff to learn and share information with other agencies. This, too, helps meet changing customer needs.

3.3 How do you use information from customers/stakeholders to keep services or programs relevant and provide for continuous improvement?

The Authority receives information and feedback from customers and stakeholders that is reflected in the action plans, applications and criteria of its programs.

Periodically, the Authority produces brochures and publications that are designed to enhance an understanding of its products. These publications range from loan processing guides for our lending partners to step by step homeownership information for our current borrowers. Also, coordinated visits by Low Income Housing Tax Credit, Contract Administration, HOME Investment Partnerships Program and Housing Trust Fund Program staff make it possible for owners and agents to schedule fewer visits to properties in an effort to save time and money. Wellness training to beneficiaries, Housing Trust Fund Advisory Committee meetings and public hearings also encourage continuous improvement. The Authority strives to incorporate customer and stakeholder feedback, when it is possible, into program criteria to accommodate necessary adjustments.

3.4 How do you measure customer/stakeholder satisfaction and dissatisfaction, and use this information to improve?

Customer satisfaction is measured differently according to program areas. For example, the Authority's Contract Administration Program measures performance by annual Department of Housing and Urban Development audits and sporadic Inspector General audits. The determination of fees earned as a ratio of potential fees is the primary indicator of customer satisfaction. The Authority's Section 8 Housing Choice Voucher Program is evaluated by the Department of Housing and Urban Development on key performance indicators that reflect stakeholder satisfaction. In addition, surveys for both participants and owners in the Section 8 Housing Choice Voucher Program are conducted each year to measure customer satisfaction. Suggestions from lenders and production volume serve as direct and indirect indicators of customer satisfaction for homeownership. The Authority Servicing Complaint Log is also an indicator of customer feedback received. Continuous communication, trust and respect are key elements in establishing customer/stakeholder satisfaction. Satisfaction is then measured against past performance and, where relevant, changes are made to address needs.

3.5 How do you build positive relationships with customers and stakeholders? Indicate any key distinctions between different customer groups.

The Authority hosts a statewide annual conference, The Palmetto Affordable Housing Forum, that brings affordable housing stakeholders together to network, share best practices and develop business strategies in an effort to expand and improve affordable housing opportunities. Authority staff participate in public hearings, NCSHA conferences and SAHMA events that also build positive relationships. Lender, developer and builder relationships are fostered through timely turn around of transactions. The Department of Housing and Urban Development, the Internal Revenue Service and other regulatory agencies are primarily interested in compliance with rules and regulations and timely reporting and are satisfied when those expectations are met. Property owners and managers look for correct and timely payments and consistent application of the rules. Finally, the Authority builds positive relationships through its willingness to consider partnerships and programs that achieve positive results from across industry spectrums. The Authority believes that building and maintaining positive relationships through interaction, availability, mutual respect, trust, and cooperation are the only means to achieve success in an environment with so many demands and so few resources.

4. MEASUREMENT, ANALYSIS AND KNOWLEDGE MANAGEMENT

4.1 How do you decide which operations, processes and systems to measure for tracking financial and operational performance, including progress relative to strategic objectives and action plans?

Federal and state legislation mandates many of the financial and operational measurements for the Authority's programs. In 2005, the Board requested that the program areas establish additional performance measures that primary focused on employee effectiveness and efficiency (Table 1.5-1). Since that time, staff has begun to evaluate the inclusion of additional performance measures that focus on inputs, activities, outputs and outcomes with an emphasis on quantifying economic impact and articulating social impact. In April 2005, the Department of Housing and Urban Development, Office of Policy and Research issued a report prepared on its behalf by Economic Systems, Inc. entitled "Promising Practices in Grantee Performance Measurement". This report forms the basis for the performance measures that are currently being evaluated.

4.2 How do you use data/information analysis to provide effective support for decision making throughout your organization?

Data analysis is instrumental in the decision making activities of the Authority. The support department whose responsibility it is to provide such data analysis has shifted from a reactive mode in which program areas requested data to be analyzed to a proactive mode in which data is collected and evaluated primarily for decision support on a more frequent basis – monthly rather than annually. In support of this effort, a data repository is being built to house data from each of the seven core programs and benchmarking comparisons, so that more robust analytical programs, such as SAS, can be utilized to not only trend past activity but predict and forecast future behavior. Data analysis and the resulting information will become critical to the decision making process as reliable and integrated systems are developed.

4.3 What are your key measures, how do you review them, and how do you keep them current with business needs and direction?

The Authority's key program measures deal primarily with utilization, efficiency, and effectiveness (Table 1.5-1). Common program measures are production (housing units served), investment (program dollars awarded or disbursed), customer satisfaction (number of complaints and commendations), budget utilization, and quality control (error rates and timeliness). These measures are primary measures of output. The Authority has begun an evaluation that extends these measures to include those that will measure outcomes, including the quantification of economic impact and the articulation of social impact. To these ends, the Authority will also begin to incorporate these measures more integrally into its monthly processes and establish a primary importance on the accuracy, integrity and timeliness of the information.

4.4 How do you select and use key comparative data and information to support operational and strategic decision making and innovation?

The selection of comparative data varies from program to program. The Authority selects comparative data from external sources based on the appropriateness of the information and the applicability of its comparisons. Examples of comparative data are bond and loan yield rates, homeownership rates, Department of Housing and Urban Development performance-based contract fees, and the ratio of operating costs to production. The Authority staff also compares internal data across years as a measurement of performance and quality. With the institution of measures of outcome, internal comparative data will become critical to strategic decision making.

4.5 How do you ensure data integrity, timeliness, accuracy, security and availability for decision making?

The Authority uses a series of checks and balances to ensure data integrity, accuracy, security and availability for decision making. For programs and support areas, the Authority utilizes quality control software that audits the data, generating summary reports reviewed by Authority staff. Staff also manually reviews workloads and collaboratively evaluates the work products to ensure not only data integrity, but program integrity. Customer feedback is also an indicator of data integrity and quality control. Customer responses support or refute report audits and findings generated by Authority software.

4.6 How do you translate organizational performance review findings into priorities for continuous improvement?

Organizational performance review findings are translated into priorities for continuous improvement when the finding is relevant either to the key strategic goals, the strategic planning objectives or the action plan initiatives set forth in the Authority's strategic plan. However, should an organizational performance review finding detect a strategic challenge for the organization, or expose a critical flaw, then the review finding is immediately evaluated for its short-term and long-term impacts. If the resulting evaluation determines that the impact of the review finding is significant, measures are developed to address the issue and it is appended to the strategic plan as a supplemental item.

4.7 How do you collect, transfer, and maintain organizational and employee knowledge (your knowledge assets)? How do you identify and share best practices?

The Authority uses cross-training, on-the-job training, annual reviews, certification classes, training and development plans, and work teams to manage organizational knowledge in program and support areas. Internal Audit staff has also made a recommendation that relevant areas draft policies and procedures that document program processes for historical and training purposes. The collaboration of these efforts effects a retention and transfer of critical knowledge.

5. WORKFORCE FOCUS

5.1 How do you organize and manage work: to enable employees to develop and utilize their full potential, aligned with the organization's objectives, strategies, and action plans; and to promote cooperation, initiative, empowerment, innovation and your desired organizational culture?

The Authority has developed a strong EPMS process that is aligned with the organizational objectives. The process encourages employees to develop their full potential. Strategies and action plans are incorporated into the EPMS process. The EPMS process outlines job duties and characteristics necessary to produce desired outcomes. Deficiencies in the job duties or characteristics are addressed by a work improvement tool that outlines a course of action for obtaining the desired objectives.

5.2 How do you evaluate and improve your organization's human resource related processes?

The Authority uses a standardized evaluation tool for evaluating training and development. Comments on the tool are used to tweak the training. The evaluation tool also includes a needs assessment. The Authority continually reviews processes and makes adjustments to processes that are redundant or labor intensive. The new EPMS system is an example of a process that the Authority continually reviews and has improved.

5.3 How do you identify and address key developmental and training needs, including job skills training, performance excellence training, diversity training, management/leadership development, new employee orientation and safety training? How do you evaluate the effectiveness of this education and training? How do you encourage on the job use of the new knowledge and skills?

The Authority encourages and supports each employee in developing their ambition, commitment and ability to meet current and future Authority needs. A training plan is outlined for each employee for technical and professional development needs. They include: Diversity Training, Sexual Harassment, Defensive Driving, Facilitation Skills, Authority Orientation, and Customer Service.

Supervisors are required to complete the Associate Public Manager (APM) course and all Managers are encouraged to complete the Certified Public Manager (CPM) course. Senior Managers are also encouraged to complete the Executive Institute.

Training is outlined on each employee's performance document (EPMS) and evaluated after completion of the training on the document as it relates to work performance. On the job use of the training is encouraged through the EPMS document.

5.4 How does employee training contribute to the achievement of your action plans?

Employee training has a circular relationship to the achievement of the Authority's action plans. Employee training is proactive in formulating the action plan through the benefit that an increase in knowledge and training brings to an organization. New best practices and procedures will create, augment or change the action plan and those are skills that are developed and discovered through training. Employee training is reactive in responding to the identified action plans and adjusting activities to achieve the goals and objectives of the action plan. Essentially, employee training is a process of action/response evaluation/reaction so that the process is constantly evolving as stimuli are introduced.

5.5 How does your employee performance management system, including feedback to and from employees, support high performance and contribute to the achievement of your action plans?

The Authority uses the combined Position Description (PD)/ EPMS form that is instrumental in ensuring that employee job descriptions and objectives are aligned. The EPMS reflects what the employee's position responsibilities include and position descriptions are updated annually. This gives constructive feedback to employees on work behaviors. The EPMS has a July 1 universal review date which coincides with accountability report timeframes and action plans.

5.6 How do you motivate your employees to develop and utilize their full potential?

The Authority offers several recognition programs in order to encourage, motivate and recognize employees. Each of these programs stresses the importance of individual contributions in productivity and teamwork.

- The Outstanding Employee of the Year award recognizes two outstanding employees who are nominated by their peers.
- "Kudo" awards which are given for short term, immediate impact employee contributions. It consists of a twenty-five dollar gift certificate. Employees who use no sick leave during the year are recognized with a "Kudo" award.
- Safe Driving awards for employees who have not received a ticket or who have not been charged in an automobile accident during the year.
- "Atta-Boys" awards where employees can publicly praise their peers for making an extra contribution in the Authority newsletter.

The hard work of all employees is recognized each year with an annual picnic, a holiday luncheon, and an Employee Recognition luncheon. In addition, the Authority also offers flexible work hours, casual dress Fridays, and an after work golf league that crosses Authority lines.

5.7 What formal and/or informal assessment methods and measures do you use to determine employee well being, satisfaction, and motivation? How do you use other measures such as employee retention and grievances? How do you determine priorities for improvement?

The Human Resource Staff performs exit interviews with each employee leaving the Authority to measure and assess Authority weaknesses and strengths. These interviews have resulted in valuable input for training for future employees. Our tuition assistance program and flexible work schedule program allows employees to balance and pursue developmental needs. We have a turnover rate of just over 11.4% percent, well below the state average of 13.99%, which indicates we are retaining our employees. We had no grievances during last fiscal year.

5.7 How do you maintain a safe, secure, and healthy work environment? (Include your workplace preparedness for emergencies and disasters.)

The Authority follows OSHA guidelines to maintain a safe working environment. In addition, employees are offered: annual health screening, walking club, on-site CPR training, and Body Bulletin (a monthly health magazine delivered to each employee). We have a written emergency response plan that gives detailed accounts of exiting the building and maintaining a safe workplace.

6. PROCESS MANAGEMENT

6.1 What are your key processes that produce, create or add value for your customers and your organization? How do you ensure that these processes are used?

From an external perspective, the Authority program areas provide workshops on and off-site to applicants interested in program resources and information. The Authority holds public hearings and feedback sessions to evaluate program changes. The Palmetto Affordable Housing Forum provides an environment for customers to meet staff and exchange information on general and specific topics. Customers also have the option of discussing program information with staff via telephone and e-mail.

From an internal perspective, the Authority automates many support processes including payroll, procurement, and human resources. Authority staff can access human resource information (attendance, forms, etc.) on the Authority's local area network. Career opportunities at the Authority are shared via email and are subsequently posted online at www.schousing.com, "Human Resources", "SHA Vacancy Postings." In addition, newsletters and other information are periodically distributed to the staff. These communiqués provide instrumental information regarding staff and program changes that result in the continuity of program effectiveness.

6.2 How do you incorporate organizational knowledge, new technology, changing customer and mission-related requirements, cost controls, and other efficiency and effectiveness factors such as cycle time into process design and delivery?

The Authority's website is the culmination of the integration of organizational knowledge, new technology, changing customer and mission-related requirements, cost controls and other efficiency and effectiveness factors into process design and delivery in its functionality and availability. It provides access for customers to program applications and guides, staff directories, press releases and publications, and the Extranet, a customer-based intranet access portal. The Authority uses the Extranet to deliver information that is targeted to each partner's specific interest and to create new ways for partners to interact with our data systems and staff from any internet-ready computer. Through the Authority's Extranet, customers can obtain such information as subsidy look-ups and business partner information. The website also provides counseling resources through information on the High Cost Home Loan Counseling Program and connects landlords with renters through SCHousingSearch.com. The effect is the provision of information in a real-time environment and the utilization of a process that provides for instantaneous mass communication. These work practices all originate from the innovative environment of the Authority and from its staff and are the products of attending workshops and conferences nationally and statewide, utilizing feedback from our internal and external customers, and following best practice standards established by industry experts, such as NCSHA. The Authority's website represents a vast library of information available at the customer's convenience whenever the customer needs it.

6.3 How does your day-to-day operation of these processes ensure meeting key performance requirements?

The delivery of information is one of the primary day-to-day operational functions of the Authority, whether the recipient is external or internal to the Authority. The Authority's website is a key component in the transfer of that information. Information drives each of the strategic planning objectives set forth by the Authority: maintain effective programs, continuously improve our processes, strengthen our internal environment, improve community relations and make effective use of information technology. The focus of the Authority is to leverage daily operational activities in a way that maximizes the accomplishment of its strategic plan.

6.4 How do you systematically evaluate and improve your key product and service related processes?

The focus of the Authority is to leverage daily operational activities in a way that maximizes the accomplishment of its strategic plan. It is these daily activities that provide the framework and content for systematic evaluation and improvement of the Authority's key products and services. Upstream and downstream open communication lines between executive staff and production staff affords the flexibility and fluidity to react to situations as they arise and to adjust workflows and business processes as appropriate. These daily activities also translate into operational procedures over time that are discussed and evaluated in periodic meetings of senior staff, during employee evaluations and during the strategic planning process.

6.5 What are your key support processes, and how do you improve and update these processes to achieve better performance?

The Authority's key support processes are in human resources, finance, payroll and procurement. While many of the processes that dictate the performance of these functions are either mandated by the State, governed by laws on both the federal and state level, scrutinized through the establishment of generally accepted principles and practices, or enforced through common standards, these key support processes are afforded enough latitude to ensure that while certain elements of their functions are not subject to consideration, those that are subject to interpretation can be adjusted to deliver maximum performance and superior process quality. As with other processes, these are evaluated and adjusted to ensure that they contribute to the overall success of the Authority in attaining its strategic goals through its strategic plan.

7. BUSINESS RESULTS

The Authority is comprised of seven core programs whose missions are to create quality affordable housing opportunities for the citizens of South Carolina through the unique means that were established at their inception.

The Mortgage Revenue Bond Program is the flagship program offered by the Authority. The sale of tax exempt bonds to investors provides the bulk of the funding available to qualified homebuyers. Our loans offer qualified borrowers three tiered, fixed, below market interest rate options. These options allow us the flexibility to adjust interest rates as the market dictates and insures the financial integrity of the program, while putting homeownership within the reach of more low to moderate income South Carolinians. Like all of the Authority's homeownership programs, persons purchasing homes under the Mortgage Revenue Bond Program must meet minimum credit standards, as well as income and purchase price restrictions which vary by county.

The South Carolina Housing Trust Fund was created by the General Assembly in 1992. This landmark legislation is funded with dollars collected from a dedicated portion of the deed stamp tax and provides an important resource for affordable rental housing and homeownership opportunities for low income South Carolinians by funding the acquisition or construction of single family homes, group homes for the disabled and emergency housing for battered women and their children. The Fund also provides single room occupancy apartments for the working homeless and disabled veterans; multifamily rental apartments for single parent households, families and the elderly. All of this is accomplished by building partnerships among government agencies, qualified nonprofit sponsors, for-profit sponsors and those in need of affordable housing.

The HOME Investment Partnerships Program promotes partnerships between the federal government, state and local governments and those in the nonprofit and for-profit sectors who support affordable housing initiatives. A program of the Department of Housing and Urban Development, its primary focus is rental housing for very low and low income families; although, homeownership initiatives are also eligible activities. South Carolina has received over \$130 million in HOME Investment Partnerships Program funding since 1992. An average of \$10 million is allocated each year.

The Multifamily Tax Exempt Bond Program provides financing for property that is being developed for affordable multifamily rental housing. A percentage of the property's units must be set aside at all times for occupancy by low-to-moderate income individuals and families. This program has provided permanent financing for at least 7,000 apartments in 45 rental complexes located through the State.

The Low Income Housing Tax Credit Program is designed to provide an incentive to owners developing multifamily rental housing. Allocations of credits are used to leverage public, private and other funds in order to keep rents for tenants affordable. Developments that may qualify for credits include new construction, acquisition with rehabilitation, rehabilitation and adaptive re-use. Owners can take the credit for up to ten years if the rental property remains in compliance

with occupancy and rent restrictions for 30 years. These credits can be used as a dollar-for-dollar reduction in federal income tax liability.

The Section 8 Housing Choice Voucher Program provides rental assistance in the private rental market to very low income individuals and families in certain South Carolina counties. These counties are: Clarendon, Colleton, Dorchester, Fairfield, Kershaw, Lee and Lexington. This program is limited by the Department of Housing and Urban Development's budget and has a waiting list. Qualified families pay approximately 30 percent of their income toward rent and utilities; the remainder is paid by the program. On an annual basis, the eligibility of the tenant family and the condition of the unit are examined in accordance with standards established by the Department of Housing and Urban Development.

The Contract Administration Program is responsible for the administration of much of the Department of Housing and Urban Development's South Carolina portfolio – approximately 270 properties serving as many as 17,865 very low and low income households. Contract Administrators work on behalf of the Department of Housing and Urban Development with owners and management agents who provide Department of Housing and Urban Development-subsidized apartments in privately-owned complexes. Administration includes reviewing and approving monthly assistance payments, conducting annual management and occupancy reviews for each property within the portfolio, responding to tenant complaints and providing follow-up for inspections conducted by the Department of Housing and Urban Development's Real Estate Assessment Center, processing actions related to subsidy contracts and reporting and tracking processes required under the contract between the Authority and the Department of Housing and Urban Development.

Through its seven core programs, the Authority is able to promote and provide housing opportunities for very low, low and low-to-moderate income South Carolinians. Noteworthy accomplishments for FY06-07 included:

- Helping maintain South Carolina's homeownership rate at a level above 70.0% to 74.2%, a rate that continues to surpass the national average of 68.8%
- Purchase of \$187.4 million in mortgage loans through the Mortgage Revenue Bond Program
- Awards of \$21.5 million through the Housing Trust Fund
- Provision of rental subsidies to 20,129 eligible families and individuals amounting to \$101.2 million
- Increasing the Section 8 Housing Choice Voucher Program participant satisfaction rate to 99%, maintaining the owner satisfaction rate at 100% and scoring 100% for the third straight year on the SEMAP Score
- Earning 100% of Administrative Fees for the fifth straight year in the Contract Administration Program

Table 7.0-1 presents the direct results of program activity as measured by the performance measures outlined in Table 1.5-1. Subsequent details in Category 7. Business Results provides additional information related to the activity that created these results.

TABLE 7.0-1 PERFORMANCE MEASURES BY PROGRAM WITH SUBSEQUENT RESULTS

Program or Support Area	Measure	Value		
		FY04-05	FY05-06	FY06-07
Rental Assistance	Percent of Voucher Program Participant Satisfaction	97.00%	98.00%	99.00%
	Percent of Voucher Program Owner Satisfaction	99.00%	100.00%	100.00%
	HUD SEMAP Score	100	100	100
	Percent of Administrative Fees Earned	100.00%	100.00%	100.00%
	Number of Annual Compliance Review Findings	0	3	2
	Number of Families Assisted	20,478	20,872	20,129
	Dollar Cost Per Voucher	\$484.54	\$392.71	\$400.02
	Dollar Cost Per Contract Administration Unit	\$90.01	\$98.74	\$73.94
Homeownership	Number of Mortgage Loans Purchased	2,289	2,801	3,668
	Number of Mortgage Loans Managed	12,314	13,504	15,815
	Number of Mortgage Loans Serviced	10,703	12,068	14,400
	SCSHFDA Foreclosure Rate	2.77%	2.37%	1.28%
	Number of Serviced Loans Per Servicing FTE	892	928	1,029
	Dollar Cost Per Service Loan	\$99.76	\$85.51	\$78.55
	Pull Through Rate	98.70%	85.56%	84.00%
	Dollar Cost Per Purchased Loan	\$276.21	\$207.41	\$206.64
HOME	Number of Awards	42	112	58
	Dollar Value of Awards	\$12,226,686.00	\$10,236,433.00	\$14,697,734.00
	Number of Units Produced	606	114	1,406
	Percent of Budget Awarded	59.40%	73.12%	96.80%
	Dollar Awards Per FTEs	\$1,645,160.89	\$1,204,286.24	\$2,099,676.00
	Dollar Cost Per Dollar Award	\$0.03	\$0.05	\$0.03
Low Income Housing Tax Credit	Dollar Value of Awards	\$8,045,471.00	\$8,889,219.00	\$8,257,701.00
	Number of Developments Awarded	21	26	22
	Number of Units Produced	1,212	1,392	1,085
	Dollar Cost Per Dollar Award	\$0.05	\$0.04	\$0.04
Housing Trust Fund	Number of Awards	171	165	293
	Dollar Value of Awards	\$12,275,119.00	\$17,125,183.00	\$21,543,958.00
	Number of Units	700	893	1,225
	Percent of Budget Awarded	36.40%	85.63%	105.57%
	Dollar Awards Per FTEs	\$1,022,927.00	\$2,140,648.00	\$4,308,792.00
Human Resources	State Percent Turnover	12.64%	15.23%	13.99%
	SCSHFDA Percent Turnover	16.45%	10.61%	11.40%

7.1 What are your performance levels and trends for the key measures of mission accomplishment and organizational effectiveness?

The South Carolina State Housing Finance and Development Authority is the State’s single largest public developer of affordable multifamily and single-family housing. Authority resources were invested in a wide range of programs in order to address the growing demand for affordable housing across South Carolina. Activities included mortgage purchases, down payment assistance, multifamily and single family housing development, preservation, rental and utility payment assistance, and special needs housing development for the homeless, disabled and elderly.

According to the most recent US Census Bureau data, in 2006, South Carolina had a homeownership rate of 74.2%. This is significantly higher than the national average for the same time period of 68.8%. In fact, for the past six years, South Carolina has remained at least five percentage points above the national average; in 2002, it was 9.4 percentage points higher. In comparison, in 2006, West Virginia led the nation with the highest homeownership rate, 78.4%, a significant decrease, however, from its homeownership rate of 81.3% in 2005. In the Southeast, South Carolina is tied with Alabama in homeownership, as evidenced in Table 7.1-1 below.

TABLE 7.1-1 HOMEOWNERSHIP RATES IN THE SOUTHEAST

	2001	2002	2003	2004	2005	2006
South Carolina	76.1	77.3	75.0	76.2	73.9	74.2
Alabama	73.2	73.5	76.2	78.0	76.6	74.2
Florida	69.2	68.7	69.5	72.2	72.4	72.4
Georgia	70.1	71.7	71.4	70.9	67.9	68.5
North Carolina	71.3	70.0	70.0	69.8	70.9	70.2
Virginia	75.1	74.3	75.0	73.4	71.2	71.1
National Average	67.8	67.9	68.3	69.0	68.9	68.8

Source: U.S. Census Bureau; <http://www.census.gov/hhes/www/housing/hvs/annual06/ann06t13.html>

Mortgage Revenue Bond Program

The continued success of South Carolina in leading the national average in homeownership is due in part to the continued success of the Mortgage Revenue Bond Program. During FY06-07, the Authority purchased a total of 3,668 mortgages, amounting to \$187.4M. See Table 7.1-2. This represents a 38.15% increase in dollar value of purchases over the prior year.

TABLE 7.1-2 HOMEOWNERSHIP PROGRAMS: MORTGAGE LOANS PURCHASED

Program	FY00-01	FY01-02	FY02-03	FY03-04	FY04-05	FY05-06	FY06-07
MRB	\$67,353,530	\$61,721,394	\$48,963,976	\$56,640,341	\$106,979,981	\$132,532,534	\$187,366,260
Special	\$9,274,272	\$23,807,772	\$2,246,811	\$12,445,055	\$6,056,294	\$3,093,000	\$0
Total	\$76,627,802	\$85,529,166	\$51,210,787	\$69,085,396	\$113,036,275	\$135,625,534	\$187,366,260

Mortgages	FY00-01	FY01-02	FY02-03	FY03-04	FY04-05	FY05-06	FY06-07
First	1,090	1,089	635	774	1,157	1,336	1,791
Second	449	238	350	611	1,132	1,465	1,877
Total	1,539	1,327	985	1,385	2,289	2,801	3,668

A contributing factor to the success of the program stems from the Authority's ability to adjust its mortgage interest rates on an as-needed basis. This allows the Authority to offer below market interest rates while maintaining the financial integrity of the program. These rates can be

viewed daily by participating lenders and borrowers on the Authority’s website and are updated on a weekly basis.

The Authority’s portfolio contains a total of 14,400 first and second mortgages that are serviced by one private sector provider in addition to in-house servicing. The in-house department services the complete portfolio of second mortgages. See Tables 7.1-3 and 7.1-4 below.

TABLE 7.1-3 HOMEOWNERSHIP PROGRAMS: MORTGAGE LOANS MANAGED

	FY00-01	FY01-02	FY02-03	FY03-04	FY04-05	FY05-06	FY06-07
Principal Balances (Millions)	491.4	528.8	500.3	482.5	526.2	591.6	726.1
Number of Mortgages	10,385	13,266	12,339	11,649	12,314	13,504	15,815

TABLE 7.1-4 HOMEOWNERSHIP PROGRAMS: MORTGAGE LOANS SERVICED

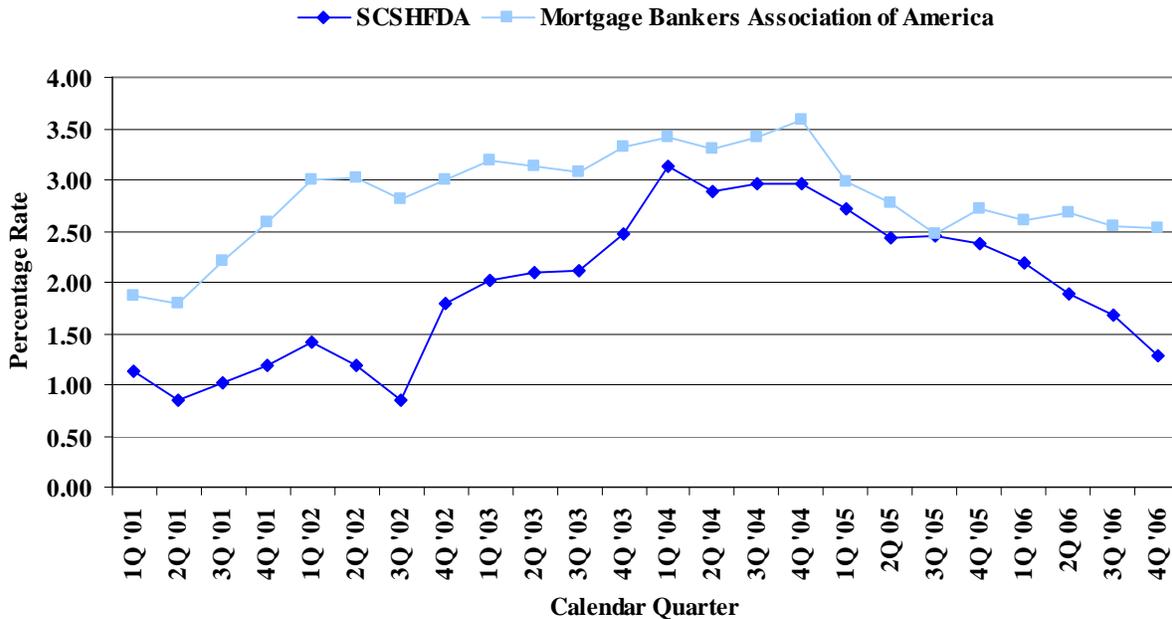
	FY00-01	FY01-02	FY02-03	FY03-04	FY04-05	FY05-06	FY06-07
First Mortgages	6,591	6,784	6,704	6,377	7,314	7,812	8,875
Second Mortgages	2,974	2,827	2,731	2,788	3,389	4,256	5,525
TOTAL	9,565	9,611	9,435	9,165	10,703	12,068	14,400
Number of Loans Per FTE	797	801	786	764	892	928	1,029

The Mortgage Servicing Department has set a goal to keep Authority foreclosure rates below that of the Mortgage Bankers Association of America. The Authority has maintained a ratio equal to or below that of the Mortgage Bankers Association (MBAA) for several years. See Table 7.1-5 and Graph 7.1-1 below.

TABLE 7.1-5 FORECLOSURE RATES: SCSHFDA AND MBAA

Quarter, Year	SCSHFDA	MBAA	Quarter, Year	SCSHFDA	MBAA	Quarter, Year	SCSHFDA	MBAA
1Q '01	1.13	1.87	1Q '02	1.42	3.00	1Q '03	2.02	3.18
2Q '01	0.85	1.80	2Q '02	1.18	3.02	2Q '03	2.10	3.13
3Q '01	1.01	2.20	3Q '02	0.85	2.82	3Q '03	2.12	3.08
4Q '01	1.19	2.58	4Q '02	1.79	3.00	4Q '03	2.48	3.33
Quarter, Year	SCSHFDA	MBAA	Quarter, Year	SCSHFDA	MBAA	Quarter, Year	SCSHFDA	MBAA
1Q '04	3.14	3.42	1Q '05	2.71	2.98	1Q '06	2.18	2.60
2Q '04	2.88	3.30	2Q '05	2.43	2.77	2Q '06	1.89	2.67
3Q '04	2.96	3.42	3Q '05	2.46	2.48	3Q '06	1.67	2.54
4Q '04	2.96	3.59	4Q '05	2.37	2.71	4Q '06	1.28	2.53

GRAPH 7.1-1 HOMEOWNERSHIP FORECLOSURE RATES



Contract Administration and Section 8 Housing Choice Voucher Program

Over 20,000 families received housing assistance through the Authority’s administration of the Contract Administration and Section 8 Housing Choice Voucher Programs. Tenants pay approximately 30% of their income toward rent and utilities and the remainder is subsidized. During the FY06-07, this subsidy amounted to over \$101M. The level of rental assistance activity has remained at a fairly consistent level for the past several years. See Table 7.1-6.

TABLE 7.1-6 RENTAL ASSISTANCE AND SUBSIDY PAYMENTS

	FY01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
Families Assisted	19,163	20,265	20,280	20,478	20,872	20,129
Subsidy Payments	\$75,542,813	\$96,804,747	\$92,400,782	\$93,767,001	\$96,278,577	\$101,166,688

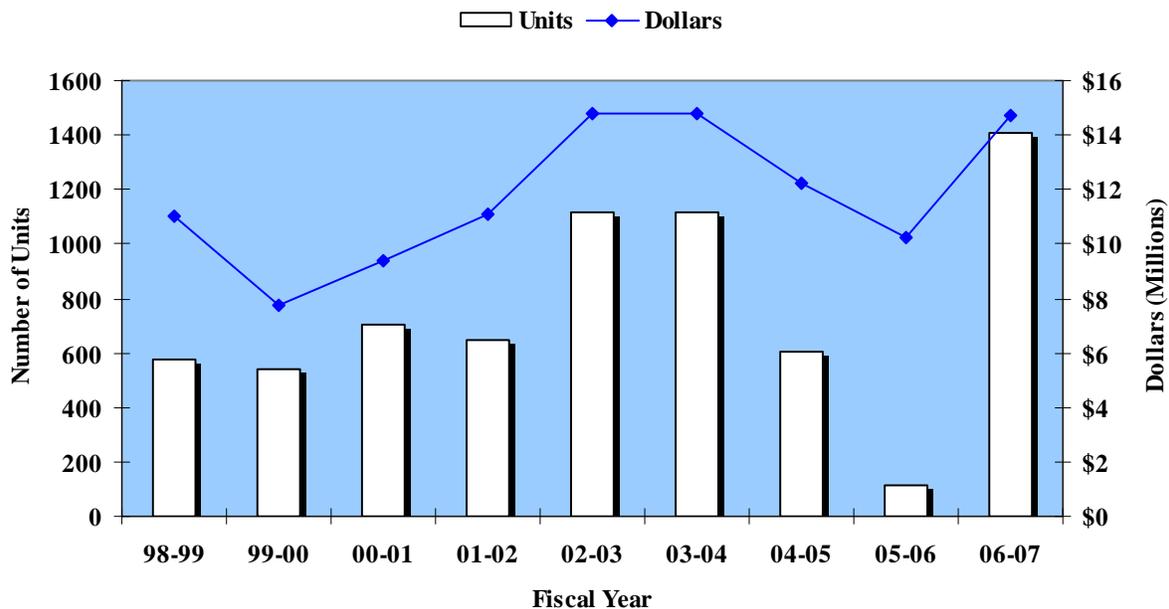
HOME Investment Partnerships Program

Table 7.1-7 shows the awards made by the HOME Investment Partnerships Program during FY98-99 to FY06-07. These awards are made to non-profits, for-profits, local governments, Community Housing Development Organizations, Public Housing Authority participants and single-family direct assistance.

TABLE 7.1-7 HOME INVESTMENT PARTNERSHIPS PROGRAM AWARD ACTIVITY

FY	Awards	Dollars	Units	Dollars Per Award	Dollars Per Unit
98-99	37	\$11,008,013	573	\$297,514	\$19,211
99-00	27	\$7,751,051	539	\$287,076	\$14,380
00-01	31	\$9,387,612	704	\$302,826	\$13,335
01-02	36	\$11,099,889	648	\$308,330	\$17,129
02-03	56	\$14,806,448	1,119	\$264,401	\$13,232
03-04	57	\$14,826,448	1,120	\$260,114	\$13,238
04-05	42	\$12,226,686	606	\$291,112	\$20,176
05-06	112	\$10,236,433	114	\$91,396	\$89,793
06-07	58	\$14,697,734	1406	\$253,409	\$10,454

GRAPH 7.1-2 HOME INVESTMENT PARTNERSHIPS PROGRAM AWARD ACTIVITY



Low Income Housing Tax Credit Program

Prior to FY01-02, the Low Income Housing Tax Credit Program operated at a level of approximately \$4M in tax credits allocated. In late 2000, Congress passed legislation that significantly increased the per capita tax credit amount from \$1.25 to \$1.50 in 2001 and to \$1.75 in 2002. It also provided for per capita amount increases in future years. This funding increase, along with the State of South Carolina’s subsequent population growth, has increased the program to over \$8M in annual tax credits allocated. In FY06-07, the per capita tax credit amount was \$1.90 with the program funding an allocation of \$8.3M. The 22 housing developments awarded in 2006 will produce 1,085 low income rental units. See Graph 7.1-3 and Table 7.1-8.

GRAPH 7.1-3 LOW INCOME HOUSING TAX CREDIT PROGRAM ALLOCATIONS

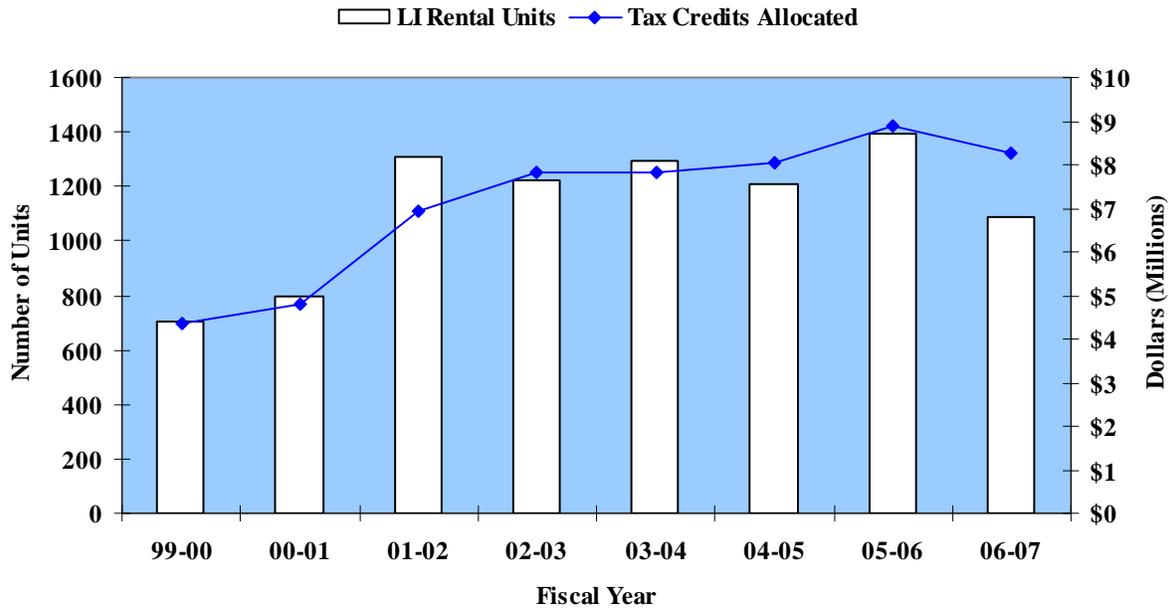


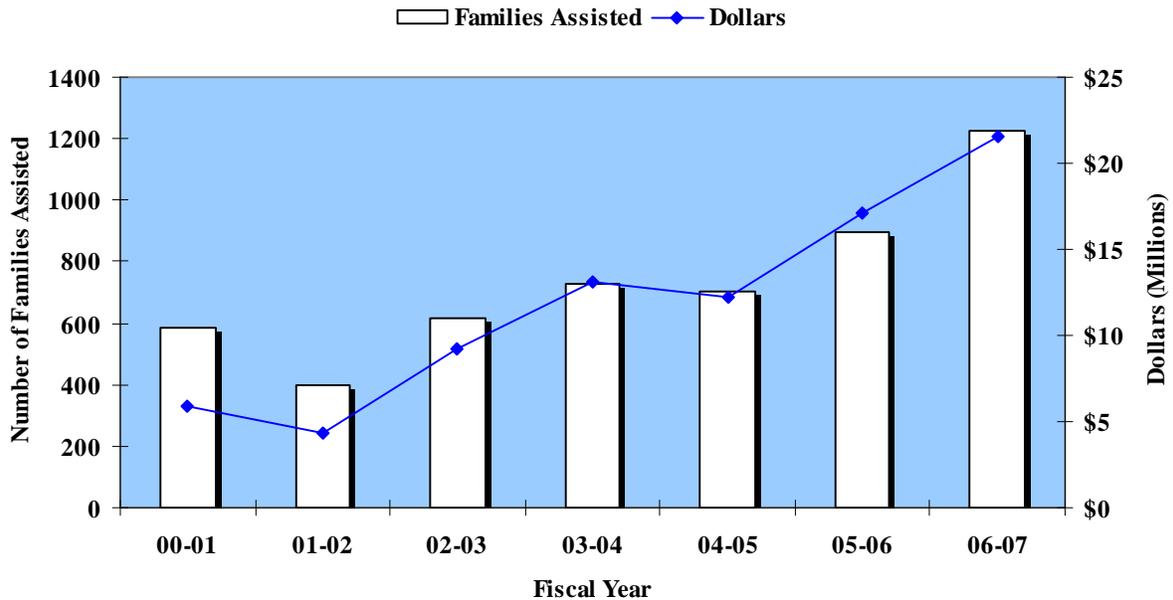
TABLE 7.1-8 LIHTC PROGRAM AWARD ACTIVITY

FY	Number of Developments	Tax Credits Allocated	LI Rental Units	Average Credits Per Development	Average Credits Per Unit
99-00	17	\$4,356,487	706	\$256,264	\$6,171
00-01	17	\$4,782,482	798	\$281,322	\$5,993
01-02	28	\$6,954,101	1,312	\$248,360	\$5,300
02-03	29	\$7,812,886	1,220	\$269,410	\$6,404
03-04	25	\$7,803,567	1,297	\$312,143	\$6,017
04-05	21	\$8,045,471	1,212	\$383,118	\$6,638
05-06	26	\$8,889,219	1,392	\$341,893	\$6,386
06-07	22	\$8,257,701	1,085	\$375,350	\$7,611

Housing Trust Fund

South Carolina Housing Trust Fund awards were made throughout the state with a total of 165 awards for \$17.1M in FY05-06 and 293 awards for \$21.5M in FY06-07. This represents an increase in total award amounts of 25.8%. See Graph 7.1-4 and Table 7.1-9.

GRAPH 7.1-4 HOUSING TRUST FUND PROGRAM AWARD ACTIVITY



A decrease in awards funding occurred in 2002 in an effort to restrict awards to ensure that the South Carolina Housing Trust Fund did not become depleted, as the revenue source for the fund is economy-driven based on real estate transfers and anticipated income for this year was less than originally expected. Reliance on economy-driven proceeds can be a significant complication. It creates an unpredictable fluctuation in award activity because the amount of underlying proceeds is unpredictable. FY06-07 was a successful year for the South Carolina Housing Trust Fund but there is no guarantee from year to year. See Table 7.1-9.

TABLE 7.1-9 HOUSING TRUST FUND PROGRAM AWARD ACTIVITY

FY	Dollars Awarded	Families Assisted	Dollars Per Unit	Dollars Per FTE
00-01	\$5,834,487	585	\$9,973	\$486,207
01-02	\$4,318,595	396	\$10,906	\$359,883
02-03	\$9,258,977	617	\$15,006	\$771,581
03-04	\$13,076,447	730	\$17,913	\$1,089,704
04-05	\$12,275,119	700	\$17,536	\$1,022,927
05-06	\$17,125,183	893	\$19,177	\$2,140,648
06-07	\$21,543,958	1225	\$17,587	\$4,308,792

Multifamily Tax Exempt Bond Program

Historically, the Multifamily Tax Exempt Bond Program has not been reported as a separate program. FY05-06 represents the first year that actual activity has been presented.

For FY05-06, \$47.5M of 2004 bond cap was allocated to six developments. These activities significantly reduced the amount of available bond cap, so in 2005 an additional bond cap carry-

forward allocation of \$47.7M was made, in effect, negating the funds that were allocated directly to developments and creating a zero effect to the bond cap balance.

For FY06-07, no bond cap was allocated to a multifamily development; however, as of June 30, 2007, there were deals in process representing a potential allocation of \$40M for 21 developments. An additional bond cap carry-forward allocation of \$6.7M from the State of South Carolina 2006 bond cap pool was made.

7.2 What are your performance levels and trends for the key measures of customer satisfaction?

Authority program areas measure customer and stakeholder satisfaction in different ways. Some program areas have more formalized methods and some rely on informal communication lines. Those with formal processes for evaluating customer satisfaction are detailed below.

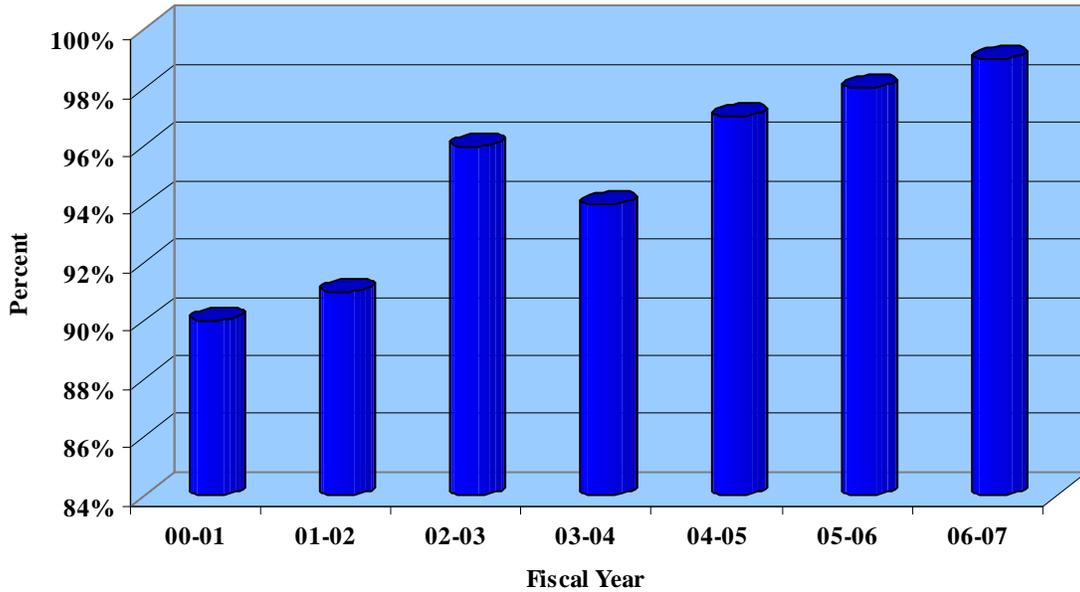
Section 8 Housing Choice Voucher Program

The Section 8 Housing Choice Voucher Program has a formalized process for evaluating customer satisfaction. Participants and rental property owners are the two primary customers of the Section 8 Housing Choice Voucher Program. The Department of Housing and Urban Development is an intermediate customer or stakeholder. The Authority's performance for each of these groups is measured.

Customers

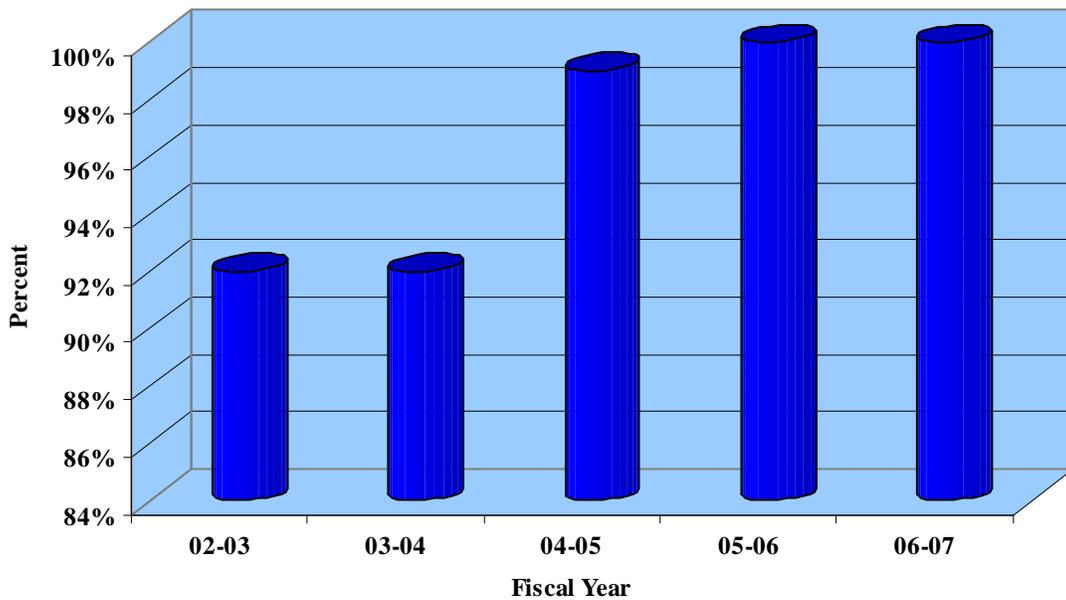
The Section 8 Housing Choice Voucher Program provided assistance for 2,295 participant families during FY06-07. Participation in the program is limited due to the number of vouchers and budget available from the Department of Housing and Urban Development. The Authority continues to survey participants to determine the level of customer support and satisfaction. See Graph 7.2-1.

GRAPH 7.2-1 SECTION 8 HOUSING CHOICE VOUCHER PROGRAM PARTICIPANT SATISFACTION



Approximately 800 property owners or apartment complexes rent units to Section 8 Housing Choice Voucher Program participants. The units under contract are inspected, at least annually, to ensure that they continue to meet Housing Quality Standards. The Authority continues to survey owners in an effort to track performance and customer satisfaction. See Graph 7.2-2.

GRAPH 7.2-2 SECTION 8 HOUSING CHOICE VOUCHER PROGRAM OWNER SATISFACTION



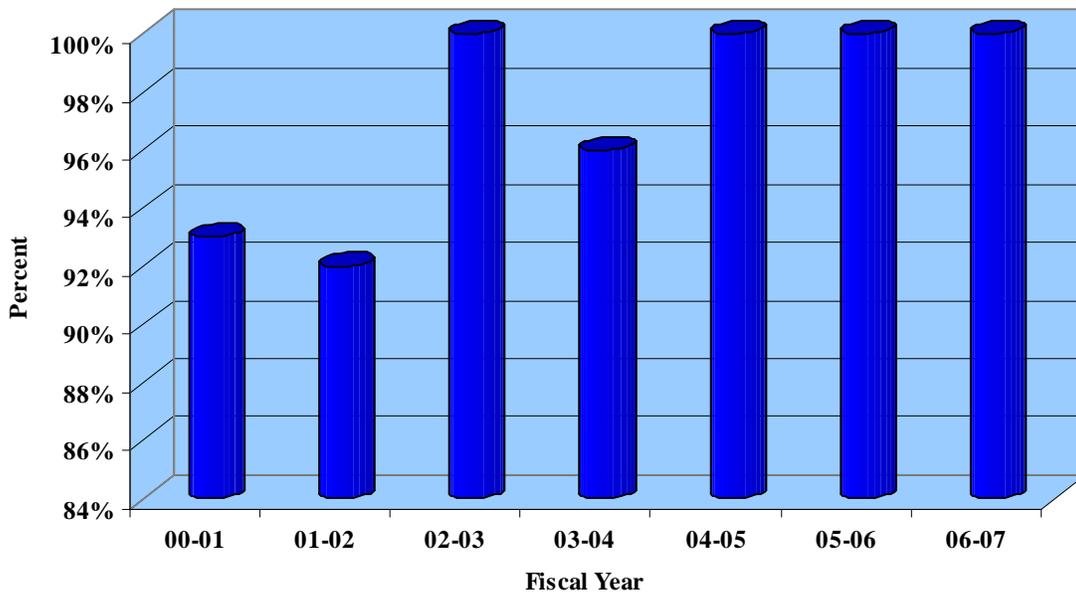
Stakeholders:

A rating system was established by the Department of Housing and Urban Development for Public Housing Authorities that administer the Section 8 Housing Choice Voucher Program. The Section Eight Management Assessment Program (SEMAP) measures 14 indicators of program success covering compliance, timeliness, unit inspections and occupancy. The Department of Housing and Urban Development issues performance ratings from 1 to 100 to the Section 8 Housing Choice Voucher Programs as follows:

High Performers	90 to 100
Standard Performers	60 to 89
Troubled	Below 60

Troubled Public Housing Authorities may be sanctioned or have their operations assumed by the Department of Housing and Urban Development. HUD issued SEMAP ratings for the first time during FY99-00. See Graph 7.2-3.

GRAPH 7.2-3 SECTION 8 HOUSING CHOICE VOUCHER PROGRAM SEMAP SCORE



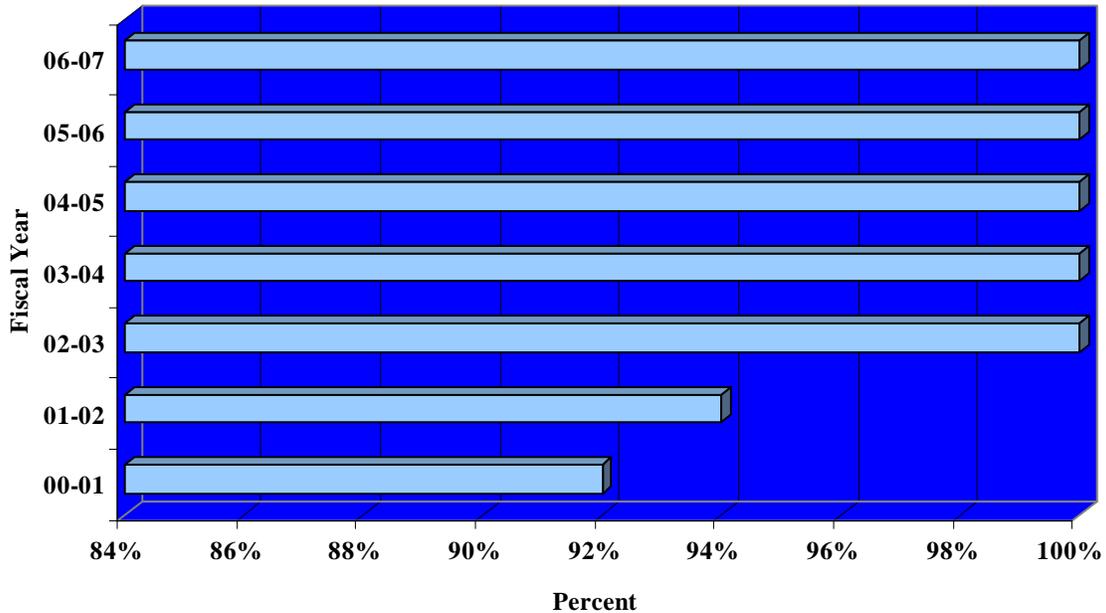
FY06-07 SEMAP score is a projected percent.

Contract Administration Program

Customer satisfaction for the Contract Administration Program is measured primarily by the determination of actual fees earned as a ratio of potential fees available. The Authority is a subcontractor for the Department of Housing and Urban Development, which created very specific accountability measures for its subcontractors, including performance timeframe requirements. Maximization of fees is the truest indicator of the Department of Housing and Urban Development’s satisfaction with the Authority’s level of performance. If the Department

of Housing and Urban Development was not satisfied with the performance of the Authority, that dissatisfaction would be reflected in a percent of fees earned of less than 100%. The Authority would be charged with a “disincentive” or reduction in fees. Graph 7.2-4 represents the actual fees earned as a ratio of the potential fees available.

GRAPH 7.2-4 PERCENT OF ADMINISTRATIVE FEES EARNED



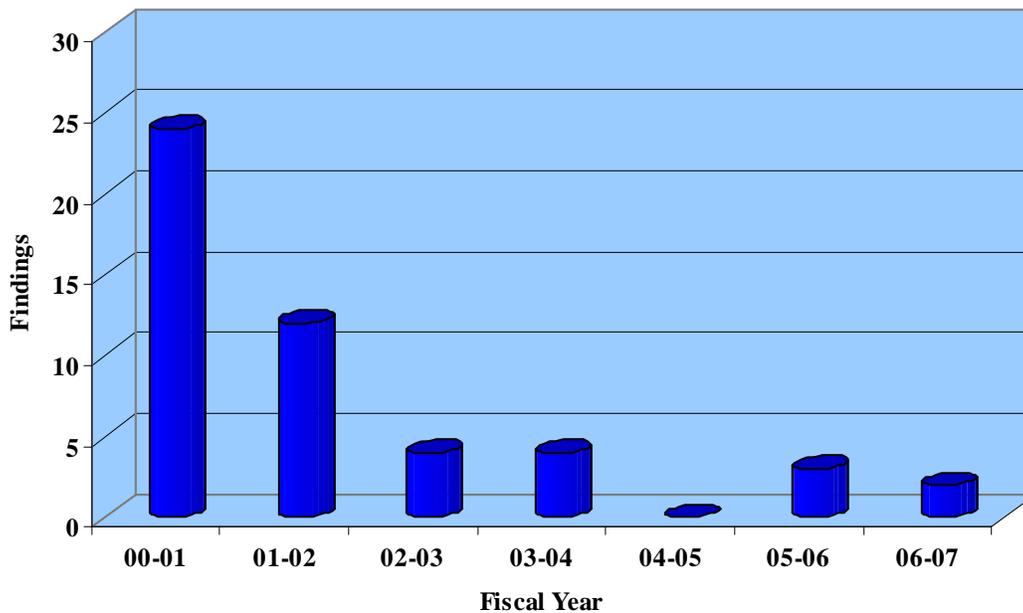
The contract allowed an initial grace period in which 100% of fees were paid to the Authority regardless of performance. The performance-based contract currently in-force requires the timely completion of 16 core tasks. These tasks are:

1. Management & Occupancy Review
2. Documenting Owner Civil Rights Compliance
3. Processing Rental Adjustments
4. Owner Opt-Out Notices and Contract Terminations
5. Owner Opt-Out and HAP Contract Termination: Submit resident data to HUD
6. Review, Verify, and Authorize Monthly Section 8 Vouchers
7. Notice of Corrective Actions
8. Monitoring & Reporting Owner’s follow-up efforts on discrepancies identified as a result of tenant income matching initiatives.
9. Life-threatening Health & Safety Issues
10. Non-life-threatening Health & Safety issues
11. Budgets, Requisitions, Revisions
12. Year-end Statement
13. Public Housing Authority Audit
14. Renewals of Expiring HAP Contracts
15. General Reporting Requirements
16. Monitoring Physical Inspection Results

Completion of core tasks involving electronic payments to owners and renewals of subsidy contracts require that owners make system preparations and provide information to Authority staff. Many owners did not make necessary system changes in a timely manner or were slow to provide information to staff. This, combined with the lack of a system to provide for task prioritization and issues with private contractors hired to obtain data, resulted in early fee losses. Property owners have updated or established systems that allow timely electronic funds transfers that have eliminated fee losses in this area. Contract Administration staff have implemented the use of tracking and prioritization spreadsheets to efficiently process subsidy contract renewals. These changes have resulted in fee maximization over the last 5 years.

Another indication of staff effectiveness or customer satisfaction is the Annual Compliance Review. This review is an audit performed annually by the Department of Housing and Urban Development in relation to the Contract Administration performance-based contract. Graph 7.2-5 indicates the results of the five years of this contract. Audit findings have significantly decreased over this period. The most recent audit report indicated that “the PBCA (Performance Based Contract Administrator) staff has developed some excellent computer checklists, reports and tracking charts to assist them in meeting the requirements of the Annual Contributions Contract.”

GRAPH 7.2-5 ANNUAL COMPLIANCE REVIEW AUDIT FINDINGS



The Authority also continues to enhance customer satisfaction as it builds positive working relationships with the Department of Housing and Urban Development by responding quickly and courteously to requests for information. We continually demonstrate a willingness to meet to discuss implementation of regulatory changes. Positive working relationships are developed with the Department of Housing and Urban Development and owners as the Authority demonstrates its program competency. All Contract Administration Program staff are required to successfully complete third party sponsored training. Staff meetings are held monthly to discuss issues and

best practices. In addition, Contract Administration Program staff is always represented at user group meetings sponsored by our primary software provider. Strong relationships are developed with tenants by responding to their complaints within the timeframes established in our performance-based contract.

Mortgage Revenue Bond Program

In Loan Purchase, turn around time is used as an indicator of customer satisfaction. Lenders and realtors are generally satisfied when turn around time is three days or less.

Customer satisfaction in the Mortgage Servicing Department is measured by the reduction in the number of valid complaints received from homeowners concerning errors with property taxes, insurance, and payoffs from one year to the next.

7.3 What are your performance levels for the key measures of financial performance?

According to the National Council of State Housing Agencies, the South Carolina State Housing Finance and Development Authority “ranks among the nation's most financially secure and well-managed housing finance agencies.”

The data for the following tables and graphs are from the 2005 State Housing Finance Authority Outlook and Medians for Single Family Whole Loan Programs produced by Moody’s Investor Service. See Table 7.3-1.

TABLES 7.3-1 STATE HOUSING FINANCE AUTHORITY OUTLOOK AND MEDIANS: SINGLE FAMILY WHOLE LOAN PROGRAMS

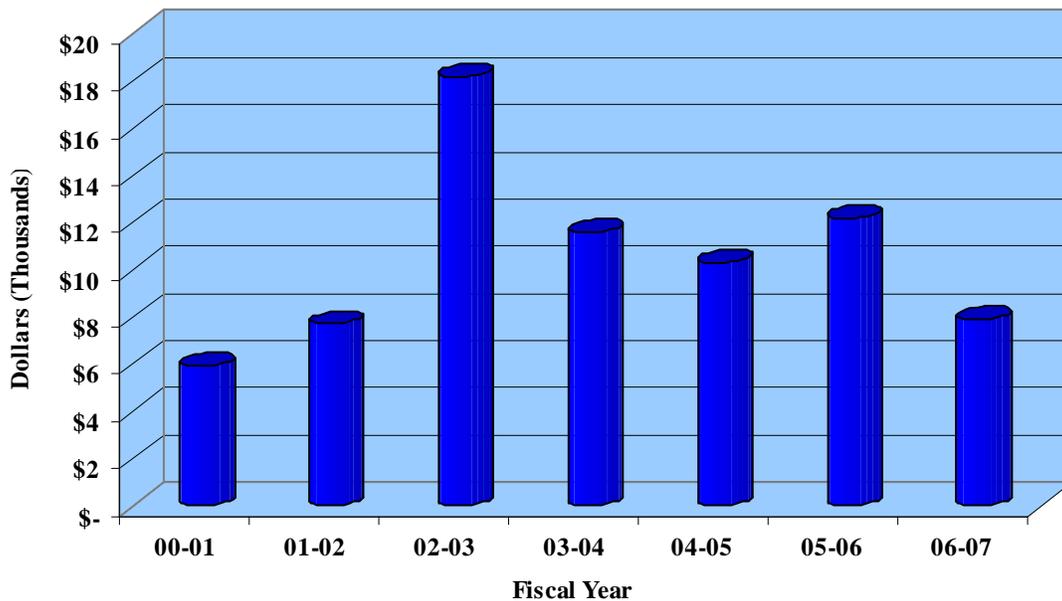
Financial Data (\$000)	Fiscal Year					FY05 Mean	FY05 Median
	FY01	FY02	FY03	FY04	FY05		
MRB Fund Balance	\$21,020	\$23,422	\$37,964	\$43,843	\$62,058	\$156,826	\$72,508
MR Bonds Outstanding	\$355,068	\$389,070	\$427,523	\$391,455	\$521,860	\$1,104,553	\$886,380
MRB Mortgages Outstanding	\$301,742	\$338,264	\$333,615	\$317,078	\$360,975	\$904,361	\$630,633
MRB Fund Balance as % of MR Bonds Outstanding	5.92%	6.02%	8.88%	11.20%	12.00%	14.00%	11.00%
MRB Asset-to-Debt Ratio (PADR)	1.058	1.059	1.079	1.102	1.120	1.150	1.110
MRB Net Revenue as % of Total Revenue	10.58%	9.05%	11.38%	10.20%	13.00%	15.00%	13.00%
MRB Net Interest Revenue as % of Gross Interest Revenue	13.23%	13.24%	15.02%	14.48%	16.00%	22.00%	21.00%

7.4 What are your performance levels and trends for the key measures of Human Resource Results (i.e. work system performance, employee learning and development, employee well-being, employee satisfaction, diversity, and retention)?

Tuition Assistance

The Authority has adapted a program to provide tuition assistance for its permanent employees. The purpose of the program is to develop a better-educated workforce and to provide job enhancement opportunities for the employees within the Authority. Tuition assistance is provided for employees to attend courses that are directly related to an employee’s position or a position that the employee could progress or which is part of a planned degree program in a field that is related to the Authority’s mission. The Authority has provided this benefit since 1993, and since that time 30 employees have benefited for a total cost to the Authority of \$98,227. During FY06-07, eight employees received tuition assistance from the Authority. The chart below depicts the Authority commitment to tuition assistance. There was a decrease in tuition payments after 2003, when the policy was changed to limit the assistance to \$3,000 per year. See Graph 7.4-1.

GRAPH 7.4-1 TUITION ASSISTANCE



Human Affairs Goal Attainment

The Human Affairs Commission has issued exempt status to the Authority for having exhibited an equal opportunity environment in the workplace.

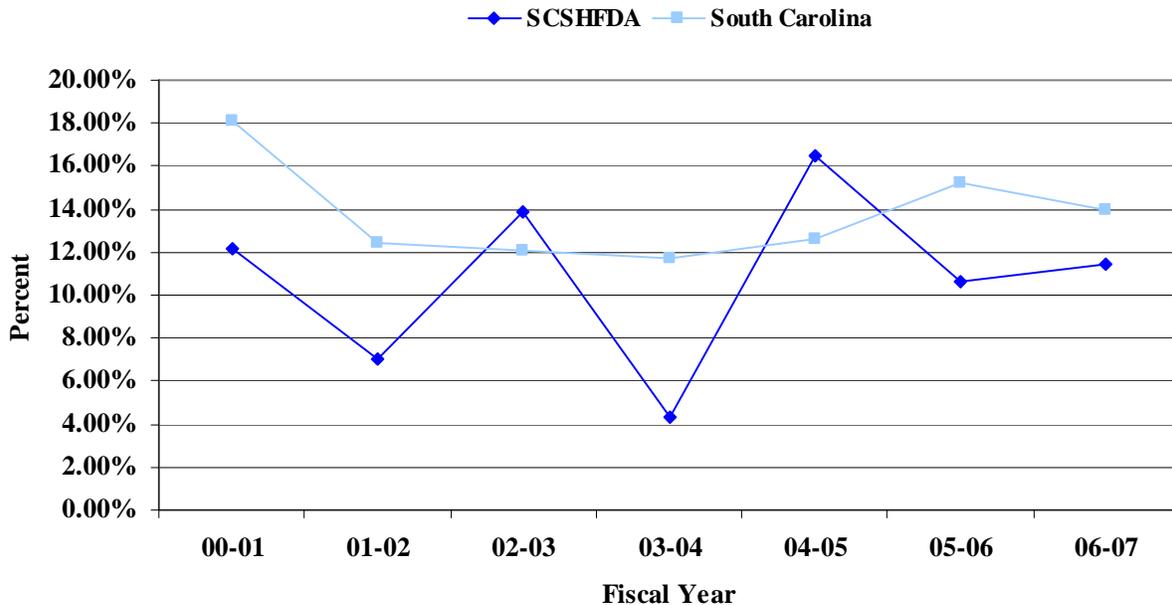
Turnover Data

Turnover data reflects all separations from the Authority. As shown in Table 7.4-1, the Authority experienced a significant increase in turnover in FY04-05 due to the use of Voluntary Separation and a Retirement Incentive Program. The Authority in FY06-07 is much lower in turnover than the state average. See also Graph 7.4-2.

TABLE 7.4-1 TURNOVER RATE: COMPARISON OF SCSHFDA TO STATE OF SOUTH CAROLINA

FY	SCSHFDA	South Carolina
00-01	12.20%	18.13%
01-02	7.04%	12.39%
02-03	13.91%	12.05%
03-04	4.32%	11.73%
04-05	16.45%	12.64%
05-06	10.61%	15.23%
06-07	11.40%	13.99%

GRAPH 7.4-2 TURNOVER RATE: COMPARISON OF TRENDS FOR SCSHFDA AND STATE OF SOUTH CAROLINA



7.5 What are your performance levels and trends for the key measures of regulatory/legal compliance and community support?

The management of the Authority is responsible for establishing and maintaining effective internal control over all its transactions and over compliance with laws, regulations, contracts and grants. In fulfilling this responsibility, estimates and judgments by management are necessary to assess the expected benefits and related cost of control procedures.

The Authority's Internal Audit Division serves to assist management in strengthening the control environment. This Division provides an independent appraisal function of reviews and audits of the Authority as directed by the Executive Director/Board of Commissioners. These Internal Audit activities include: reviewing existing controls; ensuring compliance with internal controls and required regulations; recommending improvements and cost-effective enhancements; maintaining copies of all internal/external review and audit reports; informing management and the Board of Commissioners the results of internal/external reviews and audits; and performing follow-up to ensure appropriate corrective actions are taken regarding the issues noted in the reviews and audits.

The Internal Audit Division also conducts monthly/quarterly Quality Control reviews for the Authority's Mortgage Servicing Division. These reviews are required by the U. S. Department of Housing and Urban Development (HUD) for all Federal Housing Administration (FHA) approved mortgages. Spreadsheets are maintained of both the loan selection criteria and the specific loans reviewed.

The Internal Audit Division consists of an Audit Manager and a part-time Auditor, both of whom are Certified Public Accountants. The Audit Manager reports to the Executive Director and to the Board of Commissioners of the Authority.

The annual financial audit of the Authority for the fiscal year ending June 30, 2006 was conducted by DeLoach & Williamson, L.L.P., Certified Public Accountants, under contract with the South Carolina Office of the State Auditor. This audit resulted in an unqualified (clean) audit opinion with no material weaknesses.

In addition, the Authority is subject to a number of reviews and audits performed by external parties to ensure regulatory/legal compliance.



Annual Report

SC Housing
Trust Fund
FY 2006 – 2007



State Housing
Finance and Development Authority

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The South Carolina Housing Trust Fund is a state funded program designed to provide financial assistance in the development, rehabilitation and acquisition of affordable housing for low-income households throughout the state. This includes single family homes, group homes for the disabled and emergency shelters for battered women and their children. The South Carolina Housing Trust Fund accelerates the state's response to the production of affordable housing through innovative financing used by the non-profit and private sectors. It builds partnerships among governmental entities, qualified non-profits, for-profits and those in need of affordable housing. It strives to maximize the utilization of federal, state and/or other housing assistance programs in leveraging other public and private resources. Applications for the South Carolina Housing Trust Fund are accepted for the following activities: Homeownership Acquisition, Emergency Repair, Owner-Occupied Rehabilitation, Group Homes, Supportive Housing and Rental Housing.

The South Carolina Housing Trust Fund experienced a record year during FY06-07 in terms of numbers and dollar amounts of awards. There were 293 awards made for a total of \$21.5M in funding towards providing affordable housing opportunities for very low and low-income South Carolinians. Other noteworthy accomplishments include the launch of a Replacement Housing pilot program where non-profit housing sponsors identify eligible families with homes in need of replacement and use funds provided through the South Carolina Housing Trust Fund to purchase approved manufactured home models through a network of manufactured housing dealerships for those families in need; the Supportive Housing activity which provides housing for special needs populations, including group housing for handicapped citizens, shelters for the homeless, and transitional housing, was expanded with higher award limits resulting in an increased number of eligible individuals benefiting from this program; and the Owner-Occupied Rehabilitation activity, which is designed to assist very low income homeowners in correcting severe problems with their homes, such as health, safety and structural problems, was also expanded with higher award limits.

The mission of the South Carolina State Housing Finance and Development Authority is to create quality affordable housing opportunities for the citizens of South Carolina through a vision that all South Carolinians have the opportunity to live in safe, decent and affordable housing. The South Carolina Housing Trust Fund is one way in which this mission is being accomplished and this vision is being fulfilled.

SECTION II

THE SOUTH CAROLINA HOUSING TRUST FUND ACT

CREATION OF THE SOUTH CAROLINA HOUSING TRUST FUND

In a bipartisan vote in 1992 the General Assembly passed, and Governor Carroll A. Campbell, Jr. signed the South Carolina Housing Trust Fund Act. This bipartisan support of the General Assembly created the Trust Fund, and has increased the supply of safe, decent, sanitary and affordable housing for members of the lower and very low-income households throughout the Palmetto State.

With passage of the South Carolina Housing Trust Fund Act, the legislature designated a portion of the State documentary stamp tax (an increase of twenty cents per five hundred dollars on real estate sold) to provide the capital for the production of affordable housing in South Carolina. These funds are used to finance affordable rental, homeownership, owner-occupied rehabilitation, shelter, transitional, and group homes for citizens of our state. The South Carolina State Housing Finance and Development Authority's Board of Commissioners deposited \$3 million in the Trust Fund during its initial six months of operation so that housing proposals could be funded immediately. According to the Trust Fund Project, a nationally published Trust Fund periodical, this commitment placed South Carolina among the leaders in the nation in its dedication to the housing needs of our less fortunate citizens.

The legislation designated the State Treasurer as Trustee for the Housing Trust Fund. Former Governor, Carroll A. Campbell, designated the South Carolina State Housing Finance and Development Authority as the Fund's Administrator. The Treasurer holds Trust Fund money separate and distinct from the general funds of the State. The Chairman of the Authority's Board of Commissioners and the Authority's Executive Director must authorize Trust Fund expenditures.

Housing sponsors eligible to apply for Housing Trust Fund awards include units of state, regional, local governments (including municipal corporations), nonprofit housing sponsors, and for-profit housing sponsors. Approved sponsors are required to include twenty (20) year deed restrictions to ensure projects remain affordable for twenty (20) years. Beneficiaries must be low or very low-income to be eligible under the Housing Trust Fund. A lower income household is defined as a single person, family, or unrelated persons living together whose annual income adjusted for household size is more than fifty percent (50%) but less than eighty percent (80%) of the median income for the area of residence as determined by the United States Department of Housing and Urban Development (HUD). A very low income household is defined as a single person, family, or unrelated persons living together whose annual income adjusted for household size is fifty percent (50%) or less of the median income for the area of residence as determined by the United States Department of Housing and Urban Development (HUD).

The Housing Trust Fund can assist in the acquisition, creation and/or preservation of affordable housing for persons of the beneficiary class. Maximizing federal housing assistance programs and leveraging other public and private resources while creating partnerships that will strengthen the affordable housing capacity for South Carolina for years to come are encouraged by the Housing Trust Fund.

The Board of Commissioners of the South Carolina State Housing Finance and Development Authority must give final approval to any proposal submitted to the Trust Fund. The Board members during this annual report period were as follows:

Mr. Charles I. Small, Chairman, Columbia
Mr. Clente Flemming, Vice-Chairman, Columbia
Mr. Eddie C. Bines, Charleston
Mr. Samuel Howell, IV, Esquire, Charleston
Mr. Carlisle Roberts, Jr., Columbia
Mr. Robert Mickle, Jr., Columbia
Ms. Brenda Lee Martin, Seneca
Ms. Frances B. Gilbert, Conway
Mr. Christopher B. Fraser, Charleston

HOMEOWNERSHIP ACTIVITY

The Homeownership Activity under the Housing Trust Fund program is designed to assist low-to-moderate income citizens in becoming homeowners. By providing aid in covering some or all of the expense of down payment and closing costs, more citizens will be able to purchase a home. For FY07, the Housing Trust Fund (HTF) program awarded \$3,907,250.00, a 16.24% increase over FY06, and assisted 279 families, a 19.23% increase over FY06, under the this activity.

TABLE 1 HOMEOWNERSHIP ACTIVITY

Housing Sponsor	County	Project Class	Total Families Assisted	Total Award Amount
Aiken County Habitat for Humanity	Aiken	Acquisition	3	\$34,500.00
Allendale County ALIVE	Barnwell	Acquisition	7	\$80,500.00
Blackville Community Development Corporation (CDC)	Barnwell	Acquisition	2	\$23,000.00
Central South Carolina Habitat for Humanity	Richland	Acquisition	6	\$69,000.00
Charleston Area CDC	Berkeley	Acquisition	9	\$153,500.00
Charleston Area CDC	Charleston	Acquisition	14	\$307,000.00
Charleston Bank Consortium	Charleston	Acquisition	14	\$300,500.00
Clafin University CDC	Orangeburg	Acquisition	3	\$34,500.00
Community Assistance Provider	Richland	Acquisition	1	\$11,500.00
Dorchester Habitat for Humanity	Dorchester	New Construction	12	\$139,250.00
Edisto Habitat for Humanity, Inc.	Orangeburg	Acquisition	3	\$33,000.00
Family Services	Berkeley	Acquisition	8	\$161,000.00
Family Services	Charleston	Acquisition	8	\$161,000.00
Habitat for Humanity of Cherokee County	Cherokee	Acquisition	2	\$23,000.00
Habitat for Humanity of Georgetown County	Georgetown	Acquisition	4	\$46,000.00
Habitat for Humanity of Greenville County	Greenville	Acquisition	7	\$80,500.00
Habitat for Humanity of Greenville County	Greenville	New Construction	7	\$80,500.00
Habitat for Humanity of Horry County, Inc.	Horry	Acquisition	2	\$23,000.00
Habitat for Humanity of Kershaw County	Kershaw	Acquisition	2	\$20,000.00
Habitat for Humanity of Spartanburg, Inc.	Spartanburg	Acquisition	4	\$46,000.00
Hilton Head Regional Habitat for Humanity	Beaufort	Acquisition	5	\$107,500.00
Housing Development Corporation of Rock Hill	York	Acquisition	7	\$80,500.00
Jenkins Hill CDC	Dorchester	Acquisition	4	\$46,000.00
LowCountry CDC	Beaufort	Acquisition	8	\$172,000.00
Lowcountry Habitat for Humanity	Beaufort	Acquisition	3	\$64,500.00
Lowcountry Housing & Economic Dev. Foundation, Inc.	Charleston	Acquisition	7	\$150,000.00
Northeastern Corridor of Orangeburg CDC	Orangeburg	Acquisition	7	\$77,000.00
Oconee County Habitat for Humanity	Oconee	Acquisition	6	\$60,000.00
OIKOS Community Development, Inc.	Lexington	Acquisition	7	\$80,500.00
OIKOS Community Development, Inc.	Richland	Acquisition	4	\$46,000.00
Pee Dee Community Action Partnership	Florence	Acquisition	7	\$80,500.00
Pickens County Habitat for Humanity	Pickens	Acquisition	5	\$57,500.00
Santee Lynches Affordable Housing and CDC	Clarendon	Acquisition	7	\$80,500.00
Sea Island Habitat for Humanity	Charleston	New Construction	7	\$160,000.00
Soteria World Outreach Ministries	Greenville	Acquisition	17	\$127,500.00
Southern Carolina Regional CDC	Bamberg	Acquisition	4	\$46,000.00
Spartanburg Housing Authority	Spartanburg	Acquisition	14	\$161,000.00
Spartanburg Housing Authority Development, Inc.	Spartanburg	Acquisition	14	\$161,000.00
Spartanburg Leased Housing Corporation	Spartanburg	Acquisition	7	\$80,500.00
Spartanburg Residential Development Corporation	Spartanburg	Acquisition	6	\$69,000.00
Sumter County CDC	Sumter	Acquisition	4	\$46,000.00
Victory Plus, Inc.	Greenville	Acquisition	11	\$126,500.00
Total			279	\$3,907,250.00

OWNER-OCCUPIED REHABILITATION ACTIVITY

The Owner-Occupied Rehabilitation Activity under the HTF program is designed to assist very low-income homeowners in correcting severe problems with their homes. The purpose of the funds is to correct health, safety and structural problems with the properties, not just to improve the property's cosmetic appearance. Emergency Repair means required repairs to owner-occupied units that are necessary to eliminate a clear and present danger to the occupants. For FY07, the HTF program awarded \$8,485,718.35, a 26.54% increase over FY06, and assisted 526 families, a 9.13% increase over FY06, under this activity.

TABLE 2 OWNER-OCCUPIED REHABILITATION ACTIVITY

Housing Sponsor	County	Project Class	Total Families Assisted	Total Award Amount
Allen Temple Community Economic Development Corp.	Greenville	Rehabilitation	4	\$89,000.00
Allendale County ALIVE	Allendale	Emergency	18	\$111,350.00
Allendale County ALIVE	Allendale	Rehabilitation	16	\$311,500.00
Alphons and Ruth Vink Foundation	Chester	Rehabilitation	8	\$155,750.00
Ames Road Community Educ. and Housing Dev. Org.	Fairfield	Emergency	1	\$6,500.00
Ames Road Community Educ. and Housing Dev. Org.	Fairfield	Rehabilitation	8	\$155,750.00
Ames Road Community Educ. and Housing Dev. Org.	Jenkinsville	Emergency	1	\$6,500.00
Ames Road Community Educ. and Housing Dev. Org.	Lexington	Emergency	2	\$13,000.00
Ames Road Community Educ. and Housing Dev. Org.	Richland	Emergency	7	\$45,500.00
Ames Road Community Educ. and Housing Dev. Org.	Richland	Rehabilitation	8	\$155,750.00
Beaufort-Jasper Economic Opportunity Commission	Beaufort	Emergency	6	\$37,950.00
Beaufort-Jasper Economic Opportunity Commission	Beaufort	Rehabilitation	8	\$155,750.00
Blackville Community Development Corporation (CDC)	Barnwell	Rehabilitation	8	\$155,750.00
Brookland West-Columbia Community & Housing Dev. Corp.	Lexington	Rehabilitation	8	\$155,750.00
Camden First CDC	Kershaw	Rehabilitation	8	\$155,750.00
Carolina Communities Foundation, Inc.	Barnwell	Rehabilitation	16	\$311,500.00
Chesterfield-Marlboro Economic Opportunity Council, Inc.	Marlboro	Emergency	1	\$5,800.00
City of Sumter Housing & Economic Dev. Corporation	Sumter	Rehabilitation	4	\$89,000.00
Clafin University CDC	Orangeburg	Rehabilitation	12	\$244,750.00
Community Assistance Provider	Chester	Emergency	1	\$6,440.00
Community Assistance Provider	Fairfield	Emergency	2	\$13,000.00
Community Assistance Provider	Kershaw	Emergency	1	\$6,500.00
Community Assistance Provider	Lexington	Emergency	3	\$19,390.00
Community Assistance Provider	Richland	Emergency	8	\$51,835.00
Community Assistance Provider	Richland	Rehabilitation	16	\$311,500.00
Community Development Corporation of Marlboro County	Marlboro	Rehabilitation	5	\$111,250.00
Community Development Corporation of Marlboro County	Marlboro	Emergency	8	\$48,400.00
Community Development Corporation of Marlboro County	Marlboro	Rehabilitation	9	\$143,838.00
Darlington County Habitat for Humanity	Darlington	Rehabilitation	4	\$89,000.00
East Bluff Community Organization	Richland	Rehabilitation	8	\$155,750.00
Grand Strand Housing and CDC	Horry	Rehabilitation	2	\$44,500.00
Higher Grounds CDC	Aiken	Emergency	1	\$6,500.00
Higher Grounds CDC	Allendale	Emergency	1	\$6,500.00
Higher Grounds CDC	Bamberg	Emergency	2	\$11,500.00
Higher Grounds CDC	Barnwell	Emergency	13	\$84,489.10
Higher Grounds CDC	Barnwell	Rehabilitation	5	\$109,783.00
Higher Grounds CDC	Hampton	Emergency	1	\$6,500.00
Higher Grounds CDC	Orangeburg	Emergency	1	\$6,500.00
Home Rehabilitation of Cherokee County	Cherokee	Emergency	2	\$9,677.00
Home Rehabilitation of Cherokee County	Cherokee	Rehabilitation	8	\$155,750.00
Homes of Hope, Inc.	Greenville	Emergency	1	\$4,000.00
Homes of Hope, Inc.	Greenville	Rehabilitation	8	\$155,750.00
Housing Development Corporation of Rock Hill	York	Emergency	1	\$6,500.00
Housing Development Corporation of Rock Hill	York	Rehabilitation	8	\$155,750.00
Kennedy CDC	Fairfield	Rehabilitation	6	\$46,000.00
Laurens County Disabilities and Special Needs Board	Laurens	Rehabilitation	2	\$44,500.00
LowCountry CDC	Beaufort	Rehabilitation	8	\$155,750.00

TABLE 2 OWNER-OCCUPIED REHABILITATION ACTIVITY (CONTINUED)

Housing Sponsor	County	Project Class	Total Families Assisted	Total Award Amount
Lowcountry Habitat for Humanity	Beaufort	Rehabilitation	2	\$23,000.00
Lowcountry Housing & Economic Dev. Foundation, Inc.	Charleston	Rehabilitation	8	\$155,750.00
Lynchburg CDC	Lee	Emergency	4	\$23,900.00
Lynchburg CDC	Lee	Rehabilitation	16	\$311,500.00
Metanoia CDC	Charleston	Rehabilitation	3	\$61,000.00
Morningside Community Development Association, Inc.	Anderson	Rehabilitation	8	\$155,750.00
Northeastern Corridor of Orangeburg CDC	Calhoun	Emergency	1	\$6,500.00
Northeastern Corridor of Orangeburg CDC	Orangeburg	Emergency	14	\$90,794.00
Northeastern Corridor of Orangeburg CDC	Orangeburg	Rehabilitation	16	\$311,500.00
OIKOS Community Development, Inc.	Lexington	Emergency	1	\$5,810.00
OIKOS Community Development, Inc.	Lexington	Rehabilitation	16	\$311,500.00
OIKOS Community Development, Inc.	Richland	Emergency	1	\$5,487.00
OIKOS Community Development, Inc.	Saluda	Emergency	1	\$6,484.00
Palmland Community Development Foundation	Richland	Emergency	1	\$6,025.00
Palmland Community Development Foundation	Richland	Rehabilitation	2	\$27,250.00
Pee Dee Community Action Partnership	Marion	Emergency	2	\$11,600.00
Phoenix CDC	Orangeburg	Rehabilitation	4	\$69,000.00
Preservation Trust of Spartanburg, Inc.	Spartanburg	Rehabilitation	8	\$155,750.00
Rural Initiatives	Barnwell	Rehabilitation	16	\$311,500.00
Santee Electric Trust Operation Round Up	Williamsburg	Rehabilitation	2	\$44,500.00
Santee Lynches Affordable Housing and CDC	Sumter	Rehabilitation	8	\$155,750.00
Santee-Lynches Regional Council of Governments	Sumter	Rehabilitation	8	\$155,750.00
Scott's Branch 76 Foundation	Clarendon	Emergency	1	\$4,573.57
Scott's Branch 76 Foundation	Clarendon	Rehabilitation	4	\$66,000.00
Southeastern Housing Foundation	Barnwell	Rehabilitation	4	\$69,000.00
Southern Carolina Regional CDC	Bamberg	Rehabilitation	8	\$155,750.00
Spartanburg Housing Authority	Spartanburg	Rehabilitation	8	\$161,000.00
Spartanburg Housing Authority Development, Inc.	Spartanburg	Rehabilitation	8	\$155,750.00
Spartanburg Leased Housing Corporation	Spartanburg	Rehabilitation	8	\$155,750.00
Sumter County CDC	Lee	Emergency	1	\$3,985.00
Sumter County CDC	Sumter	Emergency	14	\$85,570.00
Sumter County CDC	Sumter	Rehabilitation	8	\$155,750.00
United Methodist Relief Center	Berkeley	Rehabilitation	8	\$155,750.00
United Way of Kershaw County	Kershaw	Rehabilitation	3	\$62,900.00
Unity Unlimited Services, Inc.	Florence	Rehabilitation	8	\$155,750.00
Upstate Homeless Coalition of South Carolina	Greenville	Rehabilitation	4	\$46,000.00
Victory Plus, Inc.	Greenville	Rehabilitation	2	\$46,000.00
Waccamaw Regional Council of Government	Georgetown	Rehabilitation	4	\$89,000.00
Wateree Community Actions, Inc.	Clarendon	Emergency	2	\$12,952.42
Wateree Community Actions, Inc.	Florence	Emergency	1	\$6,500.00
Wateree Community Actions, Inc.	Marion	Emergency	1	\$6,435.26
Wateree Community Actions, Inc.	Sumter	Rehabilitation	8	\$155,750.00
Total			526	\$8,485,718.35

SUPPORTIVE HOUSING ACTIVITY

The Supportive Housing Activity under the HTF program is designed to assist Sponsors in creating shelters, transitional housing, and group homes to provide housing for very low-income citizens. These projects always include funding from other sources to provide needed services to the residents. For FY07, the HTF program awarded \$3,069,763.65, a 29.61% increase over FY06, and assisted 185 families, a 41.22% increase over FY06, under this activity.

TABLE 3 SUPPORTIVE HOUSING ACTIVITY

Housing Sponsor	County	Project Class	Total Families Assisted	Total Award Amount
Anderson County DSN Board	Anderson	Acquisition-Rehab	4	\$69,240.00
ARC of Dorchester County	Dorchester	Acquisition-Rehab	4	\$75,000.00
ARC of Dorchester County	Summerville	Acquisition-Rehab	4	\$71,975.00
Berkeley Citizens, Inc.	Berkeley	Acquisition-Rehab	8	\$150,000.00
Burton Center for Disabilities and Special Needs	Greenwood	Acquisition-Rehab	4	\$75,000.00
Burton Center for Disabilities and Special Needs	Lexington	Acquisition-Rehab	4	\$75,000.00
Chesterfield County Board of Disabilities and Special Needs	Richland	Acquisition-Rehab	4	\$67,150.00
Disabilities Board of Charleston County	Charleston	Acquisition-Rehab	10	\$300,000.00
Empowered Personal Care Home Health Alliance	Sumter	Acquisition-Rehab	42	\$300,000.00
Florence County DSN Board, Inc.	Florence	Acquisition-Rehab	4	\$63,875.00
Greenville County Disabilities and Special Needs Board	Greenville	Acquisition-Rehab	8	\$146,000.00
Homes of Hope, Inc.	Greenville	Acquisition-Rehab	4	\$224,745.65
Lee County Disabilities and Special Needs Board, Inc.	Lee	Acquisition	4	\$70,842.00
Lee County Disabilities and Special Needs Board, Inc.	Lee	Acquisition-Rehab	4	\$64,587.00
Marlboro County Disabilities & Special Needs Board	Marlboro	Acquisition-Rehab	4	\$73,000.00
NAMI Beaufort Co.	Beaufort	Acquisition	5	\$238,250.00
Palmetto Place Children's Emergency Shelter	Richland	Rehabilitation	12	\$75,000.00
Pee Dee Community Action Partnership	Florence	Rehabilitation	20	\$270,699.00
The Charles Lea Center, Inc.	Charleston	Acquisition-Rehab	4	\$75,000.00
The Charles Lea Center, Inc.	Spartanburg	Acquisition-Rehab	16	\$296,750.00
Tri-Development Center of Aiken County, Inc.	Aiken	Acquisition-Rehab	12	\$212,650.00
York County Board of Disabilities and Special Needs	York	Acquisition-Rehab	4	\$75,000.00
Total			185	\$3,069,763.65

RENTAL HOUSING ACTIVITY

The Rental Housing Activity under the HTF program is designed to assist Sponsors in building, acquiring, and rehabilitating rental properties to provide housing for very low-income and low-income citizens. For FY07, the HTF program awarded \$6,081,226.00, a 5.59% increase over FY06, and assisted 235 families, a 9.30% increase over FY06, under this activity.

TABLE 4 RENTAL HOUSING ACTIVITY

Housing Sponsor	County	Project Class	Total Families Assisted	Total Award Amount
Aldersgate Special Needs Ministry, Inc.	Orangeburg	New Construction	7	\$75,000.00
Allen Temple Community Eco. Dev. Corp.	Greenville	New Construction	8	\$400,000.00
Allendale County ALIVE	Allendale	Acquisition-Rehab	9	\$300,000.00
Antioch Housing Corporation	Greenville	New Construction	6	\$270,000.00
Charleston Bank Consortium	Charleston	Rehabilitation	4	\$218,500.00
Clover Home I, LLC	York	New Construction	10	\$300,000.00
Clover Home II, LLC	York	New Construction	10	\$300,000.00
Clover Home III, LLC	York	New Construction	10	\$300,000.00
Coastal Rescue Mission, Inc.	Horry	Acquisition-Rehab	6	\$300,000.00
Greenwood Mental Health Association, Inc.	Greenwood	New Construction	8	\$147,065.00
Growing Home Southeast, Inc.	Lexington	New Construction	12	\$377,200.00
Home Alliance, Inc	Horry	New Construction	25	\$300,000.00
Homes of Hope, Inc.	Greenville	New Construction	12	\$481,155.00
Homes of Hope, Inc.	Greenville	Rehabilitation	6	\$44,993.00
Jubilation House, Inc.	Horry	New Construction	50	\$300,000.00
LowCountry Housing & Redevelopment Corporation	Beaufort	New Construction	6	\$300,000.00
Pee Dee Housing Development Corporation	Florence	New Construction	8	\$265,450.00
Santee Lynches Affordable Housing and CDC	Orangeburg	New Construction	2	\$96,900.00
Santee Lynches Affordable Housing and CDC	Williamsburg	New Construction	6	\$370,368.00
Toolbox, Inc.	Lexington	Acquisition	1	\$27,250.00
Upstate Homeless Coalition of South Carolina	Greenville	Acquisition	8	\$120,750.00
Upstate Homeless Coalition of South Carolina	Greenville	New Construction	5	\$286,595.00
York County Christian Community Development	York	Acquisition-Rehab	16	\$500,000.00
Total			235	\$6,081,226.00

SECTION IV PERFORMANCE MEASUREMENT AND HISTORICAL ACTIVITY

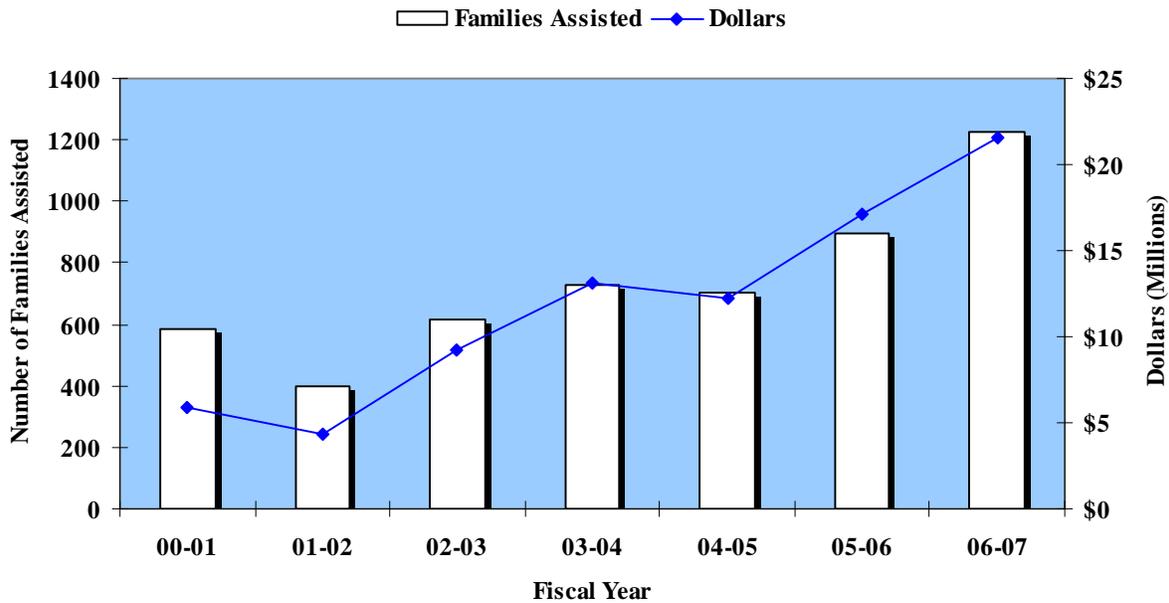
The South Carolina Housing Trust Fund provides an important resource for affordable rental housing and homeownership opportunities for low income South Carolinians by funding the acquisition or construction of single family homes, group homes for the disabled and emergency shelters for battered women and their children. The Fund also provides single room occupancy apartments for the working homeless and disabled veterans; multifamily rental apartments for single parent households, families and the elderly. All of this is accomplished by building partnerships among government agencies, qualified nonprofit sponsors, for-profit sponsors and those in need of affordable housing.

TABLE 5 PERFORMANCE MEASURES WITH SUBSEQUENT RESULTS

Program or Support Area	Measure	Value		
		FY04-05	FY05-06	FY06-07
Housing Trust Fund	Number of Awards	171	165	293
	Dollar Value of Awards	\$12,275,119.00	\$17,125,183.00	\$21,543,958.00
	Number of Units	700	893	1,225
	Percent of Budget Awarded	36.40%	85.63%	105.57%
	Dollar Awards Per FTEs	\$1,022,927.00	\$2,140,648.00	\$4,308,792.00

Housing Trust Fund awards were made throughout the state with a total of 165 awards for \$17.1M in FY05-06 and 293 awards for \$21.5M in FY06-07. This represents an increase in total award amounts of 25.8%. See Table 5 and Graph 1.

GRAPH 1 HOUSING TRUST FUND PROGRAM AWARD ACTIVITY



A decrease in awards funding occurred in 2002 in an effort to restrict awards to ensure that the South Carolina Housing Trust Fund did not become depleted, as the revenue source for the fund is economy-driven based on real estate transfers and anticipated income for this year was less than originally expected. Reliance on economy-driven proceeds can be a significant complication. It creates an unpredictable fluctuation in award activity because the amount of underlying proceeds is unpredictable. FY06-07 was a successful year for the South Carolina Housing Trust Fund, however, there is not a guarantee from year to year.

TABLE 6 HOUSING TRUST FUND PROGRAM AWARD ACTIVITY

FY	Dollars Awarded	Families Assisted	Dollars Per Unit	Dollars Per FTE
00-01	\$5,834,487	585	\$9,973	\$486,207
01-02	\$4,318,595	396	\$10,906	\$359,883
02-03	\$9,258,977	617	\$15,006	\$771,581
03-04	\$13,076,447	730	\$17,913	\$1,089,704
04-05	\$12,275,119	700	\$17,536	\$1,022,927
05-06	\$17,125,183	893	\$19,177	\$2,140,648
06-07	\$21,543,958	1225	\$17,587	\$4,308,792



South Carolina

STATE HOUSING

Finance and Development Authority

October 16, 2007

Division: Chairman

Subject: Oral Report

To be presented at the meeting.



Division: Executive Director

Subject: Oral Report

To be presented at the meeting.



Division: Deputy Director for Programs

Subject: Oral Report



Division: Deputy Director for Administration

Subject: Oral Report

Homeownership Monthly Status Reports



South Carolina
STATE HOUSING
Finance and Development Authority

Homeownership

October 16, 2007 Board Meeting

The following Homeownership Division monthly status reports as of September 30, 2007 are presented for information:

- Monthly Loan Purchase Statistics
- Fiscal YTD Loan Purchase Statistics
- Month by Month Comparisons of Loans Purchased and Loans Paid Off
- Community Homeownership Opportunity Program (CHOP)
- Monthly Portfolio Statistics
- Fiscal YTD Portfolio Statistics
- Delinquency Statistics

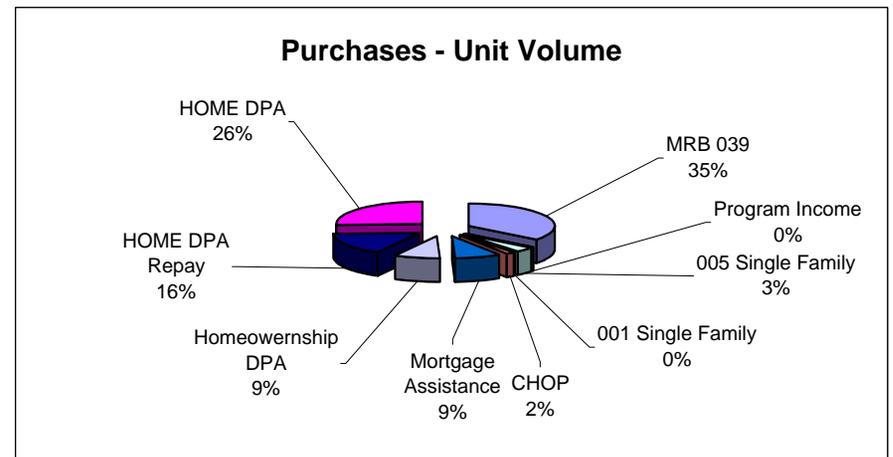
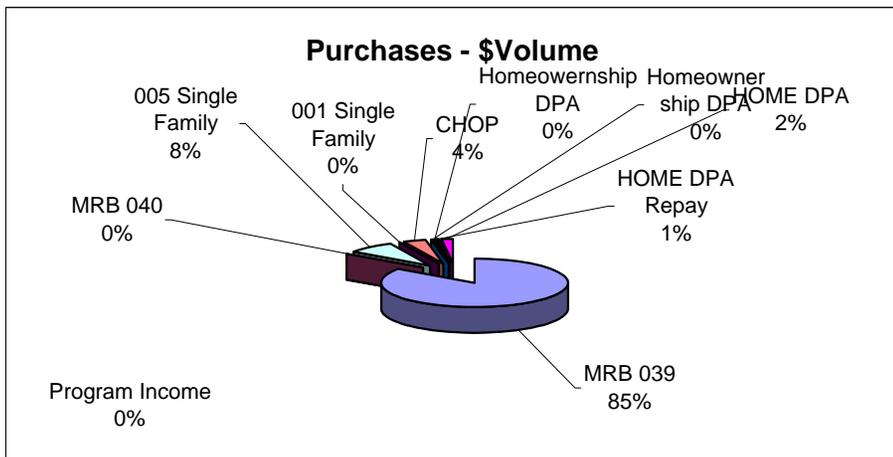
Monthly Loan Purchase Statistics

September-07

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 039	\$100,928	\$33,147	\$27,915,905	(\$8,371,045)	83	\$0	\$0	\$19,544,860	(\$18,641,124)	\$903,736
MRB 040	\$0	\$0	\$82,357,475	\$0	0	\$0	\$0	\$82,357,475	(\$4,569,088)	\$77,788,387
Program Income	\$139,600	\$30,726	\$5,396	\$0	0	\$0	\$0	\$5,396	\$0	\$5,396
005 Single Family	\$102,329	\$33,516	\$20,000,000	(\$818,629)	8	\$0	\$0	\$19,181,371	(\$18,919,668)	\$261,703
001 Single Family	\$105,000	\$32,556	\$1,712,710	\$0	0	\$0	\$0	\$1,712,710	\$0	\$1,712,710
CHOP	\$99,614	\$29,194	\$717,302	(\$397,630)	4	\$0	\$0	\$319,672	(\$285,400)	\$34,272
Mortgage Assistance	\$2,000	\$44,227	\$2,137,697	(\$40,000)	20	\$0	\$2,800	\$2,100,497	(\$295,000)	\$1,805,497
Homeownership DPA	\$0	\$0	\$12,400	\$0	20	\$0	\$0	\$12,400	\$0	\$12,400
HOME DPA Repay	\$2,000	\$30,535	\$1,009,022	(\$76,000)	38	\$0	\$0	\$933,022	(\$456,000)	\$477,022
HOME DPA	\$3,000	\$26,481	\$780,269	(\$180,000)	60	\$0	\$6,734	\$607,003	(\$345,000)	\$262,003
Home Voucher DPA	\$0	\$0	\$7,700	\$0	0	\$0	\$0	\$7,700	(\$6,000)	\$1,700
TOTAL All Sources			\$136,655,876	(\$9,883,303)	233	\$0	\$9,534	\$126,782,107	(\$43,517,280)	\$83,264,827

Broker Program Loan Purchase Statistics

Sep-07				
	Volume	% of Total	Units	% of Total
First Mortgage	\$3,403,588	35.5%	38	40.0%
Mortgage Assistance	\$20,000	50.0%	10	50.0%
HOME DPA REPAY	\$30,000	39.5%	15	39.5%
HOME DPA	\$77,000	41.6%	25	42.7%
TOTAL All Sources	\$3,530,588	35.7%	88	41.3%

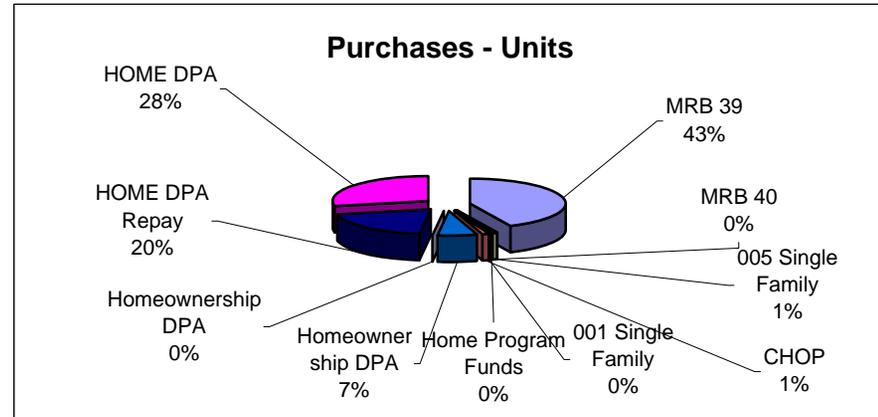
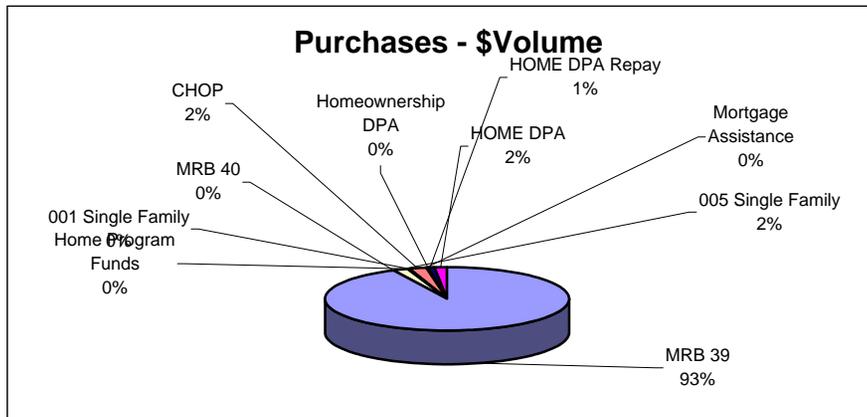


Fiscal YTD Loan Purchase Statistics

July 1, 2007 Through September 30, 2007

Funding Source	Beginning Fund Balance (Allocated)	Purchases		New Fund Allocations	Recycled Funds	Ending Balance	Outstanding Reservations	Unreserved Balance
		Volume	Units					
MRB 39	\$58,515,987	(\$38,971,127)	381	\$0	\$0	\$19,544,860	(\$18,641,124)	\$903,736
MRB 40	\$82,357,475	\$0	0	\$0	\$0	\$82,357,475	(\$4,569,088)	\$77,788,387
005 Single Family	\$20,000,000	(\$818,629)	8	\$0	\$0	\$19,181,371	(\$18,919,668)	\$261,703
Home Program Funds	\$144,996	(\$139,600)	1	\$0	\$0	\$5,396	\$0	\$5,396
001 Single Family	\$1,712,710	\$0	0	\$0	\$0	\$1,712,710	\$0	\$1,712,710
CHOP	\$1,317,201	(\$997,529)	11	\$0	\$0	\$319,672	(\$285,400)	\$34,272
Mortgage Assistance	\$2,213,697	(\$116,000)	58	\$0	\$2,800	\$2,100,497	(\$295,000)	\$1,805,497
Homeownership DPA	\$14,400	(\$2,000)	1	\$0	\$0	\$12,400	\$0	\$12,400
HOME DPA Repay	\$1,279,022	(\$346,000)	173	\$0	\$0	\$933,022	(\$456,000)	\$477,022
HOME DPA	\$1,256,669	(\$669,000)	251	\$0	\$19,334	\$607,003	(\$345,000)	\$262,003
HOME Voucher DPA	\$31,500	(\$23,800)	3	\$0	\$0	\$7,700	(\$6,000)	\$1,700
TOTAL All Sources	\$168,843,657	(\$42,083,685)	887	\$0	\$22,134	\$126,782,106	(\$43,517,280)	\$83,264,826

MRB Series Unreserved Balances	
MRB 039	\$903,736
MRB 040	\$77,788,387
Other Funds	\$5,396
TOTAL	\$78,697,519

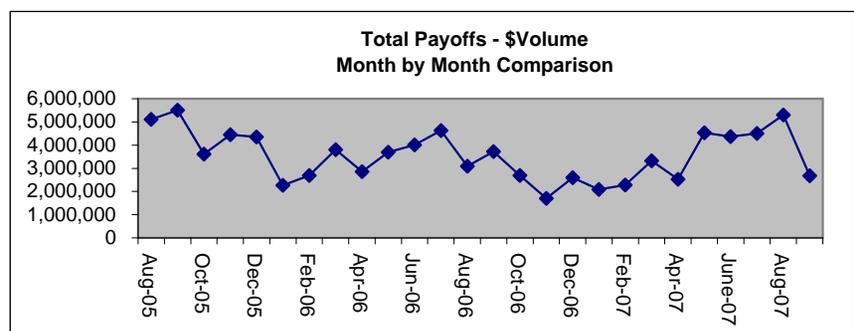
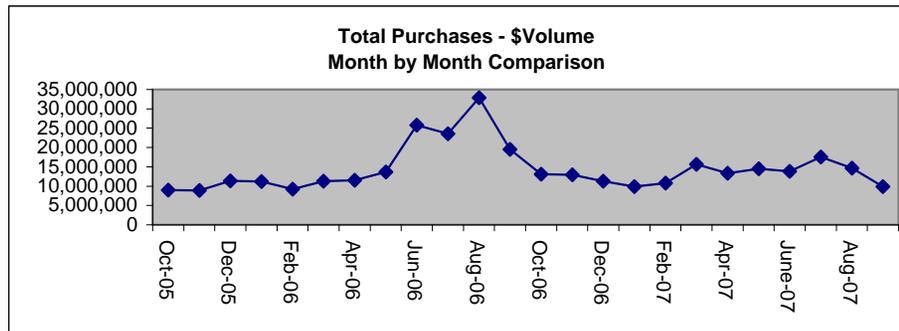


Total Portfolio Loan Purchases and Payoffs

Month by Month Comparison

PURCHASES						
	First Mortgage		Second Mortgage		Total	
Aug-05	5,266,429	54	144,000	65	5,410,429	119
Sep-05	11,733,914	124	359,000	150	12,092,914	274
Oct-05	8,724,947	89	223,000	102	8,947,947	191
Nov-05	8,717,652	97	214,000	102	8,931,652	199
Dec-05	11,148,312	111	245,500	120	11,393,812	231
Jan-06	10,964,727	108	237,000	116	11,201,727	224
Feb-06	9,011,897	92	222,000	104	9,233,897	196
Mar-06	11,063,121	112	233,500	112	11,296,621	224
Apr-06	11,281,612	108	262,000	128	11,543,612	236
May-06	13,381,783	133	292,000	142	13,673,783	275
Jun-06	25,267,632	247	510,000	248	25,777,632	495
Jul-06	23,077,921	221	443,000	218	23,520,921	439
Aug-06	32,254,666	303	636,871	309	32,891,537	612
Sep-06	19,201,341	179	329,000	158	19,530,341	337
Oct-06	12,833,326	118	245,000	115	13,078,326	233
Nov-06	12,606,254	131	311,000	141	12,917,254	272
Dec-06	11,063,727	100	231,000	110	11,294,727	210
Jan-07	9,722,409	91	194,000	91	9,916,409	182
Feb-07	10,578,147	103	233,000	109	10,811,147	212
Mar-07	15,303,714	146	351,000	162	15,654,714	308
Apr-07	12,997,364	128	316,000	152	13,313,364	280
May-07	14,131,431	139	354,000	155	14,485,431	294
June-07	13,480,700	132	371,000	157	13,851,700	289
July-07	17,101,225	164	446,000	186	17,547,225	350
Aug-07	14,238,357	142	414,800	182	14,653,157	324
Sep-07	9,587,303	95	296,000	118	9,883,303	213

PAYOFFS						
	First Mortgage		Second Mortgage		Total	
Aug-05	5,072,693	110	38,146	44	5,110,839	154
Sep-05	5,454,066	103	45,599	51	5,499,665	154
Oct-05	3,579,749	70	29,124	35	3,608,873	105
Nov-05	4,412,524	85	37,489	44	4,450,013	129
Dec-05	4,290,963	77	61,356	54	4,352,319	131
Jan-06	2,240,436	43	27,477	42	2,267,913	85
Feb-06	2,665,713	58	20,935	34	2,686,648	92
Mar-06	3,751,920	76	50,286	60	3,802,206	136
Apr-06	2,804,431	53	55,983	40	2,860,414	93
May-06	3,657,996	62	37,038	45	3,695,034	107
Jun-06	3,965,242	70	50,071	46	4,015,313	116
Jul-06	4,564,001	79	56,463	52	4,620,464	131
Aug-06	3,049,235	56	45,212	44	3,094,448	100
Sep-06	3,693,554	78	30,399	40	3,723,953	118
Oct-06	2,668,454	47	28,662	29	2,697,116	76
Nov-06	1,677,202	33	29,421	41	1,706,623	74
Dec-06	2,576,012	50	20,933	20	2,596,945	70
Jan-07	2,072,745	38	15,950	7	2,088,695	45
Feb-07	2,244,284	41	34,847	42	2,279,131	83
Mar-07	3,265,066	64	58,716	61	3,323,782	125
Apr-07	2,494,164	45	26,957	32	2,521,121	77
May-07	4,499,097	71	38,072	58	4,537,170	129
June-07	4,305,584	74	62,970	61	4,368,554	135
July-07	4,439,734	75	64,358	59	4,504,092	134
Aug-07	5,226,823	84	67,029	65	5,293,852	149
Sep-07	2,636,782	40	38,814	52	2,675,596	92



Community Homeownership Opportunity Program

Through September 30, 2007

Program	Carry Forward	Reserved	Purchased	Expired & New Allocation	Balance	Expires
Aiken Housing Authority	2,010,012		(2,010,012)	0	0	
Spartanburg Hsg. Authority	1,627,697	(96,000)	(1,531,697)	0	0	
Greenville County Redevelopment	1,499,992	(95,300)	(1,404,692)	0	0	
Greenville Housing Authority	862,048	(94,100)	(767,948)	0	0	
Unallocated Funds	34,272					
Totals:	6,034,021	(285,400)	(5,714,349)	0	34,272	

Monthly Portfolio Statistics

Month Ending September 2007

Total Portfolio

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	\$9,587,303	95	(\$2,636,782)	(40)	(\$218,992)	(3)	\$6,731,529	52	\$739,744,574	10,478
Second Mortgage	\$296,000	118	(\$38,814)	(52)	(\$3,855)	(4)	\$253,330	62	\$10,442,903	5,828
Other	\$0	0					\$0	0	\$0	0
TOTAL	\$9,883,303	213	(\$2,675,596)	(92)	(\$222,847)	(7)	\$6,984,859	114	\$750,187,477	16,306

In-House Servicing

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	\$8,972,823	89	(\$2,461,013)	(33)	(\$218,992)	(3)	\$6,292,818	53	\$684,288,270	9,085
Second Mortgage	\$296,000	118	(\$38,814)	(52)	(\$3,855)	(4)	\$253,331	62	10,442,903	5,828
Other	\$0	0					\$0	0	\$0	0
TOTAL	\$9,268,823	207	(\$2,499,827)	(85)	(\$222,847)	(7)	\$6,546,149	115	\$694,731,174	14,913

YTD Portfolio Statistics

July 1, 2007 Through June 30,2008

Total Portfolio

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	\$40,926,885	401	(\$12,301,340)	(198)	(\$956,565)	(14)	\$27,668,981	189	\$739,744,574	10,478
Second Mortgage	\$1,156,800	486	(\$172,201)	(177)	(\$8,238)	(8)	\$976,361	301	\$10,442,903	5,828
Other	\$0	0					\$0	0	\$0	0
TOTAL	\$42,083,685	887	(\$12,473,541)	(375)	(\$964,803)	(22)	\$28,645,342	490	\$750,187,477	16,306

In-House Servicing

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	\$39,110,508	384	(\$11,304,229)	(164)	(\$939,376)	(13)	\$26,866,903	207	\$684,288,270	9,085
Second Mortgage	\$1,156,800	486	(\$172,201)	(177)	(\$8,238)	(8)	\$976,361	301	10,442,903	5,828
Other	\$0	0					\$0	0	\$0	0
TOTAL	\$40,267,308	870	(\$11,476,430)	(341)	(\$947,614)	(21)	\$27,843,264	508	\$694,731,174	14,913

DELINQUENCY REPORT

			<u>60 Day</u>			<u>90 Day</u>			<u>Foreclosures</u>			<u>Bankruptcies</u>		
			<i>SCSHFDA (Monthly)</i>	<i>SCSHFDA (Quarterly)</i>	<i>MBA (Quarterly)</i>	<i>SCSHFDA (Monthly)</i>	<i>SCSHFDA (Quarterly)</i>	<i>MBA (Quarterly)</i>	<i>SCSHFDA (Monthly)</i>	<i>SCSHFDA (Quarterly)</i>	<i>MBA</i>	<i>SCSHFDA (Monthly)</i>	<i>SCSHFDA (Quarterly)</i>	<i>MBA</i>
2006	Jul-06	Q. 3 2006	1.74	1.75	2.33	0.80	0.81	3.32	1.87	1.67	2.54	2.42	2.27	N/A
	Aug-06		1.56			0.90			1.59			2.27		
	Sep-06		1.96			0.74			1.56			2.13		
	Oct-06	Q. 4 2006	1.88	2.10	2.76	0.81	1.03	3.53	1.45	1.28	2.53	2.06	2.03	N/A
	Nov-06		2.17			1.03			1.24			2.02		
	Dec-06		2.25			1.24			1.14			2.00		
2007	Jan-07	Q. 1 2007	1.91	1.45	1.83	1.12	0.95	3.27	1.13	1.16	2.52	1.95	1.95	N/A
	Feb-07		0.97			0.94			1.35			1.99		
	Mar-07		1.47			0.79			1.00			1.92		
	Apr-07	Q. 2 2007	2.00	2.21	2.24	0.90	1.08	2.99	1.10	1.02	2.54	1.90	1.81	N/A
	May-07		2.23			1.14			0.99			1.76		
	Jun-07		2.39			1.19			0.97			1.76		
	Jul-07	Q. 3 2007	2.28	2.49	N/A	1.36	1.41	N/A	1.07	1.20	N/A	1.70	1.63	N/A
	Aug-07		2.41			1.26			1.23			1.61		
	Sep-07		2.77			1.60			1.31			1.59		



Division: **Human Resources**

Subject: **Human Resources Update**

Total Authorized Permanent Positions	122
Filled Permanent Positions	114
Vacancies	8
Temporaries	11

Job Postings

None

New Hires

None

Resignations

Department	Employee Name	Job Title	Effective Date
Loan Servicing	Bernice Tucker	Program Assistant	10/3/07

Transfers

None



Division: Finance

Subject: Oral Report

To be presented at the meeting.