



**REGULAR BOARD MEETING**

- I. Call to Order (**10:00 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 November 17, 2009 (Chairman Smith)
  - B. Market Update (Bob Detjen)
  - C. Bond Committee  
2010 Bond Submission Schedule (Tracey Easton)
  - D. FY2010 HOME Investment Partnerships Program  
Action Plan (Nancy Fairley)
  - E. Foreclosed Property Sales/Real Estate Owned (REO) (Kim Spires)
  - F. 2009 Investment Report (Clayton Ingram)
  - G. Reports
    1. Chairman (Chairman Smith)
    2. Executive Director (Valarie Williams)
    3. Deputy for Administration (Ed Knight)
    4. Human Resources (Cynthia Dannels)
    5. Finance (Richard Hutto)
- V. Other Business
- VI. Executive Session
- VII. Next Meeting (February 16, 2010)
- 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

**T. Scott Smith**  
Chairman

**Valarie M. Williams**  
Executive Director

### REGULAR COMMISSION MEETING

The Board of Commissioners of the South Carolina State Housing Finance and Development Authority met on Tuesday, November 17, 2009 at approximately 10:15 a.m., at the Authority's office, 300-C Outlet Pointe Boulevard, Columbia, South Carolina.

The following Commissioners were in attendance:

Scott Smith, Chairman  
Clente Flemming, Vice Chair  
Eddie C. Bines  
Carl Roberts  
Robert Mickle  
John S. Hill

The following Commissioners were excused: Felicia D. Morant and Mary L. Thomas

Staff and Guests attending the meeting included the following:

**STAFF:**

Valarie M. Williams, Executive Director  
Ed Knight, Deputy for Administration  
Larry Arney, Deputy for Programs  
Richard Hutto, Director of Finance  
Debra Seymour, Internal Auditor  
Tracey Easton, General Counsel  
Cynthia Dannels, Human Resources  
Laura Nicholson, LIHTC  
Matt Rivers, Housing Trust Fund  
Carl Bowen, Rental Assistance  
Claude Spurlock, Homeownership Production  
Lisa Rivers, Homeownership Servicing  
Kim Spires, Investor Services  
Brady Griffin, Contract Administration  
Mark Phipps, Information Technology  
Clayton Ingram, Marketing & Communications  
Lisa Bussey, Marketing & Communications  
Eula Blakely, Voucher Program  
Bonita Shropshire, Executive Secretary

**GUESTS:** Bob Detjen, CSG Advisors  
Rion Foley, McNair Law Firm  
David Christmas, Connelly Development

Chairman Smith called the meeting to order and asked Valarie Williams to read into the record the Freedom of Information Statement.

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

### **Agenda**

Chairman Smith presented the agenda for approval with one change, the title of section E-3 should be listed as “2010 Qualified Allocation Plan” instead of 2009.

**MOTION** Commissioner Mickle moved to adopt the agenda with the stated change. The motion received a second from Commissioner Bines. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

### **Minutes**

The Chairman asked if there were any additions or corrections to the minutes of October 20, 2009. There being none, he called for a motion to approve the minutes.

**MOTION** Commissioner Hill moved to approve the minutes of October 20, 2009 as presented. The motion received a second from Commissioner Mickle. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

### **2010 Board Meeting Schedule**

The Chairman presented the following meeting dates as the proposed meeting schedule for 2010:

January 19, 2010  
February 16, 2010  
March 16, 2010  
May 18, 2010  
June 15, 2010  
July 20, 2010  
September 21, 2010  
October 20, 2010  
November 16, 2010

**MOTION** Commissioner Flemming moved to approve the 2010 Board meeting schedule. The motion received a second from Commissioner Hill. Following discussion, all Commissioners voted in the affirmative and the motion carried.

### **Market Update**

Chairman Smith called upon Bob Detjen with CSG Advisors who gave a brief market update and extensive overview of the new treasury initiative.

### **Bond Committee**

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

#### **2009-1 Homeownership Revenue Bonds Preliminary Resolution**

Ms. Easton asked for consideration of a Preliminary Resolution authorizing the issuance of not to exceed \$200 million aggregate principal amount of obligations of the South Carolina State Housing Finance and Development Authority; consisting of Homeownership Revenue Bonds, Series 2009-1. This resolution would repeal the 2009-1 Preliminary Resolution adopted at the May 19, 2009 meeting and would give authorization to submit a petition to the Budget and Control Board for approval. Ms. Easton stated that staff recommended approval of this Resolution to the Bond Committee at their meeting earlier today. Commissioner Bines stated that the Bond Committee concurred with staff's recommendation.

**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.

#### **2009 Carry-Forward Allocation Request**

Ms. Easton presented consideration of a Resolution authorizing a petition to the Budget and Control Board requesting allocation of any unused portion of the State's 2009 private activity bond ceiling. Ms. Easton stated that staff recommended approval of this Resolution to the Bond Committee at their meeting earlier today. Commissioner Bines stated that the Bond Committee concurred with staff's recommendation.

**MOTION** Commissioner Hill 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.

### \$40 Million Over-Commitment Resolution

Ms. Easton presented for consideration a Resolution authorizing the over-commitment of mortgages in the South Carolina State Housing Finance and Development Authority's Homeownership Revenue Bond Program. The Resolution supplements the September 15, 2009 Resolution and allows the Authority to over-commit mortgages an additional \$25 million for a total not to exceed \$40 million. Ms. Easton stated further that staff recommended approval of the Preliminary Resolution to the Bond Committee at their meeting earlier today. Commissioner Bines stated that the Bond Committee concurred with staff's recommendation.

**MOTION** Commissioner Hill 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.

### Program Committee

#### Homeownership Voucher Program

Chairman Smith invited Claude Spurlock to present a consideration for the Homeownership Program. Mr. Spurlock requested authorization to extend the Homeownership Voucher Program that assist potential borrowers who are currently receiving rental assistance under the Housing and Urban Development Section 8 Housing Choice Voucher Program. The Resolution seeks Board approval to allow a maximum of ten additional loans to be originated through the end of fiscal year 2011. Mr. Spurlock stated that staff recommended approval to the Program Committee at an earlier meeting that day. Commissioner Mickle stated that the Program Committee concurred with the staff's recommendation.

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

### Housing Trust Fund

Chairman Smith called upon Matt Rivers for the Housing Trust Fund (HTF) report. Mr. Rivers presented the HTF's financial report which included a budget analysis, fiscal year-to-date awards by activity, and the fiscal year cash balance analysis. Included in his report was a request to increase the overall HTF Budget for FY 2009-2010 by \$1 million. With approval of the projects listed below, Mr. Rivers noted that the Fund's remaining unencumbered cash balance was approximately \$122,000. Mr. Rivers presented 18 project proposals with total funds requested of \$1,305,750.

Homeownership Acquisition

Project Number: 14210 HTF Amount:\$64,500  
Charleston Area Community Development Corporation  
Berkeley, Charleston and Dorchester

Project Number: 14110 HTF Amount:\$23,000  
Habitat for Humanity of Anderson County, Inc.  
Anderson

Project Number: 14310 HTF Amount:\$23,000  
Habitat for Humanity of Horry County, Inc.  
Horry

Project Number: 14510 HTF Amount:\$23,000  
Midlands Community Development Corp.  
Richland

Project Number: 14410 HTF Amount:\$23,000  
OIKOS Community Development, Inc.  
Lexington

Project Number: 14610 HTF Amount:\$23,000  
Southeastern Housing Foundation  
Bamberg and Barnwell

Owner-Occupied Rehabilitation Block Grants

Project Number: 13510 HTF Amount:\$44,500  
Allendale County ALIVE, Inc.  
Allendale

Project Number: 13210 HTF Amount:\$66,750  
Community Assistance Provider  
Fairfield, Kershaw and Lexington

Project Number: 13910 HTF Amount:\$44,500  
Greer Community Outreach Center  
Greenville and Spartanburg

Project Number: 14010 HTF Amount:\$66,750  
Lighthouse Learning Center  
Orangeburg

Project Number: 13610 HTF Amount:\$66,750  
Neighborhood Housing Corp. of Greenville, Inc.  
Greenville

Project Number: 13710 HTF Amount:\$44,500  
S.E.E.D. Faith Ministries International, Inc.  
Richland and Lexington

Project Number: 13110 HTF Amount:\$44,500  
SC Uplift Community Outreach  
Richland

Owner-Occupied Rehabilitation Block Grants (Continued)

Project Number: 13810 HTF Amount: \$66,750  
Sunbelt Human Advancement Resources, Inc  
Greenville, Anderson, and Oconee

Project Number: 13410 HTF Amount: \$66,750  
United Methodist Relief Center  
Berkeley, Charleston and Dorchester

Project Number: 13310 HTF Amount: \$44,500  
United Way of Kershaw County  
Kershaw

Supportive Housing

Project Number: 11210 HTF Amount: \$300,000  
N. Charleston Community Interfaith Shelter  
Charleston

Multifamily Rental

Project Number: 11110 HTF Amount: \$270,000  
Nehemiah CRC  
Anderson

Mr. Rivers stated that staff recommended approval to the Program Committee at their meeting earlier that day. Commissioner Mickle stated that the Program Committee concurred with the staff's recommendation and recommended approval of the \$1 Million budget amendment and the Trust Fund awards.

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

Low Income Housing Tax Credit

Ms. Nicholson presented the draft of the 2010 Low Income Housing Tax Credit Qualified Allocation Plan (QAP) and Manual. She stated that a public hearing was held on November 2 and that the draft QAP was made available for public comment two weeks prior to the hearing. Ms. Nicholson noted several changes to the Plan and Manual. The final draft is expected to go to the Governor for his signature within the next two weeks. The Board received the report as information.

## Reports

### Executive Director

The Vice Chairman called upon the Executive Director, Valarie Williams for her report. Ms. Williams began with a briefing of the Administration's recently announced initiatives for state Housing Finance Agencies. She expressed that the staff was diligently working to keep up with the information and ascertain just how the new initiatives were going to benefit S.C. She specifically recognized the efforts of two members of the working group team who communicate regularly about the initiatives; Bob Detjen with CSG Advisors and Rion Foley with McNair Law Firm and thanked them for their long hours and tremendous assistance. Ms. Williams informed the Board that she would be meeting with representatives from the State Treasurer's Office and the S.C. Budget and Control Board to open dialogue about the new initiatives and how they could benefit the state. She then informed the Board that she would be attending a special meeting convened by the National Council of State Housing Agencies for executive directors to be held in Washington, D.C. in early December.

The Executive Director informed the Board that Alice Brooks had been brought on as a consultant to increase awareness about the Authority's programs. Ms. Williams went on to report that the Housing Voucher Program was again rated as a high performer by the U.S. Department of Housing and Urban Development (HUD). She congratulated Carl Bowen and his staff for that achievement.

Ms. Williams concluded her report by announcing that Debra Seymour had decided to accept a position with another agency and that her last day at the Authority would be November 30, 2009. The Executive Director asked the Board to join her in congratulating Ms. Seymour.

### Deputy for Administration

Chairman Smith called upon Ed Knight for the administrative update. Mr. Knight presented the statistical reports on homeownership production, delinquencies and foreclosures.

Mr. Knight then introduced Lisa Bussey from the Marketing and Communications division to present SCHousingSearch.com. Ms. Bussey gave a very detailed and interactive presentation of the website, which provides online listings of affordable rental housing throughout the state.

As a final report from Administration, Mr. Knight asked Claude Spurlock to present the Authority's upcoming Real Estate Professional Certification Program. Mr. Spurlock announced that the new certificate program would begin in January and would seek realtors from all over the state and train them about the Authority's various programs. At the end of training, the realtors would receive a Certificate of Completion and be added to the Authority's website-listing of certified realtors. Training Seminars will be held regionally throughout the state and hosted by our current lending and broker partners.

The Board accepted all of the reports by the administration as information.

Deputy for Programs

The Chairman asked Larry Arney to present the report for Programs. Mr. Arney began by also congratulating staff of the Housing Choice Voucher Program, mentioning Carl Bowen, Ron Phillips, and Christine Watkins on their division's achievement in scoring a 100 on the Section 8 Management Assessment Program (SEMAP) by HUD.

Mr. Arney then introduced Brady Griffin who joined the Authority on November 2, 2009 as the new Director of Contract Administration.

Human Resources

Chairman Smith asked Cynthia Dannels to present the Human Resources report. Ms. Dannels allowed Claude Spurlock and Carl Bowen to recognize two upcoming agency retirements. Mr. Spurlock informed the Board that Ami Reeves who works in the Mortgage Production division would be retiring on December 4, 2009. Carl Bowen asked the Board to join him in thanking Eula Blakely of the Housing Choice Voucher Program for 11 years of service to the Authority. Mr. Bowen stated that Ms. Blakely would be retiring from the Authority at the end of December.

Cynthia Dannels then invited the Board to the Agency's Holiday Lunch on December 11, 2009.

Finance

The Vice Chairman asked Richard Hutto to present the finance report. Mr. Hutto presented financial statements through October 31, 2009 as information.

**Other Business**

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

Respectfully submitted,

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Valarie M. Williams, Secretary

Approved: January 19, 2010

By: \_\_\_\_\_

T. Scott Smith  
Chairman

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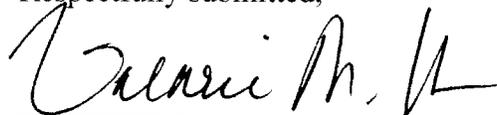
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**Other Business**

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

Respectfully submitted,



Valarie M. Williams, Secretary

Approved: January 19, 2010

By:   
T. Scott Smith  
Chairman



South Carolina

**STATE HOUSING**

Finance and Development Authority

**January 19, 2009**

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Division: **Legal**

Subject: **Consideration of Adoption of Bond Submission Dates for 2010.**

In order to ensure staff has sufficient time to review bond applications prior to a preliminary resolution being presented to the Board or Bond Committee, staff recommends approval of submission dates for the multifamily tax exempt bond program. The dates do not create deadlines or application cycles and the program still accepts applications on an on-going basis.



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T. Scott Smith  
Chairman

Valarie M. Williams  
Executive Director

### BOND PROJECT SUBMISSION DATES 2010

January 22 for February 16 Board Meeting

February 19 for March 16 Board Meeting

March 19 for April  
(Possible Telephonic Meeting if Required)

April 23 for May 18 Board Meeting

May 21 for June 15 Board Meeting

June 25 for July 20 Board Meeting

July 23 for August  
(Possible Telephonic Meeting if Required)

August 27 for September 21 Board Meeting

September 24 for October 20 Board Meeting

October 22 for November 16 Board Meeting

No December Board Meeting

**Applications must be complete and received by 5pm on the submission date to be eligible for consideration at the specified month's meeting. Any submissions received after that time will not be eligible for consideration until the following month's meeting. The Authority reserves the right to require additional time in the event of pooled deals or multiple applications received from a single developer.**

# 2010 HOME

## Investment Partnerships Program

### Action Plan



Prepared by  
The South Carolina State Housing Finance and Development Authority  
300-C Outlet Pointe Blvd., Columbia, South Carolina 29210  
Telephone (803) 896-9001 Fax (803) 896-8583 TDD (803) 896-8831



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## EXECUTIVE SUMMARY

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

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

As the Participating Jurisdiction (PJ) for the state, the Authority will continue to ensure that HOME funds are distributed in a manner that is reasonably equitable to all regions of the state. The 2010 Action Plan reflects the priorities of the State as set forth in the State's current Consolidated Plan. Our mission is to create quality affordable housing opportunities for the citizens of South Carolina. More specifically, our goal is to promote new partnerships with various municipalities, banking institutions, nonprofit, for-profit organizations, and Public Housing Authorities (PHAs). Our purpose is to work with these partners to increase awareness of the HOME program while increasing housing quality and capacity statewide.

The State of South Carolina has fourteen (14) other local PJs which receive direct funding from HUD for their areas of service. These PJs include: Charleston County, Spartanburg County, Greenville County, Richland County, Waccamaw Consortium (*Horry, Georgetown, Williamsburg*), Sumter County Regional HOME Consortium (*Sumter, Lee, Clarendon, Kershaw*), Beaufort-Jasper Consortium (*Beaufort, Jasper, Hampton, Colleton*), Anderson City and County Consortium, Upper Savannah HOME Consortium (*Abbeville, McCormick, Edgefield, Saluda, Greenwood, Laurens*), City of Charleston, City of Columbia, City of Spartanburg, Lexington County, and the City of Greenville. The Authority does not regulate the administration of the other PJs; however, we do encourage applicants and participants alike to work with local funding sources to leverage all available resources in the state.

In 2010, as the state PJ, the Authority will administer an estimated total of \$12,762,000 in HOME funds. This amount consists of a projected 2010 HUD allocation of \$9,000,000 and anticipated 2010 HOME program income of \$3,762,000. There are several legislated set-asides allowed and required by HUD.

**2010 HOME Distribution (Authority Allocation, Carry Forward & Program Income) Table 1**

Set Asides	Allocation/Carry Forward	Program Income	Totals
<i>State PJ Balance/Less the following set asides</i>	<b>\$9,000,000</b>	<b>\$4,000,000</b>	<b>\$12,762,000</b>
Administrative 10%	\$(900,000)		\$(900,000)
CHDO Operating 5%	\$(450,000)		\$(450,000)
HOME/Tax Credit	\$(4,500,000)		\$(4,500,000)
Single Family Division/Other eligible Activities		\$(3,762,000)	\$(3,762,000)
Statewide Homeownership **	\$(1,175,000)		\$(1,175,000)
Statewide Rental **	\$(1,175,000)		\$(1,175,000)
Tenant Based Rental Assistance (TBRA)	\$(800,000)		\$(800,000)
Statewide PJ Balance	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

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

The Authority shall distribute its 2010 HOME program funds to eligible entities through one or more funding cycles and utilize the following set-asides: Administration, CHDO Reserve, CHDO operating expenses, Low Income Housing Tax Credit (LIHTC) program, rental, homeownership activities and tenant based rental assistance (TBRA). In addition to a competitive funding cycle, HOME funds may be made available to projects consistent with the activities listed above.

HUD has legislated that of the total 2010 HUD allocation of \$9,000,000 several set-asides are allowed and/or required. One requirement is to set-aside fifteen percent (15%) or \$1,350,000, for Community Housing Development Organizations (CHDO) to develop, sponsor, or own rental and homeownership activities and to provide CHDO pre-development loans. *Note: as part of the legislative 15% CHDO requirement the Authority may set-aside ten (10%) of the \$1,350,000 to be used for pre-development loans not to exceed \$135,000.* Allowable set-asides include ten percent (10%) for administration and five percent (5%) for CHDO operating funds.

As referenced in Table 1 above, the Authority anticipates a total of \$13,000,000 for distribution as highlighted below:

- Allowable set aside of ten (10) percent (**\$900,000**) for the administration of the program. Administrative funds will be used for the planning, administration, allocation of indirect cost and monitoring of the program. Funds will also be used to conduct workshops to assist interested parties in applying for and implementing HOME funded projects.
- Required CHDO set-aside allocation will be fifteen (15) percent (**\$1,350,000**) of the Authority's total HOME allocation (includes Pre-development loan funds). CHDOs wanting to receive funds must comply with the established procedures contained in the application for funding.
- Allowable set aside of five (5) percent (**\$450,000**) for CHDO operating expenses. The use of these funds will greatly enhance the ability of CHDOs to attract and retain quality personnel thereby, ensuring the quality of rental and homeownership units produced.
- Set aside of (**\$4,500,000**) to be used in conjunction with the Low Income Housing Tax Credit Program to finance rental projects in an effort to maximize the state's available resources. This joint effort has attracted a great deal of interest over the past years.
- Set aside of (**\$3,762,000**) to be used in conjunction with the Single Family Mortgage Revenue Bond Program and other eligible activities (rental or provide TBRA for the Authority's existing Voucher Program) funded with anticipated HOME program income. The funds will provide assistance with down payment and closing costs and rental assistance to potential beneficiaries.
- Set aside of (**\$1,175,000**) to be used in the statewide Homeownership competition. This set-aside is designed to address homeownership through down payment and/or closing cost assistance, acquisition, new construction or rehabilitation on a much broader scale statewide.
- Set aside of (**\$1,175,000**) to be used in the statewide Rental competition. This set-aside is designed to address smaller rental housing projects, either new construction or rehabilitation, which do not require Low Income Housing Tax Credits.
- Set aside of (**\$800,000**) to be used in the statewide Tenant-Based Rental Assistance activity. This set-aside is designed to provide rental subsidies to lower income households to enable them to rent market-rate units of their choice that are safe and decent.

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

This flexible plan will attempt to combine various allocation structures available to the Authority to address needs on local and regional levels. This plan will not only compliment urban areas that traditionally possess the management capacity to administer the program, but also will ensure that rural areas lacking sufficient management capacity will be able to participate in the HOME program.

Distribution of 2010 HOME funds will be consistent with the priorities identified in the State's Consolidated Plan. The State's five-year housing goals are as follows:

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

The Authority's plan will encourage the effective use of funds through four (4) HOME eligible program activities. Those activities are Rental, Homeownership, Tenant Based Rental Assistance, and Community Housing Development Organization (CHDO) Pre-Development loans. As with previous funding cycles, the Authority will allow recipients to select eligible activities based on their respective housing needs and will ensure that those activities are consistent with the priorities contained in the State's Consolidated Plan.

**Rental Activity - Competitive:**

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

In addition to HOME's regular rental cycle, HOME funds are made available in conjunction with the LIHTC program to support rental projects through a separate competitive cycle. The HOME/LIHTC program application is designed to reinforce the competitive application requirements set forth by the Qualified Allocation Plan (QAP) which defines threshold and rating criteria. The QAP is located on the Authority's web site at <http://www.schousing.com/library/Tax%20Credit/2010/10QAP-Proposed%20Final.pdf>

**Homeownership Activity – Competitive and Noncompetitive:**

The homeownership activity will afford borrowers the opportunity for homeownership that may not readily exist through conventional means. Homeownership is offered through a competitive process to local governments, nonprofits and CHDOs and provides them the opportunity to design programs that offer options such as down payment and closing cost assistance in the form of soft second mortgage loans to qualified purchasers. Homeownership assistance is eligible for both new construction and

rehabilitation, and can be used in conjunction with the acquisition of land or units whose eventual end use will provide homeownership opportunities. Forms of financial assistance will include: a) loans - interest bearing, non-interest bearing, and deferred forgivable; b) grants; and c) other forms approved by HUD. A specific outline of how the Authority will encourage implementation for Rental Activities is provided as **Attachment B "HOMEOWNERSHIP Threshold & Criteria Requirements"**.

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

**Tenant Based Rental Assistance Activity – Noncompetitive:**

Tenant based rental assistance (TBRA) will enable individual households to rent market-rate units, thereby making housing more affordable for a wider range of low-income families. The TBRA activity offers households the opportunity to choose their neighborhood as well as the type of housing (such as a single-family home, large apartment building, duplex, etc.). If a household desires a change of location, the household may take the assistance and move to another rental unit. Forms of financial assistance may include: a) monthly housing assistance payments – a percentage rent provided for tenants; b) security deposits; and c) utility deposits.

**Community Housing Development Organizations Pre-development Loans - Noncompetitive:**

The Authority will continue to offer predevelopment loans to interested CHDOs for project specific developments. CHDOs awarded these funds will prepare projects to be considered in the 2010 HOME application cycle.

General requirements for all the application processes consist of a noncompetitive or competitive process and are described in the following section.

**Application Process:**

Noncompetitive applications for Tenant Based Rental Assistance and CHDO pre-development loans are accepted on a continuing basis and do not require a fee. These activities are noncompetitive which allow applications to be reviewed, approved, and funded as long as HOME funds are available.

Competitive applications for Rental and Homeownership activities will be accepted beginning **Wednesday, February 17, 2010 through Friday, March 26, 2010**. All applications must be received not later than 5:00 pm, Eastern Standard Time, on **Friday, March 26, 2010**. Applications received after the deadline **will not be considered and will be returned to the applicant.**

The application process includes the HOME application workshop. Hundreds of affordable housing advocates are contacted and encouraged to attend. At this workshop, application requirements for each activity outlined above are reviewed step-by-step. The ultimate goal is to familiarize potential applicants with the applications, requirements, and HOME regulations, as well as provide an opportunity for questions to be asked and answered. Attendance to the HOME application workshop is important because an incomplete application package can lead to disqualification. The 2010 HOME Application Workshop will be held in conjunction with the **Palmetto Housing Forum on Wednesday, February 17, 2010 (Rental) and on Thursday, February 18, 2010 (Homeownership).**

As required for competitive processes, the Authority evaluates each application to determine which projects will be recommended to receive HOME funds. Applicants must provide a complete application that meets the minimum threshold requirements. Applications will be rated and ranked for competition. In addition to threshold requirements and criteria, Attachments A & B of this document address purpose, eligible applicants, and amount of HOME funds they may request.

### **Award Process:**

Once recommendations for funding have been finalized, participants receiving an award are provided a reservation letter which serves as the initial notification of a HOME award. HOME Agreements are created and individualized based on the activity type and will follow the appropriate HOME regulatory requirements and are generally established for a twenty-four month period. The requirements and performance standards found in the HOME Award Agreements are reviewed in detail at the implementation workshop as discussed below.

### **Implementation Process:**

Participants awarded HOME funds are required to attend an implementation workshop which further acclimates participants with federal, state and Authority requirements, procedures, and processes. Topics covered include: a schedule, how to request funds, inspections process, reporting requirements, other federal requirements, and close-out. All HOME participants follow an implementation schedule which ensures timeframes are met to successfully complete projects within the Award Agreement period. Through the project progress each HOME rental project receives a minimum of three site visits, during the two-year award period. Rental projects are visited at the start of the project; during construction, at project completion. Each HOME homeownership project receives a minimum, of one to three site visits during the two-year award period. The number of site visits for homeownership projects are determined by the program design i.e. if HOME funds are used for new construction/rehabilitation or down payment/closing cost.

Other federal regulations are reviewed and appropriate forms provided to HOME participants to include Davis-Bacon, Section 3, Minority and Women Owned Business, and 504 handicapped assessable requirements. Quarterly reports are required to monitor the progress of HOME participants during the Agreement Period. Project completion forms initiate the close out process once projects have met all development requirements, providing a successful new homebuyer or rental units to the states affordable housing stock.

### **Monitoring:**

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

TBRA and Homeownership projects are reviewed individually in desk audit reviews to ensure that each potential beneficiary is eligible. Monitoring reviews are conducted for overall performance measures randomly throughout the year.

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## COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOs)

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The Authority will ensure that at least 15% (\$1,350,000) of the State's HOME funds will be reserved for exclusive use by eligible CHDOs and that CHDOs participating in eligible HOME program activities meet the requirements of 24 CFR Part 92.

The Authority will evaluate all applications required to qualify CHDOs based on the requirements contained therein. Acceptance of technical assistance and training may be a requirement to improve capacity and management capabilities. In accordance with HOME regulations, only those organizations designated as CHDOs or potential CHDOs will be eligible for technical assistance provided by HUD.

The Authority will ensure that CHDO set-aside funds are only awarded to CHDOs that serve as owners, sponsors or developers in the following program activities:

- a) Rental Developments; and
- b) Homeownership Activities

The Authority estimates the level of funding for eligible CHDO activities will be as follows:

- a) Rental Developments (40%); and
- b) Homeownership Activities (60%)

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

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

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## MATCHING CONTRIBUTION

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Due to poor economic conditions statewide, many of the Authority's potential recipients (especially rural localities) could not participate in the HOME program if they were required to provide a matching contribution as a condition of receiving an award. The Authority recognizes this problem, and as a result, will provide matching contributions for all 2010 HOME funds in accordance with the required amounts, recognition, and forms found at 24 CFR 92.218 - 92.221.

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

Total State PJ Allocation	\$9,000,000
*Less Administrative Costs (10%)	\$900,000
*Less CHDO Operating Expenses (5%)	\$450,000
Total State PJ Balance	\$7,650,000
Total Estimated 2010 Matching Contribution	<b>\$1,912,500</b>

\*Numbers have been rounded down.

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## AFFIRMATIVE MARKETING AND OUTREACH TO MINORITY AND WOMEN BUSINESSES

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Affirmative marketing procedures for fiscal year 2010 will follow procedures and regulations and are contained in Appendix B. The Authority certifies that its HOME program will conform to the requirements of the following Acts:

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

The Authority further certifies that in accordance with Section 281 of the National Affordable Housing Act, prescribed procedures acceptable to the Secretary have been established to oversee a minority outreach program. The HOME program includes these provisions, to address minority and women-owned businesses in all contracting activities to facilitate the provision of affordable housing authorized under this Act. The Authority requires itself, and its recipients, with regard to outreach for minority and women-owned businesses, to be:

1. A good faith, comprehensive and continuing endeavor;
2. Supported by a statement of public policy and commitment and published in the print media of widest local circulation;
3. Supported by an office and/or a key, ranking staff person with oversight responsibilities, and
4. Designed to utilize all available and appropriate public and private sector local resources.

Under the minimum Authority standards cited above, the following guidelines are provided for use by recipients in implementing outreach programs to ensure the inclusion, to the maximum extent possible, of entities owned by minorities and women.

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

Each recipient will utilize these procedures and actions in implementing a minority and women's business enterprise outreach program. The above six (6) items represent basic outreach-related activities and are not all-inclusive actions the Authority or its recipients may undertake.

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## NARRATIVE "A" -- PROGRAM INCOME

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It is the intention of the Authority to use HOME Program Income in conjunction with the Authority's Mortgage Revenue Bond (MRB) program, as well as rental activities to include both development and Tenant Based Rental Assistance (TBRA).

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

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

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

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

In addition, Program Income will be utilized for administrative cost not to exceed the ten (10%), as allowed by HOME regulations for Program Income. The total HOME Program Income for the period is anticipated to be \$3,762,000.

Prepared by: Thomas Ritter

Principal and Interest Receipts on Multifamily Loans Serviced by Finance Division using Trakker System	\$2,200,000
Principal and interest receipts and recaptures on Single Family First Mortgage Loans and repayable DPA loans serviced by Authority Loans Servicing Department	\$1,150,000
Early payoffs of HOME Trust loans serviced by Authority Loan Servicing Department	\$325,000
Early payoffs of forgivable Single Family Down Payment Assistance Loans serviced by Authority Loans Servicing Department	\$85,000
Interest Earned on Program Income Deposits	\$2,000
Total	<u><u>\$3,762,000</u></u>

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## APPENDIX A - Affirmative Marketing Procedures

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

### **Informing the Public/Owners/Prospective Tenants**

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

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

### **Requirements and Practices for Owners and Special Outreach Efforts**

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

### **Recordkeeping**

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

### **Assessment of Affirmative Marketing Efforts**

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

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

The State PJ certifies that:

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

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

\_\_\_\_\_  
Signature/Authorized Official

\_\_\_\_\_  
Date

Executive Director  
Title

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## Attachment A – RENTAL Threshold & Criteria Requirements

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### A) General Rules

As required, the South Carolina State Housing Finance and Development Authority (Authority), evaluates each application to determine which projects will be recommended to receive HOME funds. Applicants must complete the following basic steps and general rules:

1. Applications for Rental require a nonrefundable \$25 processing fee that must be submitted along with the application. Applications will be accepted beginning **Wednesday, February 17, 2010 through Friday, March 26, 2010**. All applications must be received not later than 5:00 pm, Eastern Standard Time, on **Friday, March 26, 2010**. Applications received after the deadline **will not be considered and will be returned to the applicant**
2. A complete application must be submitted to the Authority. The application package contains a checklist outlining items necessary to complete the application. The application is deemed complete if all pages are submitted on original forms with required documentation. A review is conducted for threshold requirements as described in Attachments A & B, as well as any missing documents. If an application remains incomplete after notification of the missing document(s) and expiration of the time allowed for submission of the missing document(s), the application is rejected, and no further consideration will be given. **All rental applications must meet the Authority's underwriting process to ensure financial feasibility. It is critical that those proposing rental projects understand the underwriting criteria.**
3. The application review process includes rating and ranking those applications that remain based on the applicant's experience, capacity and program design.

Implementation of HOME eligible program activities will be encouraged by the Authority as outlined below:

### B) Rental

#### Eligible Rental Applicants

Units of Local Government (cities, counties, and towns), Public Housing Authorities, Community Housing Development Organizations (CHDOs), Nonprofit entities and For-profit entities.

#### Terms and Limits of Financial Assistance

The rental activity is available for both new construction and rehabilitation of rental units. The flexibility of this activity will allow for the use and conversion of structures not originally built as residential housing. Rental projects may assist in the preservation of affordable rental housing; however, displacement will be discouraged. The rental activity is enhanced by the ability to combine other subsidy sources such as, the South Carolina Housing Trust Fund (HTF), Community Development Block Grant Program, Rural Development and the Federal Home Loan Bank, thus, nurturing partnerships between the public and private sectors. Neighborhood revitalization and combined geographical housing initiatives can also benefit from this activity.

The maximum HOME rental award amount is **\$600,000** per application.

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

Units of Local Government, Public Housing Authorities, CHDOs and nonprofit entities may request up to \$400,000 as a grant. In addition, these applicants may blend a one percent (1%) loan with the grant

but may not exceed the HOME cap of **\$600,000**. As above, all of the units must be designated as HOME assisted units.

**C) Designated Community Housing Organizations (CHDO) Operating Funds:**

CHDOs awarded 2010 HOME project funds are eligible to receive operating funds. Operating funds are awarded based on the amount of available operating funds. CHDOs receiving less than or equal to \$100,000 in a HOME award, may receive operating funds up to 50% of the amount of the project funds awarded. CHDOs that are awarded more than \$100,000 in project funds may receive up to \$50,000.

**D Application Evaluation Process**

In addition to the basic requirements described earlier, applicants applying for rental applications will be evaluated based on the process outlined below:

1. Applications not meeting threshold criteria **or** compliance with federal/state laws, **or** HOME program requirements will be rejected and returned to the applicant.
2. Authority staff will review applications for completeness. Applicants will be notified of any deficiencies in their applications and will be given the opportunity to correct any correctable items. A list of missing and/or incomplete documents will be provided to the applicant. Applications with **five (5)** or more missing items and/or incomplete items will be disqualified and returned to the applicant. The applicant will have ten (10) business days from the date of notification to provide the missing and/or incomplete documents to the Authority. Failure to return all required documentation and/or information within ten (10) business days will **automatically** disqualify the application from further review.
3. Rental applications will undergo an underwriting evaluation will be reviewed for financial feasibility. Applications deemed to financially feasible, require subsidy and are consistent with HOME policies, will be recommended to the Executive Director until available funding is depleted. Any unused funds will automatically be applied to other activities until exhausted. **The Authority staff will exercise sole discretion when deciding whether to accept or reject proposals.**
4. It is anticipated that reservations for HOME awards will be issued not later than ninety (90) days after the application deadline a tentative schedule has been provided below:

HOME Application Workshop	February 17, 2010
	February 18, 2010
Final Submission of Application	March 26, 2010
Initial Review for Threshold and Criteria	April 12-23, 2010
Missing Documentation Notices Sent	April 29, 2010
Missing Documentation Returned	Will be 10 days from date notice is sent
Underwriting Review	April 29, 2010 – May 31, 2010
Reservations	June 18, 2010
Implementation	July or August 2010

**E) Minimum Threshold Requirements**

Applicants seeking HOME funds for **Rental** activities must meet the following minimum requirements. Applications that do not meet the minimum requirements will be eliminated from further review.

1. Applicants proposing a project in a local Participating Jurisdiction (PJ) and requesting State HOME funds must provide a twenty-five percent (25%) match. The match will be a permanent

executed commitment of funds which can be provided by **other federal and/or private funds or a local PJ HOME. No Authority administered program funds may be used to meet this match.** The PJs are:

City of Charleston	Charleston County	City of Greenville
Greenville County	Anderson City/County Consortium	Spartanburg County
City of Columbia	Richland County	City of Spartanburg
Waccamaw Consortium (Horry, Georgetown, Williamsburg)	Beaufort-Jasper Consortium (Beaufort, Jasper, Hampton, Colleton)	Sumter County Regional Consortium (Sumter, Lee, Clarendon, Kershaw)
Lexington County	Savannah Consortium (Abbeville, McCormick, Edgefield, Saluda, Greenwood, Laurens)	

**Projects located in PJ areas must submit a match certification and commitment letter(s) at time of application.**

2. PJs may not apply for State HOME funds.
3. Outstanding Noncompliance Issues  
 ANY organization, participating developer(s), general partner(s), or managing members(s) that submit an application which demonstrates the following outstanding noncompliance issues will be automatically disqualified:
  - Uncorrected non-compliance violations with the Authority.
  - Unacceptable, or not in good standing with other Authority administered programs.
  - Debarred from participation in other federal programs (i.e. HUD, RHS, CDBG, HOPWA, ESG etc.).

The **Authority has sole discretion in the** determination of non-compliance and is not subject to interpretation (appeal) or final resolution of the non-compliance violation;

4. Applicants who currently have HOME program income or CHDO **program proceeds** are not eligible to apply for additional HOME funds until those funds have been expended.
5. Participants with HOME awards must meet the required percentage of completion not later than **March 12, 2010**. In order to participate in the 2010 HOME cycle previous:
  - 2007 and earlier HOME awards **must** be officially closed out; and
  - Those applicants with active open HOME awards must be in compliance with executed HOME award agreements by which the required percentage must be completed by March 12, 2010 in order to participate.

HOME awards are considered officially closed out when all construction is completed, certificate of occupancy is issued, and all payments and project completion reports have been processed and approved by the Authority.

The Authority considers HOME awards compliant with the “percentage of total project completed” when the project’s construction has met the percentage requirement. To meet this requirement the Authority will consider an Architects signed certification of percentage complete, or a recent inspection (no more than **30 days** prior to the **March 12<sup>th</sup> deadline**) performed by an Authority inspector.

6. No county, in any given year, can receive more than 50% of the current year’s available Rental set aside.

7. **Applicants applying for rental** that have related entities, principals, and/or individuals shall not be allocated HOME funds in excess of three (3) awards in the state's 2010 HOME fund allocation cycle. (See definitions below)

The intent of the ceiling is to promote fair and objective administration of the HOME program by ensuring that no single entity receives an excessive share of the available program funds in any one application cycle. A significant factor in the Authority's evaluation will be whether, based on the facts and circumstances, the primary purpose of the party's involvement in a project appears to be avoidance of the maximum.

- **Individual persons** – any individual considered related to each other such as any of the following direct relationships: parent, child, spouse, son-in law, daughter-in law, father-in-law, included any such direct relationship created by marriage, remarriage, adoption, or any other legally recognized status, or if one individual is an employer, by common law or otherwise, of the other.
- **Principal** – any Applicant, owner, developer, guarantor, financial guarantor, or any other person, corporation, partnership, joint venture, or other entity, including any affiliate thereof, or any other person, firm, corporation, or entity of any kind whatsoever that either directly or indirectly receives a portion of the development fee (whether or not deferred) for development services and/or receives any compensation with respect to such development.
- **Related Parties** - Notwithstanding anything to the contrary contained herein, the Authority will not award HOME funds to more than three (3) Principal(s) directly or indirectly. Applicants will be deemed to be related if any Principal of an applicant is also a Principal to any other Applicant.

Regardless of the percentage of participation a Principal has in a development, one hundred percent (100%) of the development's HOME reservation will count toward the limitation per Principal.

8. The Authority will not accept applications proposing a development to be subdivided into two (2) or more developments or multiple phases of the same development during the same funding cycle.
9. HOME applicants must have a designated **Program Administrator on staff** that will be responsible for coordination of the development, implementation and successful completion of the project.
10. Applicants who require HOME funds in combination with a Low-Income Housing Tax Credit (LIHTC) project **may not** apply in this funding round. HOME funds may **only** be obtained in the special LIHTC/HOME combined round.
11. Applicants may request Housing Trust funds in combination with the HOME program **only** during the HOME cycle. (See Section 1 of the application);
12. For projects involving relocation, applicants must provide a current rent role, completed "Tenant Profile Forms" for each existing tenant **AND** acceptable documentation indicating that "General Information Notices" have been sent to 100% of the existing tenants. These must be included in the application.

**F) Rating and Ranking –Applicant Experience, Capacity and Program Design**

**EXPERIENCE**

This section addresses the experience of the applicant to develop and implement affordable housing programs. Points will be awarded based on the experience and success in developing HOME projects or for first time applicants demonstrating experience in developing housing projects similar to that proposed.

1. HOME Development Experience – Owners which include individual(s), corporation(s), or in the case of a nonprofit, for-profit, public housing authority’s or local governments will receive points for previous development of successful HOME properties. The owner may include experience gained as an owner of another firm, not as an employee of another firm. Experience in HOME developments means coordinating the development team from the planning, financing and construction of a development through receipt of Certificates of Occupancy. Applicants must have a current ownership interest in the development(s) listed for points on **Certification form to be provided**. Experience will be awarded as follows:

Completed 1 HOME project	2 Points
Completed 2 HOME projects	4 Points
Completed 3 HOME projects	6 Points
Completed 4 HOME projects	8 Points
Completed 5 HOME projects	10 Points
  
2. First time applicants will be awarded points that demonstrate the successful completion of housing projects similar to the project proposed. 3 Points

**PERFORMANCE**

This section addresses the applicant’s previous performance in the areas of program schedule, implementation, reporting, and program results, with the State’s HOME Program for the **past three years**.

1. Points will be awarded to applicants that have successfully completed HOME projects before or within the original 24 month agreement period. 3 Points
2. Points will be awarded to applicants that have not had funds deobligated or rescinded due to lack of performance. 3 Points
3. Points will be awarded to owners, developers, associates, partners etc. that have not had repeated failures to submit required HOME documentation in a timely manner, serious and repeated violations of program requirements and have never been in default with a loan. 3 Points
4. **FIRST TIME** applicant demonstrates the ability to implement the projects. **(A Certification form will be provided)**
  - a. Applicant demonstrates the ability to manage a similar grant program or other public funds. 3 Points
  - b. Applicant demonstrates a working relationship with a management team/development/consultants/ or firm which has successfully managed a similar grant program or other public funds. 3 Points

**PROGRAM DESIGN**

This section addresses the applicant’s program design.

1. Applicant will receive points for degree of readiness to include the following aspects:
  - a. **Site Control:** Applicant provides a deed. 3 Points

- b. **Existence of Waiting List: (A Certification will be provided)** 3 Points  
Applicants will be awarded points that provide evidence of a list of potential tenants based on their marketing outreach efforts and evidence of outreach efforts that are documented. (i.e. brochures, letters, radio etc.)
  - c. Applicant provides **Final** Plans/Specifications/Work Write-Ups for review and approval. 3 Points
  - d. Applicant demonstrates that the locality has approved Plans and Specifications. 3 Points
  - e. Applicant demonstrates that utilities are available at the time of application **ON** the site to include water, sewer, and electrical. 3 Points
2. Applicant will be awarded points for Preservation and/or working within current state or local initiatives to include the following:
    - Applicant will be awarded points for the preservation of existing rental units that increase or preserve affordable housing. 3 Points
    - Applicant will be awarded points if there is less than a 10% rent increase over previous rent amount following rehabilitation for one year after completion. 3 Points
    - Proposed project includes designated homeless units for families. 3 Points
    - Proposed project will be located in a highly impacted foreclosure area(s) or the project uses foreclosed/vacant property. 3 Points
    - Proposed project located within a current identified master plans, revitalization plans, or empowerment zones. 3 Points
  3. Applicant will be awarded points for projects that are designed to provide new construction infill only. Infill construction is defined in the application. 3 Points
  4. Applicant will be awarded points for proposed projects that are not seeking HOME funds in conjunction with other Authority resources i.e. HTF or HAPP etc. 5 Points
  5. Applicant will be awarded points for a proposed project that elects to provide additional affordability period beyond the required periods for rental. 5 Points

## **FINANCIAL STRUCTURE**

**Commitment of Other Funding Sources:** Applicant has a written commitment from the source(s) at the time of application. The commitments are permanent contributions to the project. Be advised that applicants that are required to provide match will automatically receive these points. Funds from other Authority administered programs cannot be used as match.

1. Applicant proposes a project not entirely funded with HOME dollars that's financial structure consists of additional sources of funds leveraged from non-Authority administered programs. Calculation:  
***Total HOME and other Authority funds/Total Development Costs = Total Percentage.***
  - 25% or less of the Total Development Costs will be funded with Authority dollars 8 Points
  - 50% or less of the Total Development Costs will be funded with Authority dollars. 6 Points
  - 75% or less of the Total Development Costs will be funded with Authority dollars 4 Points

2. Applicant's financial design proposes repayment of one hundred percent (100%) of the HOME award to the Authority. 5 Points

**GREEN or ENERGY EFFICIENCY DESIGN**

Energy Efficiency element include: (Helpful website [www.energystar.gov](http://www.energystar.gov))

1. Energy Audit Inspection for existing structures. 1 Point
2. Energy Star qualified heat pump, furnace, boiler, air conditioning or ventilation equipment all with Energy Star qualified thermostats for equipment requirement thermostats. 1 Point
3. Energy Star appliances. 1 Point
4. Energy Star qualified lighting or Energy Star label compact fluorescent lamps in conventional fixtures the combination which make up 70 percent of the interior lighting. 1 Point
5. Energy Star qualified windows. 1 Point

Green element include:

1. Demolition Plan – Includes recycling, managing waste and hazardous materials 1 Point
2. Landscaping – Use native plantings, utilize shade, protect trees during construction 1 Point
3. Green Building Products – Including site design, building materials, renewable energy, Water conservation, healthy home designs. (Helpful websites [www.usbgc.org](http://www.usbgc.org)) 1 Point
4. Moisture & Mildew – Correct all observed areas and moisture infiltration within the building. Identify remedies and accepted practices for treatment. 1 Point
5. Water Conserving features – toilets with 1.6 gallons or less per flush, shower heads – 2.0 GPM, bath and kitchen faucets 2.0 GPM or less. 1 Point

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## Attachment B – HOMEOWNERSHIP Threshold & Criteria Requirements

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### A) General Rules

As required, the South Carolina State Housing Finance and Development Authority (Authority), evaluates each application to determine which projects will be recommended to receive HOME funds. Applicants must complete the following basic steps and general rules:

1. Applications for Homeownership require a nonrefundable \$25 processing fee that must be submitted along with the application. Applications will be accepted beginning **Wednesday, February 17, 2010 through Friday, March 26, 2010**. All applications must be received not later than 5:00 pm, Eastern Standard Time, on **Friday, March 26, 2010**. Applications received after the deadline **will not be considered and will be returned to the applicant.**
2. A complete application must be submitted to the Authority. The application package contains a checklist outlining items necessary to complete the application. The application is deemed complete if all pages are submitted on original forms with required documentation. A review is conducted for threshold requirements as described in Attachments A & B as well as any missing documents. If an application remains incomplete after notification of the missing document(s) and expiration of the time allowed for submission of the missing document(s), the application is rejected, and no further consideration will be given.
3. The application review process includes rating and ranking those applications that remain based on the applicant's experience, capacity and program design.

Implementation of HOME eligible program activities will be encouraged by the Authority as outlined below:

### B) Homeownership

#### Eligible Homeownership Applicants

Eligible applicants include Units of Local Government (cities, counties, and towns), Public Housing Authorities, Community Housing Development Organizations (CHDOs), and Nonprofit entities.

#### Terms and Limits of Financial Assistance

HOME funds are available for down payment, closing costs, acquisition and/or rehabilitation (of existing properties), and new construction.

The financial assistance for Homeownership is restricted based on the per unit subsidy maximum and a program maximum of **\$300,000**. HOME funds requested must equal the amount of subsidy per unit requested when applying for total grant amounts (i.e. if requesting \$300,000 for a maximum HOME subsidy per unit the applicant would be providing (15) fifteen HOME assisted units).

The following subsidy amount cannot be exceeded in any one HOME assisted unit:

- Maximum HOME Subsidy per unit: \$20,000
- Project delivery costs may not exceed \$1,500 per unit (this is **not** counted toward the maximum per unit amount). Project delivery cost is provided based on the following:  
Applicants awarded HOME funds that provide a minimum of 8 hours face to face housing counseling for down payment and closing cost will received a maximum of \$750 per unit.  
Applicants awarded HOME funds that provide a minimum of 8 hours face to face housing counseling for down payment and closing cost in conjunction with new construction or rehabilitation will be provided a maximum of \$1,500 per unit.
- Any combination of HOME and other Authority funds for homeownership may not exceed the \$20,000 per unit subsidy limit (excluding project delivery cost).

- Construction financing (rehabilitation or new construction) at 0% interest is available for all eligible applicants. The Authority requires that any remaining HOME construction financing funds received at closing be used within a three month (3) period from the date of closing to construct the next unit.

**C) Designated Community Housing Organizations (CHDO) Operating Funds:**

CHDOs awarded 2010 HOME project funds are eligible to receive operating funds. Operating funds are awarded based on the amount of available operating funds. CHDOs receiving less than or equal to \$100,000 in a HOME award, may receive operating funds up to 50% of the amount of the project funds awarded. CHDOs that are awarded more than \$100,000 in project funds may receive up to \$50,000.

**D) Application Evaluation Process**

In addition to the basic requirements described earlier, applicants applying for rental or homeownership applications will be evaluated based on the process outlined below:

1. Applications not meeting threshold criteria **or** compliance with federal/state laws, **or** HOME program requirements will be rejected and returned to the applicant.
2. Authority staff will review applications for completeness. Applicants will be notified of any deficiencies in their applications and will be given the opportunity to correct any correctable items. A list of missing and/or incomplete documents will be provided to the applicant. Applications with **five (5)** or more missing items and/or incomplete items will be disqualified and returned to the applicant. The applicant will have ten (10) business days from the date of notification to provide the missing and/or incomplete documents to the Authority. Failure to return all required documentation and/or information within ten (10) business days will **automatically** disqualify the application from further review.
3. Applications deemed to financially feasible, require subsidy and are consistent with HOME policies, will be recommended to the Executive Director until available funding is depleted. Any unused funds will automatically be applied to other activities until exhausted. **The Authority staff will exercise sole discretion when deciding whether to accept or reject proposals.**
4. It is anticipated that reservations for HOME awards will be issued not later than ninety (90) days after the application deadline a tentative schedule has been provided below:

HOME Application Workshop	February 17, 2010
	February 18, 2010
Final Submission of Application	March 26, 2010
Initial Review for Threshold and Criteria	April 12-23, 2010
Missing Documentation Notices Sent	April 29, 2010
Missing Documentation Returned	Will be 10 days from date notice is sent
Underwriting Review	April 29, 2010 – May 31, 2010
Reservations	June 18, 2010
Implementation	July or August 2010

**E) Minimum Threshold Requirements**

Applicants seeking HOME funds for **Homeownership** activities must meet the following minimum requirements. Applications that do not meet the minimum requirements will be eliminated from further review.

1. Applicants proposing a project in a local Participating Jurisdiction (PJ) and requesting State HOME funds must provide a twenty-five percent (25%) match. The match will be a permanent executed commitment of funds which can be provided by **other federal and/or private funds**

or a local PJ HOME. No Authority administered program funds may be used to meet this match. The PJs are:

City of Charleston	Charleston County	City of Greenville
Greenville County	Anderson City/County Consortium	Spartanburg County
City of Columbia	Richland County	City of Spartanburg
Waccamaw Consortium (Horry, Georgetown, Williamsburg)	Beaufort-Jasper Consortium (Beaufort, Jasper, Hampton, Colleton)	Sumter County Regional Consortium (Sumter, Lee, Clarendon, Kershaw)
Lexington County	Savannah Consortium (Abbeville, McCormick, Edgefield, Saluda, Greenwood, Laurens)	

**Projects located in PJ areas must submit a match certification and commitment letter(s) at time of application.**

2. PJs may not apply for State HOME funds;
3. Outstanding Noncompliance Issues  
 ANY organization, participating developer(s), general partner(s), or managing members(s) that submit an application which demonstrates the following outstanding noncompliance issues will be automatically disqualified:
  - Uncorrected non-compliance violations with the Authority.
  - Unacceptable, or not in good standing with other Authority administered programs.
  - Debarred from participation in other federal programs (i.e. HUD, RHS, CDBG, HOPWA, ESG etc.).

The Authority has sole discretion in the determination of non-compliance and is not subject to interpretation (appeal) or final resolution of the non-compliance violation;

4. Applicants who currently have HOME program income or CHDO program proceeds are not eligible to apply for additional HOME funds until those funds have been expended.
5. Participants with HOME awards must meet the required percentage of completion not later than **March 12, 2010**. In order to participate in the 2010 HOME cycle previous:
  - 2007 and earlier HOME awards **must** be officially closed out; and
  - Those applicants with active open HOME awards must be in compliance with executed HOME award agreements by which the required percentage must be completed by March 12, 2010 in order to participate.

HOME awards are considered officially closed out when all construction is completed, certificate of occupancy is issued, and all payments and project completion reports have been processed and approved by the Authority.

The Authority considers HOME awards compliant with the “percentage of total project completed” when the project’s construction has met the percentage requirement. To meet this requirement the Authority will consider an Architects signed certification of percentage complete, or a recent inspection (no more than **30 days** prior to the **March 12<sup>th</sup> deadline**) performed by an Authority inspector.

6. No county, in any given year, can receive more than 50% of the current year’s available Rental set aside.

7. **Applicants applying for homeownership** that have related entities, principals, and/or individuals shall not be allocated HOME funds in excess of one (1) award in the state's 2010 HOME fund allocation cycle. (See definitions below)

The intent of the ceiling is to promote fair and objective administration of the HOME program by ensuring that no single entity receives an excessive share of the available program funds in any one application cycle. A significant factor in the Authority's evaluation will be whether, based on the facts and circumstances, the primary purpose of the party's involvement in a project appears to be avoidance of the maximum.

- **Individual persons** – any individual considered related to each other such as any of the following direct relationships: parent, child, spouse, son-in law, daughter-in law, father-in-law, included any such direct relationship created by marriage, remarriage, adoption, or any other legally recognized status, or if one individual is an employer, by common law or otherwise, of the other.
- **Principal** – any Applicant, owner, developer, guarantor, financial guarantor, or any other person, corporation, partnership, joint venture, or other entity, including any affiliate thereof, or any other person, firm, corporation, or entity of any kind whatsoever that either directly or indirectly receives a portion of the development fee (whether or not deferred) for development services and/or receives any compensation with respect to such development.
- **Related Parties** - Notwithstanding anything to the contrary contained herein, the Authority will not award HOME funds to more than three (3) Principal(s) directly or indirectly. Applicants will be deemed to be related if any Principal of an applicant is also a Principal to any other Applicant.

Regardless of the percentage of participation a Principal has in a development, one hundred percent (100%) of the development's HOME reservation will count toward the limitation per Principal.

8. The Authority will not accept applications proposing a development to be subdivided into two (2) or more developments or multiple phases of the same development during the same funding cycle.
9. HOME applicants must have a designated **Program Administrator on staff** that will be responsible for coordination of the development, implementation and successful completion of the project.
10. The first mortgage interest rate for the beneficiary to be served shall not be greater than 1.50% higher than the Authority's current MRB program, as of the date of the letter of commitment to the beneficiary.

F) **Rating and Ranking –Applicant Experience, Capacity and Program Design**

**EXPERIENCE**

This section addresses the experience of the applicant to develop and implement affordable housing programs. Points will be awarded based on the experience and success in developing HOME projects or for first time applicants demonstrating experience in developing housing projects similar to that proposed.

1. HOME Development Experience – Owners which include individual(s), corporation(s), or in the case of a nonprofit, for-profit, public housing authority’s or local governments will receive points for previous development of successful HOME properties. The owner may include experience gained as an owner of another firm, not as an employee of another firm. Experience in HOME developments means coordinating the development team from the planning, financing and construction of a development through receipt of Certificates of Occupancy. Applicants must have a current ownership interest in the development(s) listed for points on **Certification form to be provided**. Experience will be awarded as follows:

Completed 1 HOME project	2 Points
Completed 2 HOME projects	4 Points
Completed 3 HOME projects	6 Points
Completed 4 HOME projects	8 Points
Completed 5 HOME projects	10 Points
  
2. First time applicants will be awarded points that demonstrate the successful completion of housing projects similar to the project proposed. 3 Points

**PERFORMANCE**

This section addresses the applicant’s previous performance in the areas of program schedule, implementation, reporting, and program results, with the State’s HOME Program for the **past three years**.

1. Points will be awarded to applicants that have successfully completed HOME projects before or within the original 24 month agreement period. 3 Points
2. Points will be awarded to applicants that have not had funds deobligated or rescinded due to lack of performance. 3 Points
3. Points will be awarded to owners, developers, associates, partners etc. that have not had repeated failures to submit required HOME documentation in a timely manner, serious and repeated violations of program requirements and have never been in default with a loan. 3 Points
  
4. **FIRST TIME** applicant demonstrates the ability to implement the project. **(A Certification form will be provided)**
  - a. Applicant demonstrates the ability to manage a similar grant program or other public funds. 3 Points
  - b. Applicant demonstrates a working relationship with a management team/development/consultants/ or firm which has successfully managed a similar grant program or other public funds. 3 Points

**PROGRAM DESIGN**

This section addresses the applicant’s program design.

1. Applicant will receive points for degree of readiness to include the following aspects:
  - a. **Site Control:** Applicant provides a deed. 3 Points

- b. **Existence of Waiting List: (A Certification will be provided)** 3 Points  
Applicants will be awarded points that provide evidence of pre-qualified homebuyers. Pre-qualified homebuyers are defined as households that have a received homebuyer counseling certification; have been income qualified; and have received preliminary approval from a lending institution for the primary mortgage.
  - c. Applicant provides **Final** Plans/Specifications/Work Write-Ups for review and approval. 3 Points
  - d. Applicant demonstrates that the locality has approved Plans and Specifications. 3 Points
  - e. Applicant demonstrates that utilities are available at the time of application **ON** the site to include water, sewer, and electrical. 3 Points
2. Applicants will be awarded points for Preservation and/or working within current state or local initiatives to include the following:
    - Proposed project will be located in a highly impacted foreclosure area(s) or the project uses foreclosed/vacant property. 3 Points
    - Proposed project located within a current identified master plans, revitalization plans, or empowerment zones. 3 Points
  3. Applicant will be awarded points for projects that are designed to provide new construction infill only. Infill construction is defined in the application. 3 Points
  4. Applicant will be awarded points for proposed projects that are not seeking HOME funds in conjunction with other Authority resources i.e. HTF or HAPP etc. 5 Points
  5. Applicant will be awarded points for providing less than \$10,000 HOME fund subsidy to beneficiaries. 5 Points

**FINANCIAL STRUCTURE**

**Commitment of Other Funding Sources:** Applicant has a written commitment from the source(s) at the time of application. The commitments are permanent contributions to the project. Be advised that applicants that are required to provide match will automatically receive these points. Funds from other Authority administered programs cannot be used as match.

Applicant proposes a project not entirely funded with HOME dollars that's financial structure consists of additional sources of funds leveraged from non-Authority administered programs.

Calculation:

***Total HOME and other Authority funds/Total Development Costs = Total Percentage.***

- 25% or less of the Total Development Costs will be funded with Authority dollars 8 Points
- 50% or less of the Total Development Costs will be funded with Authority dollars. 6 Points
- 75% or less of the Total Development Costs will be funded with Authority dollars 4 Points

**GREEN or ENERGY EFFICIENCY DESIGN**

Energy Efficiency element include: (Helpful website [www.energystar.gov](http://www.energystar.gov))

1. Energy Audit Inspection for existing structures. 1 Point

- |                        |  |         |
|------------------------|--|---------|
| 2.                     | Energy Star qualified heat pump, furnace, boiler, air conditioning or ventilation equipment all with Energy Star qualified thermostats for equipment requirement thermostats.                      | 1 Point |
| 3.                     | Energy Star appliances.  | 1 Point |
| 4.                     | Energy Star qualified lighting or Energy Star label compact fluorescent lamps in conventional fixtures the combination which make up 70 percent of the interior lighting.                          | 1 Point |
| 5.                     | Energy Star qualified windows.   | 1 Point |
| Green element include: |  |         |
| 1.                     | Demolition Plan – Includes recycling, managing waste and hazardous materials   | 1 Point |
| 2.                     | Landscaping – Use native plantings, utilize shade, protect trees during construction   | 1 Point |
| 3.                     | Green Building Products – Including site design, building materials, renewable energy, Water conservation, healthy home designs. Helpful websites <a href="http://www.usbgc.org">www.usbgc.org</a> | 1 Point |
| 4.                     | Moisture & Mildew – Correct all observed areas and moisture infiltration within the building. Identify remedies and accepted practices for treatment.  | 1 Point |
| 5.                     | Water Conserving features – toilets with 1.6 gallons or less per flush, shower heads – 2.0 GPM, bath and kitchen faucets 2.0 GPM or less.  | 1 Point |

## **Investor Services Real Estate Owned (REO)**

The REO department is responsible for the management and marketing of foreclosed loans that are not deeded back to the insurer of the mortgage. The REO inventory consists of uninsured conventional loans, USDA loans, and State Housing funded mortgages. Once the foreclosure sale has occurred and the property is vacant and free of debris, the servicing department transfers the loan to the REO department for disposition.

Outlined below are the steps taken in order to market an REO property.

- **Selection of Realtor** –A realtor is selected from the Authority’s list of approved realtors. The Authority selects a realtor who is familiar with the local area surrounding the property. The REO approved realtor list is organized by general geographic areas serviced by each realtor. The selection of a realtor is always made with fairness and prudence to effect the most efficient and financially beneficial disposition of the property for the benefit of the Authority as well as the mortgage insurer.
- **Preparing the Property for Sale-** Most properties are sold in an “As Is” condition. Minor cosmetic repairs are made in an effort to make the property more appealing to the potential buyer. Other repairs may be necessary based on the realtor’s opinion or conditions of the sales contract. All repair costs are factored into the listing price of the property.
- **The Listing Price** – The listing price is established based upon the information provided by the realtor and the Broker Price Opinion (BPO). The BPO compares the REO property being marketed to other like properties recently sold in the immediate area. A financial worksheet is prepared that includes the Authority’s total investment in the property and additional costs associated with selling the property. The REO Specialist determines a fair listing price based on the Authority’s investment. Adjustments may need to be made in an effort to make the listing price comparable to other listings in the area.
- **The Offer to Purchase/Contract** – The realtor must present all offers received to the Authority for its review. It is the Authority’s responsibility to decide if the offer is acceptable. The Authority reviews each offer based on the current market value, recent activity in the area, activity thus far on the property, as well as daily holding costs. A Gain/Loss worksheet and a REO Marketing Report are prepared for each offer. This provides an estimated net gain/loss figure that will be used in conjunction with all other data collected to render a decision on acceptance of the offer. The REO Specialist presents the findings and a recommendation to the Director of Investor Services who then discusses the pending offer with the Deputy Director of Administration. The offer is either accepted or the Authority may make a counter offer to the buyer. This process continues until a contract is accepted and the property is sold.

## **Fiscal Year 2008-2009 Synopsis**

- Total properties sold = 17
- Total principal foreclosed = \$918,458.74
- When taking into consideration interest lost and expenses paid, the Authority recovered 89.44% of the total principal foreclosed.
- When excluding potential interest earnings and expenses paid, the Authority recovered 96.32% of the total principal foreclosed.

## **Current REO Synopsis**

- Properties sold to date = 9
- Current REO inventory = 44
- Average number of days in inventory = 226
- Average monthly holding costs = \$680.00 per property  
(This is based on HUD's daily estimate which is published quarterly.)



South Carolina

**STATE HOUSING**

Finance and Development Authority

**January 19, 2010**

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**Division: Marketing & Communication**

**Subject: 2009 Investment Report**



**Division: Chairman**

**Subject: Oral Report**



South Carolina

**STATE HOUSING**

Finance and Development Authority

**January 19, 2010**

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**Division: Executive Director**

**Subject: Oral Report**



South Carolina  
**STATE HOUSING**  
Finance and Development Authority

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## **Homeownership**

**January 19, 2010**

The following Homeownership Division monthly status reports as of December 31, 2009 are presented for information:

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

# Monthly Loan Purchase Statistics

December-09

Funding Source	Average Loan Amount	Average Household Income	Beginning Fund Balance (Allocated)	Purchases		New Fund Allocations	Recycled Funds	Ending Balance	Outstanding Reservations	Unreserved Balance
				Volume	Units					
MRB	\$99,354	\$35,807	\$48,779,510	(\$6,257,938)	63	\$0	\$0	\$42,521,572	(\$12,747,074)	<b>\$29,774,498</b>
DPA Repayable	\$4,217	\$46,470	\$3,997,450	(\$97,000)	23	\$0	\$0	\$3,900,450	(\$206,173)	<b>\$3,694,277</b>
HOME DPA	\$4,875	\$29,897	\$2,826,880	(\$190,000)	39	\$0	\$13,800	\$2,650,680	(\$448,955)	<b>\$2,201,725</b>
Home Voucher	\$0	\$0	\$0	\$0	0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>TOTAL</b>			<b>\$55,603,840</b>	<b>(\$6,544,938)</b>	<b>125</b>	<b>\$0</b>	<b>\$13,800</b>	<b>\$49,072,702</b>	<b>(\$13,402,202)</b>	<b>\$35,670,500</b>

UNRESERVED FUNDS	
Series 2009-1HRB USBank 060	\$31,873,269
Series 2008B-MRB 043	(\$2,269,236)
Other Funds	\$0
<b>TOTAL</b>	<b>\$29,604,033</b>

# Fiscal YTD Loan Purchase Statistics

July 1, 2009 Through December 31, 2009

Funding Source	Beginning Fund Balance (Allocated)	Purchases		New Fund Allocations	Recycled Funds	Ending Balance	Outstanding Reservations	Unreserved Balance
		Volume	Units					
MRB	\$21,985,701	(\$33,464,129)	339	\$54,000,000	\$0	\$42,521,572	(\$12,747,074)	\$29,774,498
DPA Repayable	\$4,627,450	(\$727,000)	151	\$0	\$0	\$3,900,450	(\$206,173)	\$3,694,277
HOME DPA	\$3,531,480	(\$918,000)	188	\$0	\$37,200	\$2,650,680	(\$448,955)	\$2,201,725
HOME Voucher	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$30,144,631</b>	<b>(\$35,109,129)</b>	<b>678</b>	<b>\$54,000,000</b>	<b>\$37,200</b>	<b>\$49,072,702</b>	<b>(\$13,402,202)</b>	<b>\$35,670,500</b>

## Monthly Portfolio Statistics

Month Ending December 2009

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	\$6,257,938	63	(\$3,273,649)	(56)	(\$1,170,873)	(13)	\$1,813,417	(6)	\$816,242,668	10,825
Second Mortgage	\$287,000	62	(\$31,990)	(24)	(\$23,406)	(12)	\$231,604	26	\$13,854,946	6,507
Other	\$0	0					\$0	0	\$0	0
<b>TOTAL</b>	<b>\$6,544,938</b>	<b>125</b>	<b>(\$3,305,639)</b>	<b>(80)</b>	<b>(\$1,194,279)</b>	<b>(25)</b>	<b>\$2,045,020</b>	<b>20</b>	<b>\$830,097,615</b>	<b>17,332</b>

## YTD Portfolio Statistics

July 1, 2009 Through December 31, 2009

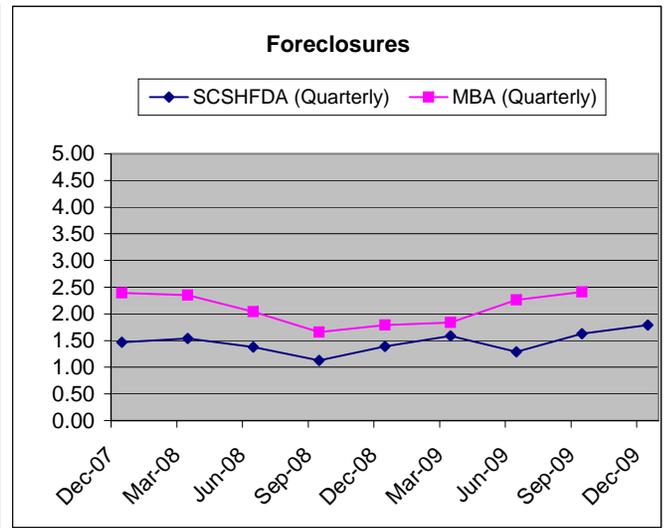
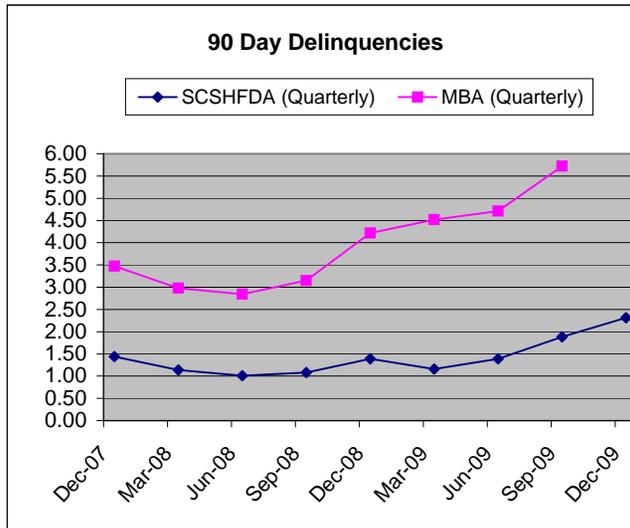
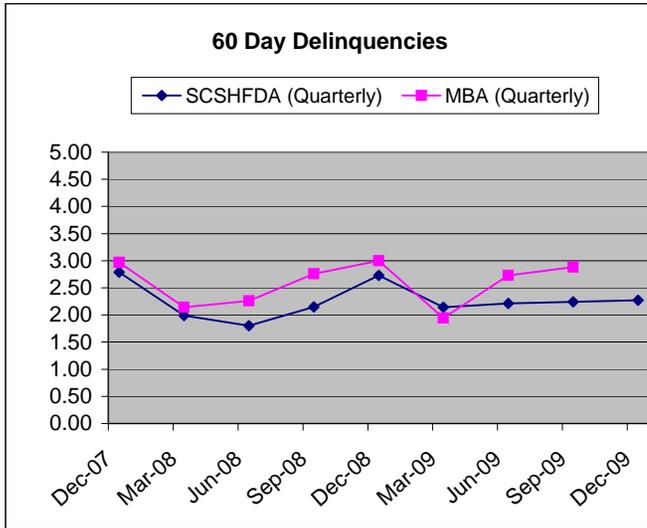
Loan Type	New Purchases		Payoffs		Foreclosures		Net Change		Ending Balance	
	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units
First Mortgage	\$33,464,129	339	(\$21,139,584)	(372)	(\$5,769,335)	(77)	\$6,555,210		\$816,242,668	10,825
Second Mortgage	\$1,645,000	339	(\$291,002)	(210)	(\$89,926)	(50)	\$1,264,072		\$13,854,946	6,507
Other	\$0	0					\$0	0		0
<b>TOTAL</b>	<b>\$35,109,129</b>	<b>678</b>	<b>(\$21,430,586)</b>	<b>(582)</b>	<b>(\$5,859,261)</b>	<b>(127)</b>	<b>\$7,819,283</b>	<b>0</b>	<b>\$830,097,615</b>	<b>17,332</b>

## Portfolio by Servicer

Servicer	First Mortgages Serviced	Outstanding Principle Balance	Second Mortgages Serviced	Oustanding Principle Balance	Total Principle Balance of Loans Serviced
State Housing	9,716	\$764,558,577.58	6,507	\$13,854,946.00	778,413,524
First Citizens	1,109	\$51,684,090.88	0	\$0.00	51,684,091
<b>Total All Servicers</b>	<b>10,825</b>	<b>\$816,242,668.46</b>	<b>6,507</b>	<b>\$13,854,946.00</b>	<b>830,097,614</b>

## DELINQUENCY REPORT

		60 Day			90 Day			Foreclosures			Bankruptcies		
		SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA (Quarterly)	SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA (Quarterly)	SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA	SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA
<b>2008</b>	Oct-08	2.50	2.73	3.00	1.09	1.39	4.22	1.24	1.39	1.79	1.26	1.24	N/A
	Nov-08	3.02			1.46			1.36			1.23		
	Dec-08	2.68			1.62			1.56			1.22		
<b>2009</b>	Jan-09	2.65	2.14	1.94	1.35	1.16	4.52	1.73	1.59	1.84	1.22	1.23	N/A
	Feb-09	1.91			1.24			1.54			1.26		
	Mar-09	1.87			0.88			1.49			1.22		
<b>2009</b>	Apr-09	2.01	2.21	2.73	1.17	1.39	4.71	1.17	1.29	2.26	1.22	1.23	N/A
	May-09	2.57			1.36			1.24			1.22		
	Jun-09	2.04			1.63			1.45			1.25		
<b>2009</b>	Jul-09	2.06	2.24	2.88	1.66	1.88	5.72	1.52	1.63	2.41	1.25	1.20	N/A
	Aug-09	2.66			1.82			1.69			1.22		
	Sep-09	2.01			2.15			1.69			1.12		
<b>2009</b>	Oct-09	2.18	2.27	N/A	2.19	2.31	N/A	1.75	1.79	N/A	1.10	1.10	N/A
	Nov-09	2.38			2.36			1.87			1.09		
	Dec-09	2.26			2.39			1.76			1.12		





Division: **Human Resources**

<b>Total Authorized Permanent Positions</b>	<b>127</b>
Filled Permanent Positions	119
Vacancies	8
Temporaries	11

### **New Hires, Promotions & Transfers**

<b>Department</b>	<b>Employee Name</b>	<b>Job Title</b>	<b>Effective Date</b>
Internal Audit	Wayne Sams	Internal Audit Director	1/4/10
Compliance Monitoring	Onyaka Hutcherson	Compliance Officer	1/4/10
Voucher Program	Yolanda Dennison	Housing Program Coord	1/4/10
Human Resources	Ron Frye	Benefits Administrator	1/4/10

### **Resignations, Transfers & Job Postings**

<b>Department/Title</b>	<b>Employee Name</b>	<b>Termination Date</b>	<b>Vacancy Posting Dates</b>
Executive-Programs Division	Larry Arney	12/31/09	TBD
Voucher Program	Onyaka Hutcherson	1/3/10	12/4/09-1/8/10
Mortgage Servicing	Yolanda Dennison	1/3/10	12/23/09-1/4/10
Information Technology	Ron Frye	1/3/10	1/4/10-1/19/10

#### **Announcements:**

SCEIS rollout postponed until 6/2/10

EPMS Mid-year Reviews

#### **Strategic Planning:**

Marketing & Communications Annual Plan Development



**Division: Finance**

**Subject: Financial Statements**