

SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY

300-C Outlet Pointe Blvd.

Columbia, SC 29210

Regular Board Meeting **NOVEMBER 18, 2015 AT 10:00 A.M.**

- 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 of October 19, 2015 & October 21, 2015 Chairman Tomlin
 - B. Finance & Audit Committee Richard Hutto
 - 1. Review of Audited Financial Statements for FY 2015
 - 2. RFP for Financial Advisor
 - C. Bond Committee Tracey Easton
 - 1. MRB Transaction Preliminary Approval
 - 2. Final Resolution – Columbia Gardens
 - 3. Final Resolution – Willow Run
 - D. Program Committee Laura Nicholson
 - 1. Consideration of Housing Trust Fund (HTF) Awards
 - 2. HTF Proposal to flood victims
 - 3. Tax Credit Update
 - E. Quarterly Mortgage Servicing Update Lisa Rivers
 - F. Homeownership Report Steve Clements
 - 1. SC HELP Update
 - 2. Mortgage Production Update
 - G. Reports Chairman Tomlin
Valarie Williams
Ed Knight
James Galluzzo
 - 1. Chairman
 - 2. Executive Director
 - 3. Deputy Director for Programs
 - 4. Human Resource Director
- V.** Other Business
- VI.** Executive Session
- VII.** Next Meeting – January 20, 2016
- 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

TELEPHONIC COMMISSION MEETING

The Board of Commissioners of the South Carolina State Housing Finance and Development Authority convened a telephonic meeting on Monday, October 19, 2015 at approximately 12:00 p.m., at the Authority's office, 300-C Outlet Pointe Boulevard, Columbia, South Carolina.

The following Commissioners participated in the call:

Donald R. Tomlin, Jr., Chairman
Robert D. Mickle, Jr., Vice Chairman
Bradley J. Allen
Charles E. Gardner
Chris Goodall
Kenneth E. Ormand, Jr.
Sue Ann Shannon
Mary Sieck

Staff and Guests attending the meeting included the following:

STAFF: Valarie M. Williams, Executive Director
Ed Knight, Deputy Director of Programs
Richard Hutto, Deputy Director of Administration
Wayne Sams, Internal Audit & Investor Services
Tracey Easton, General Counsel
Bonita Shropshire, Executive Assistant

GUESTS: No Guests

Chairman Union 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

The Chairman presented the agenda for approval.

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

The Authority's Response to the Disaster Recovery

Chairman Tomlin began by asking Valarie to provide an overview of the Authority's immediate initiatives to assist recent victims of the flood. Ms. Williams reported that SC HELP would be able to offer temporary relief for homeowners who had been left unemployed or experienced a reduction in income due to the flood. She then reported that effective October 5, 2015 the agency had declared a foreclosure moratorium for loans in its portfolio for 90 days. Ms. Williams then went over the staff's efforts to ensure that the agency's website was updated with various federal and state resources and that marketing had created a Resource Fact Sheet with a wealth of information for disaster relief.

Ms. Williams concluded her report by assuring the Board that she would continue to take part in various meetings and briefings so that she could determine how the agency could assist in more long term recovery efforts. She stressed how important it would be to develop better communications with FEMA, the Red Cross, and the Governor's office so that the agency would not duplicate services.

The Chairman followed Ms. Williams with brief remarks on his meeting with Valarie and the former Director of SC Department of Commerce. Chairman Tomlin pledged his support to staff in helping to make connections with anyone to include the Governor's office, to ensure that the agency be a part of the recovery efforts.

Other Business

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

Respectfully submitted,

Valarie M. Williams, Secretary

Approved: November 18, 2015

By: _____
Donald R. Tomlin, Jr.
Chairman



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Christopher N. Union
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 Wednesday, October 14, 2015 at approximately 10:00 a.m., at the Authority's office, 300-C Outlet Pointe Boulevard, Columbia, South Carolina.

The following Commissioners were in attendance:

Donald R. Tomlin, Jr., Chairman
Robert D. Mickle, Jr., Vice Chairman
Bradley J. Allen
Charles E. Gardner
Chris Goodall
Kenneth E. Ormand, Jr.
Sue Ann Shannon
Mary Sieck

Staff attending the meeting included the following:

STAFF:

Valarie M. Williams, Executive Director
Ed Knight, Deputy Director of Programs
Richard Hutto, Deputy Director of Administration
Wayne Sams, Investor Services & Internal Audit
Tracey Easton, General Counsel
Carl Bowen, Rental Assistance & Compliance
Laura Nicholson, Development
Steve Clements, SC HELP & Mortgage Production
Lisa Rivers, Mortgage Servicing
Claude Spurlock, Mortgage Production
Kim Spires, Investor Services
Jay Wise, Finance
Clayton Ingram, Marketing
Krystal Reid, Marketing
James Galluzzo, Human Resources
Jennifer Cogan, Development
Reggie Bell, Marketing & Procurement
Bonita Shropshire, Executive Assistant

Chairman Tomlin 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 Tomlin presented the agenda for approval.

MOTION Commissioner Mickle moved to adopt the agenda as presented. The motion received a second from Commissioner Sieck. 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 September 16, 2015. There being none, he called for a motion to approve the minutes.

MOTION Commissioner Goodall moved to approve the minutes of September 16, 2015 as presented. The motion received a second from Commissioner Gardner. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

Bond Committee

Carry-forward Allocation Request

Ms. Easton asked for consideration of a Resolution authorizing a petition to the Budget and Control Board requesting allocation of any unused portion of the State's 2015 Private Activity Bond Ceiling. Ms. Easton stated that staff had recommended this Resolution to the Bond Committee earlier that morning. Commissioner Mickle stated that the Bond Committee had received and reviewed the request, and recommended approval by the full Board.

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

Tax Credit Update

The Chairman then called on Laura Nicholson for the Tax Credit Update. Ms. Nicholson reported that staff is proposing technical changes to the 2015-2016 QAP and Tax Credit Manual in preparation for the 2016 tax credit funding cycle. Ms. Nicholson then went over some of the proposed changes and noted that a complete list of changes was provided for review in the board book. After a brief discussion, the board accepted the report as information.

Neighborhood Initiative Program (NIP)

Chairman Tomlin then asked Jennifer Cogan to present the Neighborhood Initiative Program (NIP) overview. Ms. Cogan began with a program overview and continued with a current progress report. According to Ms. Cogan's report, 268 property applications have been submitted, \$6.8 million has been allocated to approved properties, and demolitions are scheduled to begin in November. She concluded with a breakdown of awards by region.

The report was accepted as information.

Homeownership

SC HELP Update

The Chairman asked Steve Clements for a program update on SC HELP. Mr. Clements began the SC HELP report with updated program figures that detailed the total number of applicants and funds committed and expended. Mr. Clements then briefly went over a proposal to Treasury to assist with emergency disaster relief. Mr. Clements explained that if accepted, the proposal would all for six months of mortgage payment assistance to those who did not have flood insurance.

Mortgage Production Update

Mr. Clements also presented the mortgage production update highlighting loan volume, mortgage rates and origination fees, and down payment assistance data. He then provided updated loan reservations figures for the new Bond Program for FHA loans, Palmetto Heroes, and Conventional loans.

The Board accepted both reports as information.

Investor Services

Chairman Tomlin asked Kim Spires for the Investor Services report. Ms. Spires began her report with an overview of the Authority's Real Estate Owned (REO) process to include the number of properties, loan balance recovery and average length of time the properties remain in the portfolio. Ms. Spires gave a thorough description of how the agency disposes of foreclosed properties. The Board accepted the report as information.

FY 2015 Accountability Report

The Chairman asked Clayton Ingram for the 2015 Accountability Report. Mr. Ingram reminded the Board of the Executive Budget Office's new reporting format for the Accountability Report. According to Mr. Ingram the report now focuses on the Authority's progress towards its strategic and operational goals and no longer uses charts or graphs, or the Malcom Baldrige criteria for reporting. Mr. Ingram stated that the revised report has given staff a framework to utilize for strategic planning. The report was accepted as information.

Housing Disaster Recovery Discussion

Chairman Tomlin asked the Executive Director to begin the discussion of what the agency has done to assist in the housing disaster efforts. Ms. Williams provided a summation of activities that staff has already put in place to help homeowners who have mortgage loans with the Authority. She then shared her plan to continue her communications with the Governor's office, FEMA, and the Emergency Management division to best determine where the agency's efforts should be focused. Ms. Williams concluded her report by going over an information fact sheet that was created by our marketing division and lists various resources that are available to assist homeowners.

The Chairman added that he had accompanied Ms. Williams during her initial meeting with the Governor's staff and agreed that more coordination was needed. The Chairman then shared his desire for the Authority to come up with an initiative that would help homeowners not have to walk away from their properties because of lack of funds to repair them.

Reports**Human Resources Director**

The Chairman called on James Galluzzo for the Human Resources report. Mr. Galluzzo began by allowing division managers to introduce new hires, promotions, and transfers within their departments. He continued with the normal monthly human resources report and concluded by recognizing Tonya Holmes a recent STEPS Leadership graduate.

Other Business

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

Respectfully submitted,

Valarie M. Williams, Secretary

Approved: November 18, 2015

By: _____
Donald R. Tomlin, Jr.
Chairman

Other Business

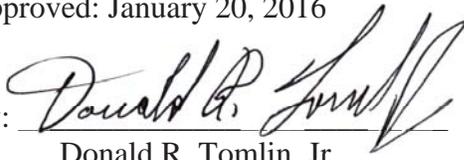
There being no additional business to come before the Board, Chairman Tomlin adjourned the meeting.

Respectfully submitted,



Valarie M. Williams, Secretary

Approved: January 20, 2016

By: 

Donald R. Tomlin, Jr.
Chairman

DIVISION: Finance & Audit Committee

SUBJECT: Review of Audited Financial Statements for FY 2015

DIVISION: Finance & Audit Committee
SUBJECT: RFP for Financial Advisor

DIVISION: Legal

SUBJECT: Consideration of a Resolution making preliminary provision for the issuance of not exceeding \$70,000,000 aggregate principal amount of South Carolina State Housing Finance and Development Authority Mortgage Revenue Bonds, Series 2016 A (Tax-Exempt and/or Taxable) or such other numbering convention as may be necessary, and other matters related thereto.

This Resolution makes preliminary provision for approval of a bond issuance/refunding not exceeding \$70,000,000. The bonds for Series 2016 A (or such other numbering convention as may be necessary) may be tax-exempt and/or taxable bonds.

This Resolution makes provision for submission of the request to the State Fiscal Accountability Authority for their approval.

This Resolution provides for the Authority to sell bonds, execute a Purchase Contract and distribute Preliminary and Final Official Statements in addition to general authority not inconsistent with the intent of the Resolution.

Staff recommends approval of the resolution.

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$70,000,000 AGGREGATE PRINCIPAL AMOUNT OF SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY MORTGAGE REVENUE BONDS, SERIES 2016 A (TAX-EXEMPT AND/OR TAXABLE) OR SUCH OTHER NUMBERING CONVENTION AS MAY BE NECESSARY, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the South Carolina State Housing Finance and Development Authority (the “Authority”) is authorized and empowered by Title 31, Chapter 13, Code of Laws of South Carolina 1976, as amended (the “Act”) to issue bonds, the principal proceeds of which will be used to provide sanitary and safe residential housing for persons and families of low income and of moderate to low income at prices which such persons can afford and/or refund any such bonds of the Authority; and

WHEREAS, upon making a determination that a demand for money for mortgage loans is sufficient to justify the issuance of bonds and upon the approval of the State Budget and Control Board now known as the State Fiscal Accountability Authority of South Carolina (the “SFAA”), the Authority may, from time to time, issue its bonds for the purpose of obtaining funds with which to provide sanitary and safe residential housing for beneficiary classes at prices which such persons can afford and/or refund any such bonds of the Authority; and

WHEREAS, the Authority has formulated a plan for the issuance of tax-exempt and/or taxable South Carolina State Housing Finance and Development Authority Mortgage Revenue Bonds, Series 2016 A (Tax-Exempt and/or Taxable) or such other numbering convention as may be necessary, which may include long-term tax-exempt bonds and/or long-term taxable bonds not requiring State Ceiling (the “Series 2016 A Bonds”), in one or more series pursuant to the Act, such plan being conditioned upon the Authority’s underwriters’ ability to sell bonds in a principal amount of not exceeding \$70,000,000; and

WHEREAS, the Authority is an “issuing authority,” as such term is used in Act No. 117 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1987 establishing a plan for the allocation of the State of South Carolina’s volume limitation with respect to private activity bonds (as defined in Section 141 of the Internal Revenue Code of 1986) imposed by the Tax Reform Act of 1986; and

WHEREAS, the Authority has determined that there exists both a demand and a need for affordable mortgage money such as to justify the issuance of the Series 2016 A Bonds upon the terms and conditions stated herein; and

WHEREAS, in light of additional demand for mortgage loans, the Authority has formulated a plan for the issuance of the Series 2016 A Bonds in one or more series pursuant to the Act, and upon approval by the SFAA of the issuance of such Series 2016 A Bonds; and

WHEREAS, such plan is not conditioned upon the granting by the SFAA of any additional allocation of the State Ceiling established by the Tax Reform Act of 1986 (the “State Ceiling”); and

WHEREAS, the Authority proposes (i) to make provision for one or more additional series of tax-exempt bonds comprising a portion of the Series 2016 A Bonds, certain of which may require the use of State Ceiling previously allocated to the Authority; (ii) to make provision for one or more additional series of tax-exempt bonds which will comprise a portion of the Series 2016 A Bonds for the purpose of refunding certain bonds of the Authority; and (iii) to make provision for one or more additional series of taxable bonds

which will comprise a portion of the Series 2016 A Bonds for the purpose of refunding certain bonds of the Authority all in an aggregate amount not to exceed \$70,000,000; and

WHEREAS, the primary purpose of the Series 2016 A Bonds is to finance mortgage loans directly (or indirectly through mortgage backed securities) and the refunding of prior bonds of the Authority; and

WHEREAS, the Authority may make a determination that refunding certain of its prior bonds will result in lower total interest costs, after taking into consideration the costs of such refunding, and is expected to provide overall better economic return to the Authority over the life of the Series 2016 A Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. Adoption of Premises. Each statement of fact set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct.

Section 2. Sale of the Series 2016 A Bonds; Execution of Purchase Contract. The Chairman (the “Chairman”) of the Board of Commissioners of the Authority (the “Board of Commissioners”) and the Executive Director (the “Executive Director”) of the Authority and each of them are hereby authorized to sell any or all of the Series 2016 A Bonds to the Authority’s underwriters (the “Underwriters”) headed by Citigroup Global Markets Inc. pursuant to the terms and conditions of a Purchase Contract in substantially the form heretofore employed by the Authority in connection with the sale of its mortgage revenue bonds. The Authority hereby conferred may be exercised as long as the issuance and delivery of the Series 2016 A Bonds will not result in a lowering of the credit rating on the Authority’s mortgage revenue bonds. The Chairman and the Executive Director shall ensure that the arrangements for the sale of the Series 2016 A Bonds comply with the Authority’s general policy regarding distribution of bonds and availability to residents of the State of South Carolina and with the terms and conditions stated herein.

Section 3. Preliminary and Final Official Statement. The distribution and use of preliminary and final official statements in connection with the sale of the Series 2016 A Bonds is hereby authorized. Said preliminary and final official statements shall be in substantially the forms heretofore used in connection with the distribution of the Authority’s mortgage revenue bonds with such changes, additions, deletions, or modifications as are consistent with the details of the Series 2016 A Bonds or as are recommended by the Underwriters and accepted by disclosure counsel, bond counsel and the staff of the Authority. The Chairman and the Executive Director are hereby authorized and directed to take such action as they deem appropriate or as is requested of either of them in connection with the distribution of preliminary and/or final official statements.

Section 4. Petition to the State Fiscal Accountability Authority. The Chairman, the Executive Director, and/or the legal counsel to the Authority are hereby authorized and directed to prepare and present in a Petition to the SFAA (the form of such Petition in substantially final form is attached hereto as Exhibit A). Such petition shall include the information prescribed by §31-13-220 of the Act which shall include, among other things, a request that the issuance of the Series 2016 A Bonds be approved by the SFAA, the pertinent terms and provisions of the Series 2016 A Bonds determined as provided in this Resolution, and of the outstanding bonds of the Authority.

Section 5. Resolution of State Fiscal Accountability Authority. The Authority approves the form of Resolution of the SFAA in the form attached hereto as Exhibit B.

Section 6. Series 2016 A Supplemental Resolution. The Board of Commissioners in a meeting duly assembled shall be presented with a Series 2016 A Supplemental Resolution in substantially the

form as previous bond issues submitted to it at such time when the details of the Series 2016 A Bonds are known.

Section 7. Declaration of Official Intent. Section 1.150-2 of the Treasury Regulations promulgated pursuant to Section 150 of the Internal Revenue Code of 1986, as amended, sets forth certain procedures relating to the treatment of “Reimbursement Bonds”. The Authority expects to issue one or more series of qualified tax-exempt mortgage revenue bonds during calendar years 2016 and 2017 (“Reimbursement Bonds”) of which a portion of the proceeds will be used to reimburse the Authority for the expenditures previously paid from certain funds and accounts of the Authority for qualified mortgage loans and/or pools of mortgage backed securities (the “Reimbursement Loans”). The Authority hereby declares its official intent to reimburse all or a portion of certain expenditures with the proceeds of the Reimbursement Bonds or other borrowing. The maximum principal amount of Reimbursement Bonds expected to be issued for reimbursement of the “Revenue Reserve Fund of the South Carolina State Housing Finance and Development Authority” (the “Reimbursement Fund”) for the Reimbursement Loans is \$25,000,000 and on the date hereof the Authority “reasonably expects” to reimburse all or a portion of the expenditures from the Reimbursement Fund for the Reimbursement Loans with a portion of the Reimbursement Bonds or other borrowing. Such Reimbursement Loans will be originated or purchased on or after the date which is not more than 60 days prior to November 18, 2015. Such Reimbursement Loans are/will be credited to SCEIS Fund #60059017 SHA GRRF-095 or successor account number for such account or such other account designated by the Authority. The Authority “reasonably expects” to issue and/or convert \$150,000,000 in obligations during calendar years 2016 and 2017 to fund the Authority’s mortgage revenue bond program. Written evidence of the “reimbursement allocation” for the Reimbursement Loans shall be set forth in the closing transcript for the Reimbursement Bonds or other books and records of the Authority which shall be dated the date of delivery. This declaration shall take effect immediately.

Section 8. General Authority. The Board of Commissioners and its appropriate officers, attorneys, agents, and employees are hereby authorized to do all acts and things required of them by this Resolution or consistent or desirable in connection with the requirements hereof for the full, punctual, and complete performance of all the terms, covenants, and purposes contained in the Series 2016 A Bonds and this Resolution, and each such member of the Board of Commissioners, officer, attorney, and employee is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby and hereby.

Section 9. Law and Place of Enforcement of the Resolution. This Resolution shall be construed and interpreted in accordance with the laws of the State of South Carolina.

Section 10. Effective Date. This Resolution shall become effective immediately upon its adoption by the Board of Commissioners.

Section 11. Severability. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 12. Repeal of Inconsistent Resolutions. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall take effect and be in full force from and after its passage and approval.

STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON

_____))
_____))
TO THE STATE FISCAL ACCOUNTABILITY)
AUTHORITY OF SOUTH CAROLINA)
_____))
_____))

PETITION

This Petition of the South Carolina State Housing Finance and Development Authority (the “Authority”) respectfully shows:

1. The Authority is empowered by the provisions of Title 31, Chapter 13, Code of Laws of South Carolina 1976, as amended (the “Act”) upon the approval of the State Budget and Control Board now known as the State Fiscal Accountability Authority of South Carolina (the “SFAA”), to issue bonds, the principal proceeds of which are to be applied to providing sanitary and safe residential housing for persons and families of low and moderate to low income at prices which such persons can afford and/or to refund any such bonds of the Authority.

2. The Authority has determined that there exists both a demand, and a need for money to provide mortgage loans directly (or indirectly through mortgage backed securities) to members of the beneficiary classes at affordable prices. In order to meet such demand, the Authority requests that it be empowered to issue and sell one or more series of long-term tax-exempt bonds and/or long-term taxable bonds in an amount not to exceed \$70,000,000 to make such mortgage loans directly (or indirectly through mortgage backed securities) and/or to refund any such bonds of the Authority. Certain taxable and refunding portions of the Series 2016 A Bonds (Tax-Exempt and/or Taxable) or such other numbering convention as may be necessary will not require the use of the State Ceiling. The Series 2016 A Bonds (Tax-Exempt and/or Taxable) or such other numbering convention as may be necessary are collectively referred to as the “Series 2016 A Bonds”.

3. The Series 2016 A Bonds, other than any portion of which are taxable, if any, will be “private activity bonds” within the meaning of such term in Section 146 of the Internal Revenue Code of 1986, as amended (the “Code”), which imposes a “volume cap” on private activity bonds (other than most refunding bonds) by way of a “State Ceiling” (as such term is used in Section 146(d) of the Code) applicable to each state.

4. The Authority is an “issuing authority” as such term is used in South Carolina Code Section 1-11-500, et seq., which proclaims the plan for allocating the State Ceiling on the issuance of tax-exempt private activity bonds in South Carolina, and devolves upon the SFAA the responsibility for making allocations of the State Ceiling.

5. The Authority may utilize, to the extent required by the Code, State Ceiling carryforward previously allocated to the Authority so that the tax-exempt portion of the Series 2016 A Bonds may be issued.

6. The Series 2016 A Bonds will be issued pursuant to the General Resolution adopted by the Authority on September 13, 1994, a copy of which has been filed with the SFAA, and one or more Supplemental Resolutions to be adopted by the Authority.

7. It is anticipated that the Series 2016 A Bonds will be sold at prices and at rates which will enable the Authority to make mortgage loans directly (or indirectly through mortgage backed securities) to members of the beneficiary classes at competitive rates. If the primary purpose of the Series 2016 A Bonds is refunding prior bonds of the Authority, the Authority may determine that refunding certain of its prior bonds will result in lower total interest costs, after taking into consideration the costs of such refunding, and is expected to provide overall better economic return to the Authority over the life of the Series 2016 A Bonds.

8. The income to be received by the Authority from the mortgage loans purchased directly with the proceeds of the Series 2016 A Bonds (or indirectly through mortgage backed securities) and invested reserves will produce a spread within any applicable arbitrage limits imposed by the United States Treasury but will at the same time provide a proper margin to insure the prompt payment of the principal of and interest on the Series 2016 A Bonds as they mature and money to pay the expenses of the Authority for its program, including expenses incident to the servicing of the loans purchased with the proceeds of the Series 2016 A Bonds.

9. This Petition constitutes the Authority's request that the SFAA approve the issuance of the Series 2016 A Bonds.

10. It is anticipated that the Series 2016 A Bonds will be rated at least "Aa" by Moody's Investors Service, Inc.

11. The Authority requests that the SFAA delegate to the State Treasurer (i) the ability to approve the principal amount and interest rate on the Series 2016 A Bonds, (ii) to approve the form and substance of preliminary and final official statements to be distributed in connection with the sale of the Series 2016 A Bonds; (iii) to approve the form and substance of a supplemental resolution or supplemental resolutions setting forth the terms and conditions of the Series 2016 A Bonds; (iv) to approve the terms and conditions of the Purchase Contract; and (v) upon making a determination that the funds anticipated to be available for the payment of the Authority's bonds, including the Series 2016 A Bonds, will be sufficient to provide for the payment of principal and interest thereon, to grant on behalf of the SFAA final approval for the issuance of the Series 2016 A Bonds. Prior to the issuance and delivery of the Series 2016 A Bonds, the Authority will submit to the SFAA all information required by §31-13-220 of the Act, to wit:

- (a) the purpose and the principal amount of the Series 2016 A Bonds to be issued;
- (b) the maturity schedule of the Series 2016 A Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds; and
- (e) the method to be employed in selling the Series 2016 A Bonds.

12. The Authority stands ready to produce any further information required by the SFAA.

WHEREFORE, on the basis of the foregoing, the Authority prays:

That the SFAA approve the issuance of the Series 2016 A Bonds.

Respectfully submitted,

SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT AUTHORITY

By: _____
Its: _____

November 18, 2015

THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA

A RESOLUTION

APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY MORTGAGE REVENUE BONDS, SERIES 2016 A (TAX-EXEMPT AND/OR TAXABLE) OR SUCH OTHER NUMBERING CONVENTION AS MAY BE NECESSARY

WHEREAS, pursuant to Chapter 13, Title 31, Code of Laws of South Carolina, 1976, as amended, (the “Act”), upon the approval of the State Budget and Control Board now known as the State Fiscal Accountability Authority of South Carolina (the “SFAA”), the South Carolina State Housing Finance and Development Authority (the “Authority”) is empowered to issue bonds, the principal proceeds of which will be applied to providing sanitary and safe residential housing for persons and families of low income and moderate-to-low income at prices which such persons can afford and/or to refund any such bonds of the Authority; and

WHEREAS, the Authority heretofore on September 13, 1994, adopted a General Resolution for the issuance of South Carolina State Housing Authority Mortgage Revenue Bonds to provide money for mortgage loans to the beneficiary classes and/or to refund any such bonds of the Authority and afterwards issued multiple series of its bonds pursuant to said General Resolution (the “General Resolution”); and

WHEREAS, in light of additional demand for mortgage loans, the Authority proposes to make provision for the issuance of additional Authority Mortgage Revenue Bonds in one or more series, which may include long-term tax-exempt bonds and/or long-term taxable bonds not requiring additional State Ceiling (the “Series 2016 A Bonds”) or such other numbering convention as may be necessary, in an aggregate amount not to exceed \$70,000,000, with the final amount to be determined on the basis of the apparent demand for mortgage loans to be made directly (or indirectly through mortgage backed securities) with the proceeds of the Series 2016 A Bonds and when a determination of the appropriate amount of bonds of the Authority for refunding can be made; and

WHEREAS, it is anticipated that the Series 2016 A Bonds will be sold to underwriters (the “Underwriters”) headed by Citigroup Global Markets Inc. bearing interest at competitive rates; and

WHEREAS, such sale shall be made pursuant to a purchase contract between the Authority and the Underwriters (the “Purchase Contract”); and

WHEREAS, the SFAA has given due consideration to the proposed undertaking of the Authority and wishes to give approval to the issuance and sale of the Series 2016 A Bonds, subject to the conditions set forth herein.

NOW, THEREFORE BE IT RESOLVED BY THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

Section 1. Subject to the conditions set forth herein, approval is hereby granted by the SFAA to the issuance and sale by the Authority of not exceeding \$70,000,000 South Carolina State

Housing Finance and Development Authority Mortgage Revenue Bonds, Series 2016 A or such other numbering convention as may be necessary.

The Series 2016 A Bonds shall be secured by the General Resolution and shall be further secured by, and subject to such terms and conditions as shall be set forth in, a supplemental resolution or resolutions which shall hereafter be adopted by the Authority.

Section 2. The approval is granted provided that the Authority shall submit to the SFAA all information required to be submitted to it pursuant to Section 31-13-220 of the Act such as the following:

- (a) the purpose and the principal amount of the Series 2016 A Bonds to be issued;
- (b) the maturity schedule of the Series 2016 A Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds of the Authority; and
- (e) the method to be employed in selling the Series 2016 A Bonds

Section 3. The approval is granted subject to the following conditions:

- (a) The Authority shall submit to the SFAA all information required to be submitted to it pursuant to Section 31-13-220 of the Act as stated above;
- (b) The State Treasurer shall approve the principal amount of the Series 2016 A Bonds and the rate of interest to be borne thereby upon the issuance and delivery thereof;
- (c) The State Treasurer shall approve the form and substance of preliminary and final official statements to be distributed in connection with the sale of the Series 2016 A Bonds;
- (d) The State Treasurer shall approve the form and substance of a supplemental resolution or supplemental resolutions setting forth the terms and conditions of the Series 2016 A Bonds;
- (e) The State Treasurer shall approve the terms and conditions of the Purchase Contract; and
- (f) The State Treasurer shall approve, upon determination that the funds anticipated to be available for the payment of the Authority's bonds, including the Series 2016 A bonds, will be sufficient to provide for the payment of principal and interest thereon.

Section 4. Approval is granted to the undertaking of the Authority to make mortgage loans directly (or indirectly through mortgage backed securities) to members of the beneficiary classes to enable such borrower to acquire single family homes with all available proceeds from the Series 2016 A Bonds and/or to refund any such bonds of the Authority.

STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON

I, the undersigned Secretary of the South Carolina State Housing Finance and Development Authority (the "Authority"), DO HEREBY CERTIFY that the foregoing is a true, correct, and verbatim copy of a Resolution duly adopted by the Authority at a duly called meeting held on November 18, 2015.

WITNESS MY HAND this 18th day of November, 2015.

Secretary, South Carolina State Housing Finance and
Development Authority

DIVISION: Legal

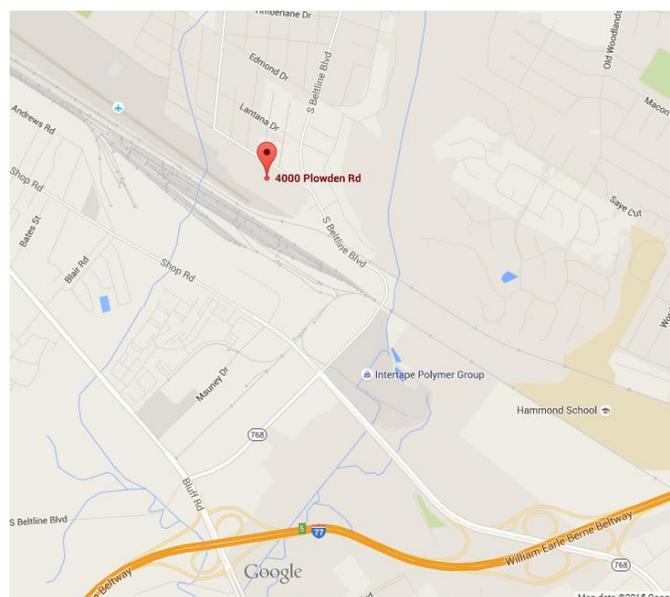
SUBJECT: Consideration of a Final Resolution Approving the Issuance of Not Exceeding \$15,000,000 Aggregate Principal Amount of Multifamily Rental Housing Revenue Bonds, (Columbia Gardens) and other matters related thereto.

Developer: Hampstead Columbia Gardens Partners, L.P.
Issue Type: New Money
Project Type: Acquisition and Rehabilitation
Units: 188
Location: 4000 Plowden Road, Columbia, SC; Richland County
Amount: not exceeding \$15,000,000
Amount of Cap: not exceeding \$15,000,000
Type of Offering: Private Placement
Credit Enhancement: N/A

Hampstead Columbia Gardens Partners, L.P. is requesting final approval of a bond issue for a new money issue for Columbia Gardens. This is an acquisition and rehabilitation. The project will consist of 188 units having a target population of family.

The Bond Committee granted preliminary approval at its August 12, 2015 meeting and the State Fiscal Accountability Authority granted approval at its October 27, 2015 meeting.

Staff recommends the approval of this resolution.



A RESOLUTION

MAKING PROVISION FOR THE ISSUANCE OF NOT TO EXCEED \$15,000,000 AGGREGATE PRINCIPAL AMOUNT MULTIFAMILY HOUSING REVENUE BONDS (COLUMBIA GARDENS) OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY FOR THE PURPOSE OF PROVIDING CONSTRUCTION AND PERMANENT MORTGAGE LOAN FINANCING FOR A MULTIFAMILY HOUSING FACILITY, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the “Act”), provides that the South Carolina State Housing Finance and Development Authority (the “Authority”), upon making a determination that sufficient persons or families of either beneficiary class (as defined by the Act) (the “Beneficiary Classes”) are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing, and that through the exercise of one or more of the programs authorised by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need thereof and that a series of bonds must be sold in order to alleviate the lack of decent, safe, and sanitary housing available to members of the Beneficiary Class; and

WHEREAS, upon making such determination and the approval of the State Fiscal Accountability Authority (the “State FAA”), the Authority may issue from time to time bonds for the purpose of obtaining funds with which to make permanent mortgage loans to housing sponsors (as defined in the Act) who agree to and are required to provide for construction and rehabilitation of residential housing (as defined in the Act) for rental by persons or families of either Beneficiary Class; provided, however, that with respect to any particular issue of bonds, one of the following conditions must be met: (a) if there is a public distribution of the bonds, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of the loans; or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorised to do business in the State of South Carolina; or (iii) the payment of the bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the State FAA; or (b) if the bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional investors, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, and the documents pursuant to which the bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds; and

WHEREAS, Hampstead Columbia Gardens Partners, L.P., a limited partnership duly organized under the laws of the State of South Carolina (the “Housing Sponsor”), has requested the Authority to assist it through the issuance of bonds under the Act in the amount not to exceed

\$15,000,000 (the “Bonds”) to provide a mortgage loan (the “Mortgage Loan”) to finance the acquisition and rehabilitation of a 188-unit apartment development located in Columbia, South Carolina, known as Columbia Gardens (the “Project”); and

WHEREAS, the Authority has determined that assisting in the financing of the Project with the proceeds of the Bonds will promote and serve the intended purposes of and in all respects will conform to the provisions and requirements of the Act, and, in order to assist in the financing of the Project, the Authority will issue the Bonds; and

WHEREAS, the Authority hereby finds and determines that in order to alleviate the lack of decent, safe, and sanitary housing available to individuals of the Beneficiary Classes, the Bonds must be issued; and

WHEREAS, the Bond Committee of the Authority on August 12, 2015, adopted its Resolution making preliminary provision for the issuance of the Bonds and authorising a petition to the State FAA seeking its approval of the issuance of the Bonds, and the Authority hereby confirms the findings and determinations made by the Bond Committee regarding the Bonds, the Project, and the Housing Sponsor; and

WHEREAS, by resolution adopted on October 27, 2015, the State FAA gave its approval to the proposal of the Authority to issue the Bonds for the purpose of financing a portion of the costs of the Project; and

WHEREAS, the Authority has previously requested of the State FAA, and was granted, a carry-forward allocation of private activity bond volume cap under Section 146(f)(2) of the Code, a portion of which shall be allocated to the Bonds; and

WHEREAS, the Authority proposes to issue the Bonds pursuant to a Loan Agreement (the “Loan Agreement”), between the Housing Sponsor and the Authority, and an Indenture of Trust (the “Indenture”), between the Authority and U.S. Bank National Association (the “Trustee”), pursuant to which (i) the Bonds will be secured by a mortgage and sold as unit to Red Stone Tax Exempt Funding, LLC, or its designee (the “Bondholder”) who will purchase the Bonds for investment purposes and (ii) the Bond proceeds will be used to originate the Mortgage Loan to the Housing Sponsor and used to finance the costs of acquisition and rehabilitation of the Project and the costs of issuance of the Bonds; and

WHEREAS, the Loan Agreement will require the Housing Sponsor to operate the Project to ensure the availability of housing to members of the Beneficiary Classes; and

WHEREAS, the Authority will assign all of its rights under the Loan Agreement (other than Unassigned Issuer’s Rights, as defined in the Loan Agreement) to the Trustee as security for the Bonds pursuant to the terms of the Indenture; and

WHEREAS, the Authority hereby finds and confirms that (i) in order to provide the moneys necessary to implement its program, the Bonds must be issued as provided in this resolution, and (ii) the revenues or other moneys estimated to be available pursuant to the Loan

Agreement and the Indenture will provide moneys required for the payment of the principal and interest on the Bonds:

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED AS FOLLOWS:

Section 1. Adoption of Premises. Each statement of fact, determination, and finding of the Authority set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct as of the date hereof.

Section 2. Issuance of Bonds. Subject to approval by the State FAA, in order to provide a portion of the moneys required to finance the costs of acquisition and rehabilitation of the Project, there is hereby authorized and shall forthwith be issued an issue of bonds to be designated as “South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Columbia Gardens),” with such series designation as approved by the Executive Director. The Bonds are intended to be issued as exempt facility bonds for qualified residential rental projects under Section 142(a)(7) of the Internal Revenue Code of 1986, as amended. The Bonds shall be executed on behalf of the Authority by the Chairman or Vice Chairman and attested by the Secretary of the Authority, in substantially the form attached to the Indenture, the form, terms, and conditions of which are hereby approved with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing such Bonds, such approval to be conclusively evidenced by such officers’ execution thereof.

Section 3. Approval of Form of Loan Agreement and Indenture. The transactions described in the recitals to this Resolution shall be consummated pursuant to the terms of the Loan Agreement and the Indenture, each to be executed on behalf of the Authority by the Chairman or Vice Chairman and attested by the Secretary of the Authority, the forms of which are presented at this meeting and filed with the minutes of this meeting, the forms, terms, and conditions of which are hereby approved with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing the Loan Agreement and the Indenture, their approval to be conclusively evidenced by such officers’ execution thereof.

Section 4. Sale of Bonds; Bond Purchase Agreement. The Chairman or Vice Chairman of the Authority is hereby authorized to sell the Bonds in a private placement to the Bondholder (or an affiliate or designee thereof) pursuant to the terms and conditions of the Bond Purchase Agreement (the “Bond Purchase Agreement”), among the Authority, the Housing Sponsor, and the Bondholder, to be executed on behalf of the Authority by the Chairman or Vice Chairman or Executive Director. The authority hereby conferred may be exercised so long as the average interest rate on the Bonds does not exceed 5.75% per annum, and the final maturity of the Bonds is not later than 45 years after their date of issue. The purchase price of the Bonds shall be as approved by the Chairman or Vice Chairman or Executive Director.

Section 5. Approval of Form of Restrictive Covenants. The Project will be encumbered by restrictive covenants to ensure the Project continuously complies with the requirements of the Act and of the Code pursuant to the Agreement as to Restrictive Covenants between the Authority and the Housing Sponsor (the “Restrictive Covenants”), to be executed on behalf of the Authority by the Chairman, the Vice Chairman, or the Executive Director of the Authority, in substantially the form as presented at this meeting with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing such documents, their approval to be conclusively evidenced by such officer’s execution thereof.

Section 6. General Authority. The Board of Commissioners of the Authority and its appropriate officers, attorneys, agents, and employees are hereby authorised to do all acts and things required of them by this Resolution, the Indenture, the Loan Agreement, the Restrictive Covenants, or the Bond Purchase Agreement, or desirable or consistent with the requirements hereof or thereof for the acquisition and construction of the Project or the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, this Resolution, the Indenture, the Loan Agreement, the Restrictive Covenants, and the Bond Purchase Agreement, and each such Commissioner, officer, attorney, and employee is hereby authorised and directed to execute and deliver any and all papers, financing statements, reports, forms, certificates, and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby and thereby, including the execution and delivery of a Tax Regulatory Agreement among the Authority, the Housing Sponsor, and the Trustee (the “Regulatory Agreement”), in such form as is approved by such officers or employees, execution by the said officers or employees being conclusive evidence of their approval.

Section 7. Limited Obligations; No Personal Liability.

(a) The Bonds are not a debt or grant or loan of credit of the State of South Carolina or any other political subdivision of the State. Neither the State nor any political subdivision of the State will be liable for the Bonds, nor shall the Bonds be payable out of any funds other than those revenues of the Authority pledged to the payment of the Bonds under the Loan Agreement.

(b) No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Authority contained in this Resolution, the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Restrictive Covenants, the Regulatory Agreement, or the Bonds, against any member of the Board of Commissioners, or any officer or employee of the Authority, as such, in his or her individual capacity, past, present, or future, either directly or through the Authority, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Resolution, the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Restrictive Covenants, the Regulatory Agreement, and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer, or employee as such, past, present, or future, either directly or by reason of any of the obligations, covenants, promises, or agreements, entered into between the Authority and the registered owners or to be implied therefrom as being supplemental hereto or thereto; and that all personal liability of that character against every such member, officer, and employee

is, by the adoption of this Resolution and the execution of the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Restrictive Covenants, the Regulatory Agreement, and the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Restrictive Covenants, the Regulatory Agreement, and the Bonds, expressly waived and released. The immunity of the members, officers, and employees, of the Authority under the provision contained in this Section shall survive the termination of this Resolution.

ADOPTED IN MEETING DULY ASSEMBLED this 18th day of November, 2015.

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

I, the undersigned Secretary of the South Carolina State Housing Finance and Development Authority (the “**Authority**”), **DO HEREBY CERTIFY** that the foregoing is a true, correct, and verbatim copy of a Resolution duly adopted by the Authority at a duly called meeting held on November 18, 2015.

WITNESS MY HAND this 18th day of November, 2015.

Secretary, South Carolina State Housing Finance and
Development Authority

DIVISION: Legal

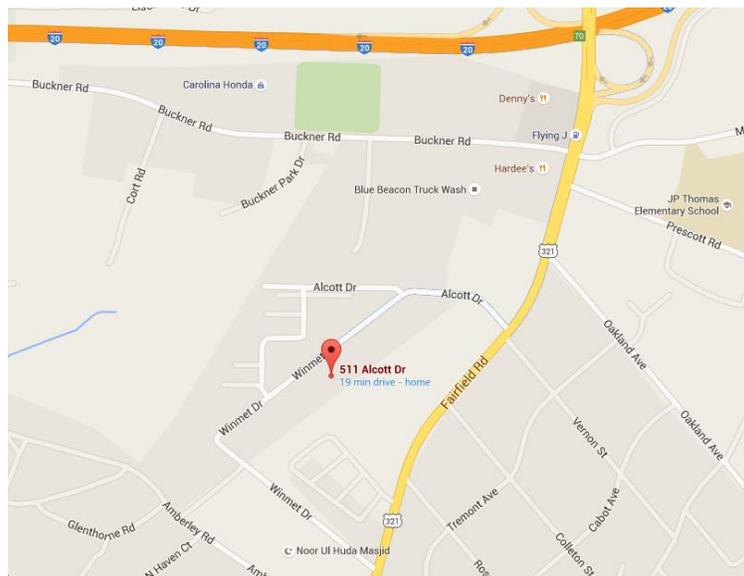
SUBJECT: Consideration of a Final Resolution Approving the Issuance of Not Exceeding \$15,000,000 Aggregate Principal Amount of Multifamily Rental Housing Revenue Bonds, (Willow Run Apartments) and other matters related thereto.

Developer: Hampstead Willow Run Partners, L.P.
Issue Type: New Money
Project Type: Acquisition and Rehabilitation
Units: 200
Location: 511 Alcott Drive, Columbia, SC; Richland County
Amount: not exceeding \$15,000,000
Amount of Cap: not exceeding \$15,000,000
Type of Offering: Private Placement
Credit Enhancement: N/A

Hampstead Willow Run Partners, L.P. is requesting final approval of a bond issue for a new money issue for Willow Run Apartments. This is an acquisition and rehabilitation. The project will consist of 200 units having a target population of family.

The Bond Committee granted preliminary approval at its August 12, 2015 meeting and the State Fiscal Accountability Authority granted approval at its October 27, 2015 meeting.

Staff recommends the approval of this resolution.



A RESOLUTION

MAKING PROVISION FOR THE ISSUANCE OF NOT TO EXCEED \$15,000,000 AGGREGATE PRINCIPAL AMOUNT MULTIFAMILY HOUSING REVENUE BONDS (WILLOW RUN) OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY FOR THE PURPOSE OF PROVIDING CONSTRUCTION AND PERMANENT MORTGAGE LOAN FINANCING FOR A MULTIFAMILY HOUSING FACILITY, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the “Act”), provides that the South Carolina State Housing Finance and Development Authority (the “Authority”), upon making a determination that sufficient persons or families of either beneficiary class (as defined by the Act) (the “Beneficiary Classes”) are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing, and that through the exercise of one or more of the programs authorised by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need thereof and that a series of bonds must be sold in order to alleviate the lack of decent, safe, and sanitary housing available to members of the Beneficiary Class; and

WHEREAS, upon making such determination and the approval of the State Fiscal Accountability Authority (the “State FAA”), the Authority may issue from time to time bonds for the purpose of obtaining funds with which to make permanent mortgage loans to housing sponsors (as defined in the Act) who agree to and are required to provide for construction and rehabilitation of residential housing (as defined in the Act) for rental by persons or families of either Beneficiary Class; provided, however, that with respect to any particular issue of bonds, one of the following conditions must be met: (a) if there is a public distribution of the bonds, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of the loans; or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorised to do business in the State of South Carolina; or (iii) the payment of the bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the State FAA; or (b) if the bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional investors, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, and the documents pursuant to which the bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds; and

WHEREAS, Hampstead Willow Run Partners, L.P., a limited partnership duly organized under the laws of the State of South Carolina (the “Housing Sponsor”), has requested the Authority to assist it through the issuance of bonds under the Act in the amount not to exceed

\$15,000,000 (the “Bonds”) to provide a mortgage loan (the “Mortgage Loan”) to finance the acquisition and rehabilitation of a 200-unit apartment development located in Columbia, South Carolina, known as Willow Run (the “Project”); and

WHEREAS, the Authority has determined that assisting in the financing of the Project with the proceeds of the Bonds will promote and serve the intended purposes of and in all respects will conform to the provisions and requirements of the Act, and, in order to assist in the financing of the Project, the Authority will issue the Bonds; and

WHEREAS, the Authority hereby finds and determines that in order to alleviate the lack of decent, safe, and sanitary housing available to individuals of the Beneficiary Classes, the Bonds must be issued; and

WHEREAS, the Bond Committee of the Authority on August 12, 2015, adopted its Resolution making preliminary provision for the issuance of the Bonds and authorising a petition to the State FAA seeking its approval of the issuance of the Bonds, and the Authority hereby confirms the findings and determinations made by the Bond Committee regarding the Bonds, the Project, and the Housing Sponsor; and

WHEREAS, by resolution adopted on October 27, 2015, the State FAA gave its approval to the proposal of the Authority to issue the Bonds for the purpose of financing a portion of the costs of the Project; and

WHEREAS, the Authority has previously requested of the State FAA, and was granted, a carry-forward allocation of private activity bond volume cap under Section 146(f)(2) of the Code, a portion of which shall be allocated to the Bonds; and

WHEREAS, the Authority proposes to issue the Bonds pursuant to a Loan Agreement (the “Loan Agreement”), between the Housing Sponsor and the Authority, and an Indenture of Trust (the “Indenture”), between the Authority and U.S. Bank National Association (the “Trustee”), pursuant to which (i) the Bonds will be secured by a mortgage and sold as unit to Red Stone Tax Exempt Funding, LLC, or its designee (the “Bondholder”) who will purchase the Bonds for investment purposes and (ii) the Bond proceeds will be used to originate the Mortgage Loan to the Housing Sponsor and used to finance the costs of acquisition and rehabilitation of the Project and the costs of issuance of the Bonds; and

WHEREAS, the Loan Agreement will require the Housing Sponsor to operate the Project to ensure the availability of housing to members of the Beneficiary Classes; and

WHEREAS, the Authority will assign all of its rights under the Loan Agreement (other than Unassigned Issuer’s Rights, as defined in the Loan Agreement) to the Trustee as security for the Bonds pursuant to the terms of the Indenture; and

WHEREAS, the Authority hereby finds and confirms that (i) in order to provide the moneys necessary to implement its program, the Bonds must be issued as provided in this resolution, and (ii) the revenues or other moneys estimated to be available pursuant to the Loan

Agreement and the Indenture will provide moneys required for the payment of the principal and interest on the Bonds:

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED AS FOLLOWS:

Section 1. Adoption of Premises. Each statement of fact, determination, and finding of the Authority set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct as of the date hereof.

Section 2. Issuance of Bonds. Subject to approval by the State FAA, in order to provide a portion of the moneys required to finance the costs of acquisition and rehabilitation of the Project, there is hereby authorized and shall forthwith be issued an issue of bonds to be designated as “South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Willow Run),” with such series designation as approved by the Executive Director. The Bonds are intended to be issued as exempt facility bonds for qualified residential rental projects under Section 142(a)(7) of the Internal Revenue Code of 1986, as amended. The Bonds shall be executed on behalf of the Authority by the Chairman or Vice Chairman and attested by the Secretary of the Authority, in substantially the form attached to the Indenture, the form, terms, and conditions of which are hereby approved with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing such Bonds, such approval to be conclusively evidenced by such officers’ execution thereof.

Section 3. Approval of Form of Loan Agreement and Indenture. The transactions described in the recitals to this Resolution shall be consummated pursuant to the terms of the Loan Agreement and the Indenture, each to be executed on behalf of the Authority by the Chairman or Vice Chairman and attested by the Secretary of the Authority, the forms of which are presented at this meeting and filed with the minutes of this meeting, the forms, terms, and conditions of which are hereby approved with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing the Loan Agreement and the Indenture, their approval to be conclusively evidenced by such officers’ execution thereof.

Section 4. Sale of Bonds; Bond Purchase Agreement. The Chairman or Vice Chairman of the Authority is hereby authorized to sell the Bonds in a private placement to the Bondholder (or an affiliate or designee thereof) pursuant to the terms and conditions of the Bond Purchase Agreement (the “Bond Purchase Agreement”), among the Authority, the Housing Sponsor, and the Bondholder, to be executed on behalf of the Authority by the Chairman or Vice Chairman or Executive Director. The authority hereby conferred may be exercised so long as the average interest rate on the Bonds does not exceed 5.75% per annum, and the final maturity of the Bonds is not later than 45 years after their date of issue. The purchase price of the Bonds shall be as approved by the Chairman or Vice Chairman or Executive Director.

Section 5. Approval of Form of Restrictive Covenants. The Project will be encumbered by restrictive covenants to ensure the Project continuously complies with the requirements of the Act and of the Code pursuant to the Agreement as to Restrictive Covenants between the Authority and the Housing Sponsor (the “Restrictive Covenants”), to be executed on behalf of the Authority by the Chairman, the Vice Chairman, or the Executive Director of the Authority, in substantially the form as presented at this meeting with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing such documents, their approval to be conclusively evidenced by such officer’s execution thereof.

Section 6. General Authority. The Board of Commissioners of the Authority and its appropriate officers, attorneys, agents, and employees are hereby authorised to do all acts and things required of them by this Resolution, the Indenture, the Loan Agreement, the Restrictive Covenants, or the Bond Purchase Agreement, or desirable or consistent with the requirements hereof or thereof for the acquisition and construction of the Project or the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, this Resolution, the Indenture, the Loan Agreement, the Restrictive Covenants, and the Bond Purchase Agreement, and each such Commissioner, officer, attorney, and employee is hereby authorised and directed to execute and deliver any and all papers, financing statements, reports, forms, certificates, and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby and thereby, including the execution and delivery of a Tax Regulatory Agreement among the Authority, the Housing Sponsor, and the Trustee (the “Regulatory Agreement”), in such form as is approved by such officers or employees, execution by the said officers or employees being conclusive evidence of their approval.

Section 7. Limited Obligations; No Personal Liability.

(a) The Bonds are not a debt or grant or loan of credit of the State of South Carolina or any other political subdivision of the State. Neither the State nor any political subdivision of the State will be liable for the Bonds, nor shall the Bonds be payable out of any funds other than those revenues of the Authority pledged to the payment of the Bonds under the Loan Agreement.

(b) No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Authority contained in this Resolution, the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Restrictive Covenants, the Regulatory Agreement, or the Bonds, against any member of the Board of Commissioners, or any officer or employee of the Authority, as such, in his or her individual capacity, past, present, or future, either directly or through the Authority, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Resolution, the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Restrictive Covenants, the Regulatory Agreement, and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer, or employee as such, past, present, or future, either directly or by reason of any of the obligations, covenants, promises, or agreements, entered into between the Authority and the registered owners or to be implied therefrom as being supplemental hereto or thereto; and that all personal liability of that character against every such member, officer, and employee

is, by the adoption of this Resolution and the execution of the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Restrictive Covenants, the Regulatory Agreement, and the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Restrictive Covenants, the Regulatory Agreement, and the Bonds, expressly waived and released. The immunity of the members, officers, and employees, of the Authority under the provision contained in this Section shall survive the termination of this Resolution.

ADOPTED IN MEETING DULY ASSEMBLED this 18th day of November, 2015.

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

I, the undersigned Secretary of the South Carolina State Housing Finance and Development Authority (the “**Authority**”), **DO HEREBY CERTIFY** that the foregoing is a true, correct, and verbatim copy of a Resolution duly adopted by the Authority at a duly called meeting held on November 18, 2015.

WITNESS MY HAND this 18th day of November, 2015.

Secretary, South Carolina State Housing Finance and
Development Authority

Division: **Housing Trust Fund**

Subject: **Housing Trust Fund Financial Information**

Fiscal Year Budget Analysis

FY Fund Receipts

Following is an analysis of projected versus actual receipts coming into the Trust Fund. Actual Receipts includes Deed Transfer Fee revenue, P&I payments received on outstanding loans, and other payoffs/returns of previously disbursed funds.

Housing Trust Fund Receipts			
FY 2016			
	Projected	Actual	Variance
May-15	473,071.67	952,053.16	478,981.49
June-15	538,102.22	1,075,960.35	537,858.13
July-15	600,165.11	1,039,168.97	439,003.86
August-15	626,457.44	1,218,236.44	591,779.00
September-15	643,363.92	1,164,441.65	521,077.73
October-15	670,070.29		-
November-15	687,185.19		-
December-15	638,221.71		-
January-16	516,374.14		-
February-16	716,371.76		-
Mar-16	456,101.13		-
Apr-16	522,250.78		-
Total	7,087,735.36	5,449,860.57	2,568,700.21
- Admin Fee	(\$500,000.00)		
Original 2016 FY Budget	\$6,587,735.36		

Fiscal YTD Awards by Activity

Activity	Awards to Date	Current Proposals	Total Awards to Date
Owner-Occupied Rehabilitation	912,250.00	1,513,000.00	2,425,250.00
Emergency Repairs	303,561.24	313,353.00	616,914.24
Group Homes	285,000.00	375,000.00	660,000.00
Supportive Housing	202,275.00		202,275.00
Multifamily Rental Housing	-	-	-
Totals	\$ 1,703,086.24	\$ 2,201,353.00	3,904,439.24

Fiscal Year Cash Balance Analysis

Unencumbered Cash Balance

Based on the receipts listed above, payoffs of previously approved awards, encumbered funds, and the fiscal year beginning balance, the unencumbered HTF cash balance is:

Cash Balance as of 9/30/2015	11,907,204.20
Less Previous Awards Not Disbursed from 2013, 2014, & 2015:	(9,018,442.14)
Less Total Awards in this Cycle:	(2,201,353.00)
Less Pending Administrative Fee	(500,000.00)
Remaining Unencumbered Balance:	\$ 187,409.06

* Cash Balance and Previous Awards Not Disbursed have been reconciled through 9/30/2015.

Division: **Housing Trust Fund**

Subject: **Proposed Housing Trust Fund Awards**

Listed below are **25** proposals with total funds requested of **\$1,888,000** for your consideration. These proposals are grouped as follows:

- 20 Owner Occupied Rehabilitation proposals for **\$1,513,000**
- 5 Group Home for the Disabled proposals for **\$375,000**

Owner-Occupied Rehabilitation

Project Number: HTF- 27516

HTF Amount: \$44,500

Arm of KARE

The Sponsor proposes to rehabilitate two houses for families within the following counties: Bamberg and Orangeburg.

Project Number: HTF- 25116

HTF Amount: \$89,000

Berean CDC

The Sponsor proposes to rehabilitate four houses for families within the following county: Darlington, Dillon, Marion and Marlboro.

Project Number: HTF- 25216

HTF Amount: \$44,500

Blackville CDC

The Sponsor proposes to rehabilitate two houses for families within the following counties: Barnwell and Bamberg.

Project Number: HTF- 25316

HTF Amount: \$89,000

Carolina Communities Foundation, Inc.

The Sponsor proposes to rehabilitate four houses for families within the following counties: Aiken, Barnwell, Bamberg and Richland.

Project Number: HTF- 27616

HTF Amount: \$44,500

Clarendon County CDC

The Sponsor proposes to rehabilitate two houses for families within the following counties: Clarendon and Florence.

Project Number: HTF- 25416

HTF Amount: \$89,000

Community Assistance Mentoring Program, Inc. (CAMP)

The Sponsor proposes to rehabilitate four houses for families within the following counties: Chester, Chesterfield, Kershaw and Richland.

Project Number: HTF- 27716

HTF Amount: \$89,000

Community Assistance Provider (CAP)

The Sponsor proposes to rehabilitate four houses for families within the following counties: Calhoun, Chester, Chesterfield, Kershaw and Lexington.

Project Number: HTF- 25516

HTF Amount: \$89,000

Community Organization for Rights and Empowerment (CORE)

The Sponsor proposes to rehabilitate two houses for families within the following counties: Orangeburg.

Project Number: HTF- 25616

HTF Amount: \$89,000

Cornerstone Upstate Reinvestment Enterprise (CURE)

The Sponsor proposes to rehabilitate one house for a family within the following county: Spartanburg.

Project Number: HTF- 25716

HTF Amount: \$89,000

Freedom Empowerment Building Program (FEBP)

The Sponsor proposes to rehabilitate four houses for families within the following counties: Charleston, Berkeley, Dorchester and Georgetown.

Project Number: HTF- 25816

HTF Amount: \$89,000

Grand Strand Housing & CDC

The Sponsor proposes to rehabilitate one house for a family within the following county: Horry.

Project Number: HTF- 25916

HTF Amount: \$89,000

Hands of Faith CDC

The Sponsor proposes to rehabilitate four houses for families within the following counties: Kershaw, Lexington, Newberry and Richland.

Project Number: HTF- 27816

HTF Amount: \$44,500

Jasper County Neighbors United

The Sponsor proposes to rehabilitate two houses for families within the following counties: Beaufort and Jasper.

Project Number: HTF- 26016

HTF Amount: \$89,000

Low Country Community Services, Inc.

The Sponsor proposes to rehabilitate two houses for families within the following counties: Charleston and Colleton.

Project Number: HTF- 27916

HTF Amount: \$44,500

New America Corporation

The Sponsor proposes to rehabilitate two houses for families within the following counties: Colleton and Dorchester.

Project Number: HTF- 26116

HTF Amount: \$89,000

Palmland CDF

The Sponsor proposes to rehabilitate four houses for families within the following counties: Fairfield, Lexington, Kershaw and Richland.

Project Number: HTF- 26216

HTF Amount: \$44,500

Promise Land CDC

The Sponsor proposes to rehabilitate one house for a family within the following county: Spartanburg.

Project Number: HTF- 26316

HTF Amount: \$89,000

SC Home Rehabilitation Services, Inc.

The Sponsor proposes to rehabilitate four houses for families within the following counties: Fairfield, Lexington, Orangeburg and Richland.

Project Number: HTF- 26416

HTF Amount: \$89,000

SC Uplift

The Sponsor proposes to rehabilitate four houses for families within the following counties: Aiken, Barnwell, Chester and Fairfield.

Project Number: HTF- 26516

HTF Amount: \$89,000

Sumter County CDC

The Sponsor proposes to rehabilitate two houses for families within the following counties: Lee and Sumter.

Group Home for the Disabled

Project Number: HTF- 27016

HTF Amount: \$75,000

CHESCO Services – Cattle Ridge 2

The Sponsor proposes the new construction of a four bedroom dwelling to provide housing for people with long-term disabilities. The property is located within Chesterfield County.

Project Number: HTF- 27116

HTF Amount: \$75,000

Chester-Lancaster DSNB - Shamrock

The Sponsor proposes the acquisition and rehabilitation of a four bedroom dwelling to provide housing for people with long-term disabilities. The property is located within Lancaster County.

Project Number: HTF- 27416

HTF Amount: \$75,000

Colleton County DSNB – Brandt

The Sponsor proposes the acquisition and rehabilitation of a four bedroom dwelling to provide housing for people with long-term disabilities. The property is located within Colleton County.

Project Number: HTF- 27216

HTF Amount: \$75,000

Community Options, Inc. – Hartley Hall

The Sponsor proposes the acquisition and rehabilitation of a four bedroom dwelling to provide housing for people with long-term disabilities. The property is located within Dorchester County.

Project Number: HTF- 27316

HTF Amount: \$75,000

Jasper County DSNB – Augusta Avenue

The Sponsor proposes the acquisition and rehabilitation of a four bedroom dwelling to provide housing for people with long-term disabilities. The property is located within Jasper County.

HOUSING TRUST FUND FLOOD INITIATIVE PROGRAM

<p>Program Description</p>	<p>The Housing Trust Fund (HTF) Flood Initiative Program is designed to provide rehabilitation to affordable housing units affected by the October 2015 floods which occurred in South Carolina. Funds would be used to match other funding sources obtained, such as FEMA, SBA, private foundations, insurance proceeds, etc., in order to assist homeowners with needed and necessary repairs so that they can return to their homes. Funds allocated to this program would be provided to nonprofit volunteer organizations such as Voluntary Organizations Active in Disasters (VOAD). The funds available would be for homeowners located in counties designated in the FEMA-4241-DR notice. Eligible activities include rehabilitation of homes for those persons at or below 80% of the area median income. This is a one- time funding of HTF funds to be used specifically for the disaster recovery of flood victims.</p>
<p>Threshold Requirements</p>	<ul style="list-style-type: none"> • Rehabilitation activities that can be undertaken include the replacement of roofs, HVAC systems, water heaters, flooring, kitchen cabinets, doors, windows, drywall, insulation, decks and porches, handicap ramps, electrical systems, etc. • Funds may not be used to purchase appliances such as stoves, refrigerators, washer/dryers, etc. • Incomes of all recipients to be served may not exceed 80% of the area median. • Homes must be occupied by the person(s) listed on the deed. Rental homes are not eligible for assistance. • Homes must be located in one of the disaster areas listed in the FEMA-4241 DR notice.
<p>Financial Assistance</p>	<ul style="list-style-type: none"> • Up to \$1 million will be made available to this program. • The maximum assistance per house will be \$8,500. • Funds must be provided as a match and used in conjunction with other funding sources. • No funds can be used for administrative fees or developer fees.
<p>Submission Requirements/Project Awards</p>	<ul style="list-style-type: none"> • A Funding Agreement must be executed between the Authority, the nonprofit volunteer organization and the homeowner. • The Nonprofit volunteer organization will provide the following HTF forms for each home assisted: (1) a Rehabilitation Beneficiary Application; (2) Certification of Total Income; and (3) Declaration of Citizenship Status

Division: Development

Subject: Tax Credit Update

A public hearing was held in the Authority's Board room on November 3, 2015, to take comments on the proposed technical changes to the 2015-2016 QAP and Tax Credit Manual in preparation for the 2016 tax credit funding cycle. Based on comments received prior to the hearing as well as during the meeting, Authority staff made a few clarification changes to the proposed technical changes. The Final Technical Changes are included in the Board book for your review.

Governor Haley signed and approved a two year QAP last year; therefore, Authority staff will provide her with copies of the Final Technical Changes for informational purposes.

Technical Amendments to the 2015-2016 QAP

1. **Threshold Participation Criteria- Development Experience (page 2)**
 - Development Experience must have occurred between January 1, 2008 and February 1, 2016.
 - Any applicant from January 1, 2008 and February 1, 2016, who was removed, debarred or voluntary withdrawn from a LIHTC partnership in South Carolina is ineligible to participate.
2. **Threshold Participation Criteria- Previous Year's Development Completion Status (page 3)**

All developers awarded 2015 South Carolina tax credit developments must have closed the construction loan and purchased the land not later than March 4, 2016 in order to participate in the 2016 tax credit funding cycle.
3. **Threshold Participation Criteria- Financial Criteria (page 3)**

The Authority will only accept financial statements audited, reviewed, or compiled by an independent certified public accountant (CPA). Only a balance sheet dated on or after December 31, 2014 is required.
4. **Threshold Participation Criteria- City/County/Legislative Notification (page 3)**
 - Applicants are required to send a letter not later than March 4, 2016 to the highest elected official of the locality and the State Representative and State Senator.
 - Contact information for the applicant must include a contact phone number and mailing address.
 - Include language in the letter requesting that a copy of the letter be provided to the City/County Council members.
5. **Criteria for Application Review- Positive Site Characteristics (page 4)**
 - Distances to positive characteristics will be measured using lawful driving practices from the site entrance(s) to the positive site service (i.e. no turning through double yellow lines, no crossing grass medians and no driving the wrong way on one way streets, etc.).
 - Longitude and latitude coordinates are required for the site entrance(s). Those coordinates will in turn be used to measure distances from the site to the positive site service and the site to the detrimental site characteristic.
 - The Authority will incorporate Q&A #9 regarding how we measure distances into the QAP.
 - "Commercial" will be added to playground equipment.
6. **Criteria for Application Review- Detrimental Characteristics (page 5)**

Detrimental site characteristics are determined at the time of the site reviewer's visit.
7. **Criteria for Application Review- Detrimental Characteristics (page 5)**

Applications for new construction developments located within one (1) mile of a development funded in the 2014 or 2015 tax credit funding cycle that have not placed in service and achieved 90% occupancy at the time of application submission may not be submitted.
8. **Criteria for Application Review- Detrimental Characteristics (page 6)**

Definition of scattered sites (item e) has been added to page 6 of the TC Manual.
9. **Tax Credit Development Experience (page 8)**

For sections (a) and (b), previously developed LIHTC properties must have been completed over the past eight (8) years, January 1, 2008 to February 1, 2016.

10. Targeting Characteristics (page 9)

FEMA Disaster Counties have been added (item h):

All sites located in counties now or hereafter designated under FEMA's Major Disaster Declaration for both Individual Assistance and Public Assistance on October 5, 2015: South Carolina Severe Storms and Flooding (DR-4241). **1 pt**

11. Development Size (page 10)

A change in the minimum sized development that will be considered for tax credit funding:

Developments consisting of fewer than 24 units will not be considered in any funding set-aside for the competitive tax credit funding cycle.

12. Financial Characteristics (page 12)

- Total Development costs per unit are as follows:
 - Acquisition/Rehabilitation: \$115,000 per unit
 - New Construction Garden Style Multi-Story Developments: \$175,000
 - New Construction- Duplex, Townhouse, Single Family Developments: \$185,000
 - Historic and Adaptive Reuse: \$185,000 per unit
- Total Tax Credits per unit caps have been eliminated.

13. Nonprofit Set-Aside Only Points (page 13)

Between items 1 and 2, **OR** will be added.

14. Underserved Set-Aside Only Points (page 13)

Eligible Counties amended as follows:

- No new construction within the past 6 years: Abbeville, Allendale, Barnwell, Calhoun, Cherokee, Chester, Chesterfield, Colleton, Fairfield, Jasper, Lee, Marion, Marlboro, McCormick
- No new construction within the past 5 years: Edgefield
- No new construction within the past 4 years: Georgetown and Lancaster

15. Mandatory Design Criteria- For ALL Rehabilitation Developments (page 17)

Any mandatory items replaced on or after January 1, 2009 are not required to be replaced as part of the rehabilitation.

16. Reconsideration Process- Initial Point Scoring (page 19)

Reconsideration request fee is \$1,000.

17. Reconsideration Process- Underwriting/Disqualification Decision (page 19)

Reconsideration request fee is \$1,000.

Technical Amendments to the 2015-2016 Tax Credit Manual

1. Table of Contents- Addendums (page 2)

All 2015 dates changed to 2016 and all 2014 dates changed to 2015.

2. General Guidelines (page 3)

- **Fees:** Reconsideration Fee is \$1,000.
- **Document Timeliness:** All supporting documentation required for the 2016 Tax Credit Application must not be dated prior to September 1, 2016.
- **Fractional Rounding:** Fractional rental units must be increased to the next whole unit.

3. Program Suspension/Debarment (page 5)

Section 1, item (e) language change as follows:

Applicant(s) may not interfere with a tax credit application for which it is not an owner or principal under any circumstance. This type of action could undermine the tax credit program in general and could cause ongoing consequences that can damage the reputation of the tax credit program.

4. Definitions (page 6)

“Scattered site” is defined as a development that is comprised of separate buildings located on noncontiguous parcels, meets all requirements of the Internal Revenue Code and meets the following requirements:

- a) All buildings must be under the ownership of one entity;
- b) All buildings must be developed under one plan of financing and considered a single development by all funding sources;
- c) All units must be managed by one management entity;
- d) The development must be appraised as a single proposed development;
- e) Positive site characteristics will be measured from the parcel with the longest distance (i.e. if parcel A is within 0.5 miles and parcel B is within 1.0 miles of a positive site characteristic, the development will received points based on parcel B);
- f) Detrimental site characteristics will be measured from the parcel with the closest distance (i.e. if parcel A is within 500 feet of a detrimental site characteristic and parcel B is within 1,000 feet of a detrimental site characteristic, the development will receive negative points based on parcel A);
- g) Consist of no more than three (3) noncontiguous parcels within a ½ mile radius of each other and within the same county and market area; and
- h) Each noncontiguous parcel contains at least four (4) units per parcel.

5. Special Allocation of Noncompetitive Tax Credits (page 7)

All 2015 dates changed to 2016.

6. Set-Asides (page 8)

General Set-Aside: \$5,100,000

Underserved Counties Set-Aside: \$1,900,000

- Counties amended for new construction areas not having a LIHTC award in the past four (4) years: Abbeville, Allendale, Barnwell, Calhoun, Cherokee, Chester, Chesterfield, Colleton, Edgefield, Fairfield, Georgetown, Jasper, Lancaster, Lee, Marion, Marlboro, McCormick.

Rehabilitation Set-Aside: \$1,200,000

Rural Housing Service: \$900,000

Nonprofit Set-Aside: \$2,200,000

- Item (b): between items 1 and 2, **AND** will be added.

7. **Combination with Other Authority-Administered Programs (page 9):**

State HOME Funds: As of October 19, 2015, the Authority is uncertain as to the availability of HOME funds for the 2016 LIHTC competition. Once a final determination as to the availability of HOME funds has been made, the Authority will issue a bulletin. However, assuming sufficient availability, the Authority expects to offer HOME funds as outlined below:

- Item (a): State HOME funds up to \$4.5 million will be available in the LIHTC competition.
- Item (b): The maximum state HOME award any one (1) development can request is \$450,000.
- Item (c): HOME funds will be provided to the set-asides as follows: General- \$2,016,000; Underserved Counties- \$778,000; Rehabilitation \$640,000; RHS- \$192,000; and Nonprofit- \$874,000.
- Item (k):

For the purposes of this section, Applicant(s) means any person associated with the 2016 LIHTC Application and any prior HOME awards. In order to receive a reservation of LIHTC in conjunction with state HOME funds, each of the following provisions is applicable and must be met by the Applicant by February 5, 2016:

- i. All 2013 and previous state HOME awards must be officially closed out; and
- ii. All 2014 HOME awards must have a minimum of seventy-five percent (75%) of the funds drawn or seventy-five percent (75%) of the development completed; and
- iii. The completion percentage for previous HOME awards must be met by February 5, 2016. Written confirmation regarding HOME award completion percentages must be provided with the Tax Credit Application submission from the Awards Management Manager (Form M-47T).

8. **Application Submission Process (page 10-11)**

- Item 1: Completed Tax Credit- The application and all attachments, exhibits, certification, opinions, etc. must also be submitted on a Flash Drive or CD in PDF format and the Flash Drive or CD must have each section tabbed to match the application tab system.
- Item 9(f): For all developments requesting HOME funds the following language **must be** included in any purchase option, purchase contract, or long term lease or included as an executed addendum attached to one of these documents and dated on or before March 4, 2016.
- Item 13 Market Study: 2015 date changed to 2016.
- Item 16 Physical Needs Assessment Report (PNA):
 - The PNA report must not be dated prior to September 1, 2015.
 - Item (c): Date changed to January 1, 2009.
 - Item (g): Date changed to September 1, 2015

9. **Application Review (page 16)**

- Item 3 Market Study Review: Dates changed from 2015 to 2016.

10. Utility Allowances (page 18)

- Item 1 (e) revised: The S.C. State Housing Finance and Development Authority’s statewide utility allowance calculation. For developments built to meet, at a minimum, the Version 3.0 Energy Star Certification (as per Exhibit G form), EarthCraft, LEED, or another Energy Star Certified Program the Energy Star Statewide Utility Allowance may be used in determining the development’s utility allowance.

11. Underwriting Standards (pages 20-23)

- Item 3 Developer Fees, Developer Overhead, and Consultant Fees (the “Fees”):
 - *Adjusted Development Cost line item numbering has been changed to match the line item numbers listed in the tax credit application as follows:

Total Development Costs (Line 51)	_____
Less Land (Line 1)	- _____
Less Consulting Fees (Line 19)	- _____
Less Developer Fees (Line 45)	- _____
Less Developer Overhead (Line 46)	- _____
Less Other Developer Costs (Line 47)	- _____
Less Excess Reserves (Lines 48-50)	- _____

- Item 5 Contractor Cost Limits:
 - ***Hard Construction Costs line item numbering has been changed to match the line item numbers listed in the tax credit application as follows:

- Line 3 – Demolition
- Line 5 – On Site Improvement
- Line 6 – Off Site Improvement
- Line 7 – Other (Site Work)
- Line 8 – New Building
- Line 9 – Rehabilitation
- Line 10 – Accessory Building
- Line 14 – Contractor Contingency

- Item 15 Minimum Hard Cost Requirement:
 - Hard Costs line item numbering has been change to match the line item numbers listed in the tax credit application as follows:

- Line 1 – Land
- Line 2 – Existing Structure
- Line 3 – Demolition
- Line 4 – Other (Land & Buildings)
- Line 5 – On Site Improvement
- Line 6 – Off Site Improvement
- Line 7 – Other (Site Work)
- Line 8 – New Building
- Line 9 – Rehabilitation
- Line 10 – Accessory Building
- Line 14 – Contractor Contingency

- Item 16 Rent Allowance Increases for Project Based Rental Developments, revised as follows: Developments with HUD approved HAP contracts or RHS approved RA contracts will be allowed to increase the current HAP and RA contract rents by up to ten percent (10%) over the current

approved HAP and RA contract rents in effect at the time of the initial application submission. The market study submitted with the application must support the increased rents. If at the time of initial application submission the Applicant submits an approval letter from the Columbia HUD or Columbia RHS Office approving and setting rents above the approved contract rents, the Authority will rely on said letter and use rents as indicated in the HUD or RHS letter. At the submission of a placed in service application, a new HAP or RA contract must be submitted or an approval letter from the Columbia HUD or Columbia RHS Office approving the placed in service rents.

12. Reservation/Carry-Over Allocation Procedures (page 25)

Notification of Reservation Award- Reservation Certificate

- The amount of tax credits reserved for the 2016 tax credit funding cycle will be calculated based on the **greater of** the tax credit applicable percentage (%) in effect for the month of credit reservation or the applicable percentage (%) in effect for the month of the initial Tax Credit Application submission.

13. Compliance Monitoring Procedures (page 31)

Annual HOME Rent Amounts

- The HOME Final Rule requires approval of **all** rents annually on developments with HOME units. The approval process will be handled by the Compliance Monitoring Department.
- Any rent increases outside of the annual approval process should be provided to the Compliance Manager before the increases are enacted.

Record Keeping

- Item 7:Income verifications are valid for one hundred twenty (120) days from the date of the receipt by the Owner or Owner's Representative.....

14. Development Utilizing Non-Competitive Tax Credits with Tax Exempt Bond Financing (page 35-36)

Allocation for an Allocation of Non-Competitive LIHTC:

- Item 2 Developer Fees:
 - Adjusted Development Costs line item numbering has been change to match the line item numbers listed in the tax credit application as follows:

Total Development Cost (Line 51)
Less Land (Line 1)
Less Consulting Fees (Line 19)
Less Developer Fees (Line 45)
Less Developer Overhead (Line 46)
Less Other Developer Costs (Line 47)
Less Reserves (Lines 48-50)

- Additional Requirements-
 4. Relocation: Development must minimize the displacement of low income households.
 - a) Should permanent or temporary displacement occur, a detailed, step by step relocation plan must be furnished with the Application describing how displaced persons will be relocated, including a description of the costs of relocation. The Applicant is responsible for all relocation expenses, which must be included in the development budget. All Applicants applying for acquisition/rehabilitation developments must complete **FORM 3**, Developer Relocation Certification and Tenant Profile Form;

- b) Developments involving permanent relocation of tenants are discouraged. No more than ten percent (10%) of the existing tenants may be permanently displaced. A detailed, step by step relocation plan must be furnished with the Application describing how permanently displaced persons will be relocated, including a description of the costs of relocation. The Applicant is responsible for all relocation expenses, which must be included in the development budget.
5. Rent Allowance Increases for Project Based Rental Developments: Developments with HUD approved HAP contracts or RHS approved RA contracts will be allowed to increase the current HAP and RA contract rents by up to ten percent (10%) over the current approved HAP and RA contract rents in effect at the time of the bond application submission. The market study submitted with the application must support the increased rents. If at the time of initial application submission the Applicant submits an approval letter from the Columbia HUD or Columbia RHS Office approving and setting rents above the approved contract rents, the Authority will rely on said letter and use rents as indicated in the HUD or RHS letter. At the submission of a placed in service application, a new HAP or RA contract must be submitted or an approval letter from the Columbia HUD or Columbia RHS Office approving the placed in service rents.

Division: Mortgage Loan Servicing

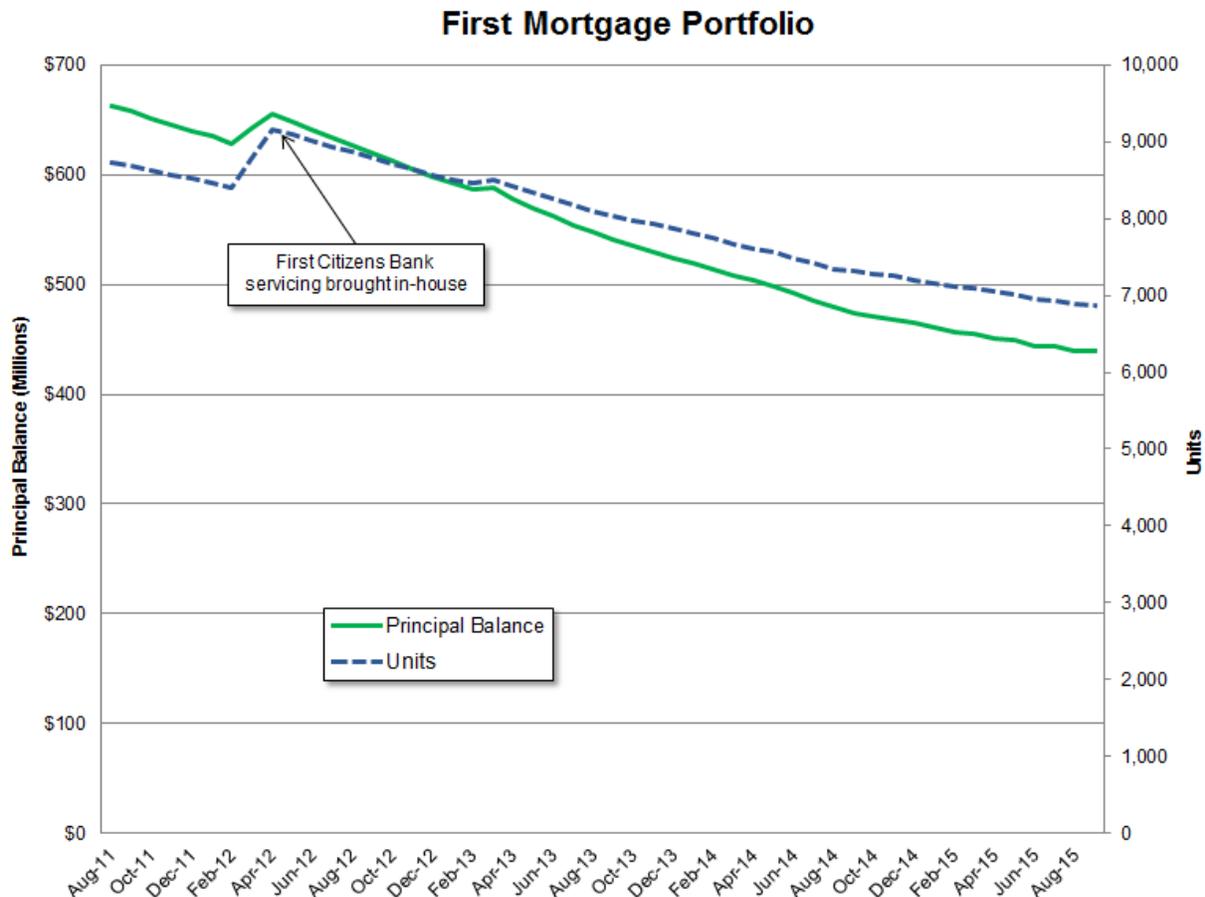
Mortgage Servicing is focused on assisting our borrowers impacted by the recent disaster. As of November 6 there are a total of 36 counties affected by the FEMA determination. Almost 6,200 out of 6,860 borrowers reside in the affected counties. Immediately following the disaster, a statewide Foreclosure Moratorium was issued. This placed all active foreclosures on hold for 90 days and prevented new foreclosures from being filed. A 90 day reduced payment option is being offered to those borrowers directly impacted by the flood.

Inspections were ordered to assess damage on all vacant, default and foreclosure properties. We have received reports on damage for less than 5 of these properties. To date, we have received notification on 33 insurance claims. The average claim paid is \$15,000. There are currently 140 properties that were previously declared to be in designated flood zones. These figures will increase as flood zones are remapped within our state.

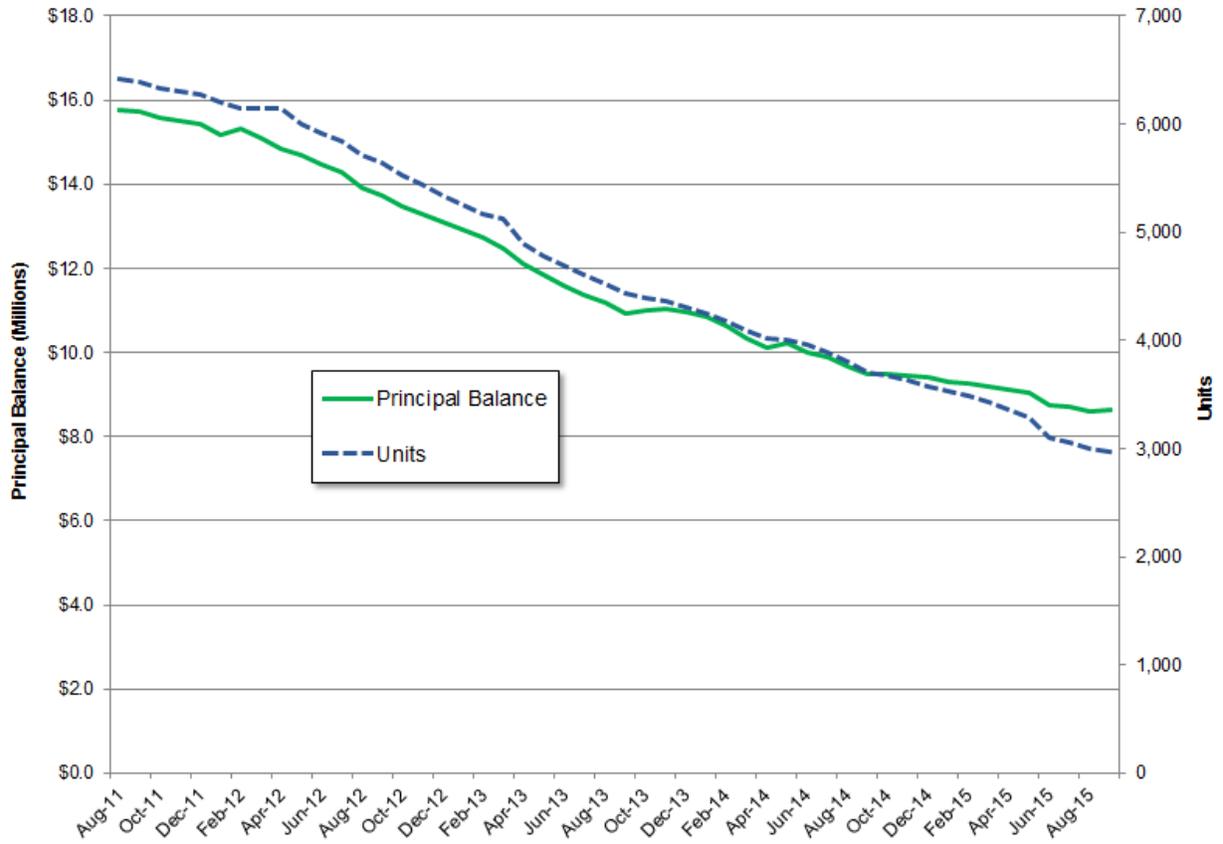
First mortgage purchases for 2015 are 243 loans for over \$28 million. We have also added 299 Down Payment Assistance (DPA) loans for \$1.6 million and 1,645 SC HELP loans for \$22 million during this year. The First Mortgage portfolio is currently at 6,859 loans totaling \$439 million.

Mortgage Servicing had a successful rollout of Customer Care Net 6, our online borrower portal in September. Staff is preparing for the 2015 tax season that will begin at the end of this month.

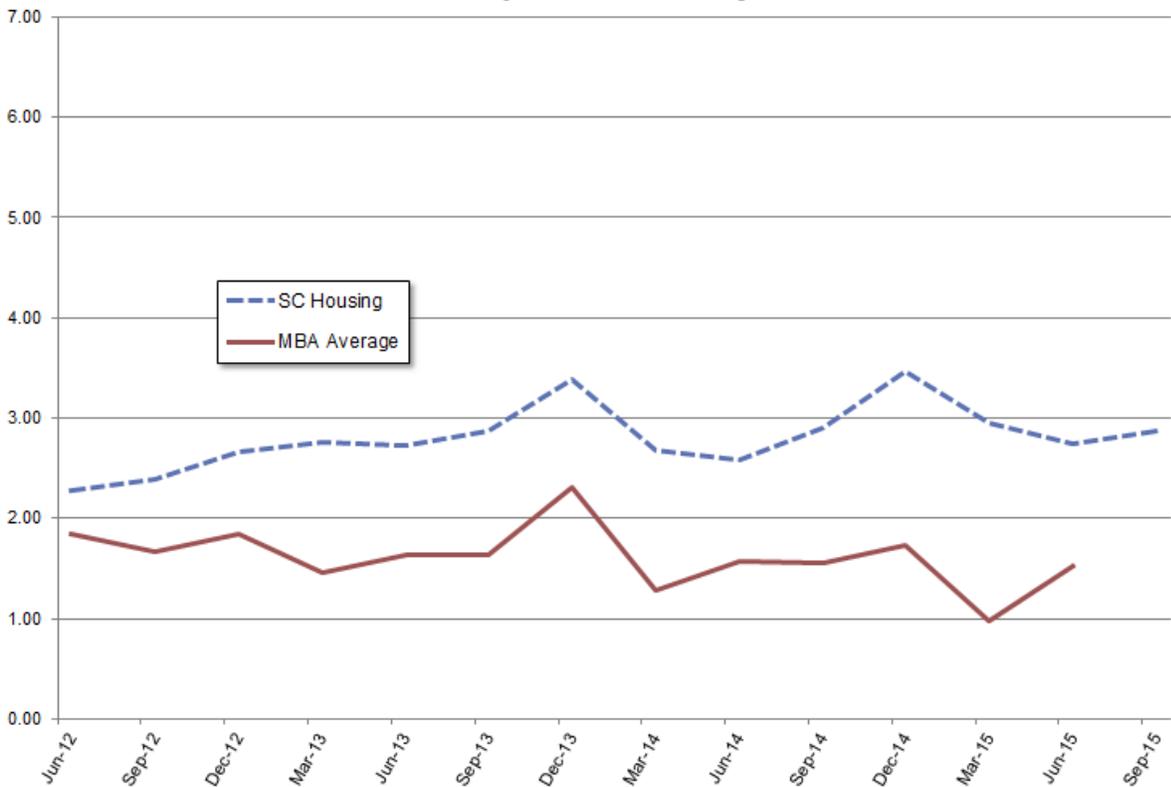
The following graphs reflect trend data for monthly portfolio activity and quarterly delinquency totals.



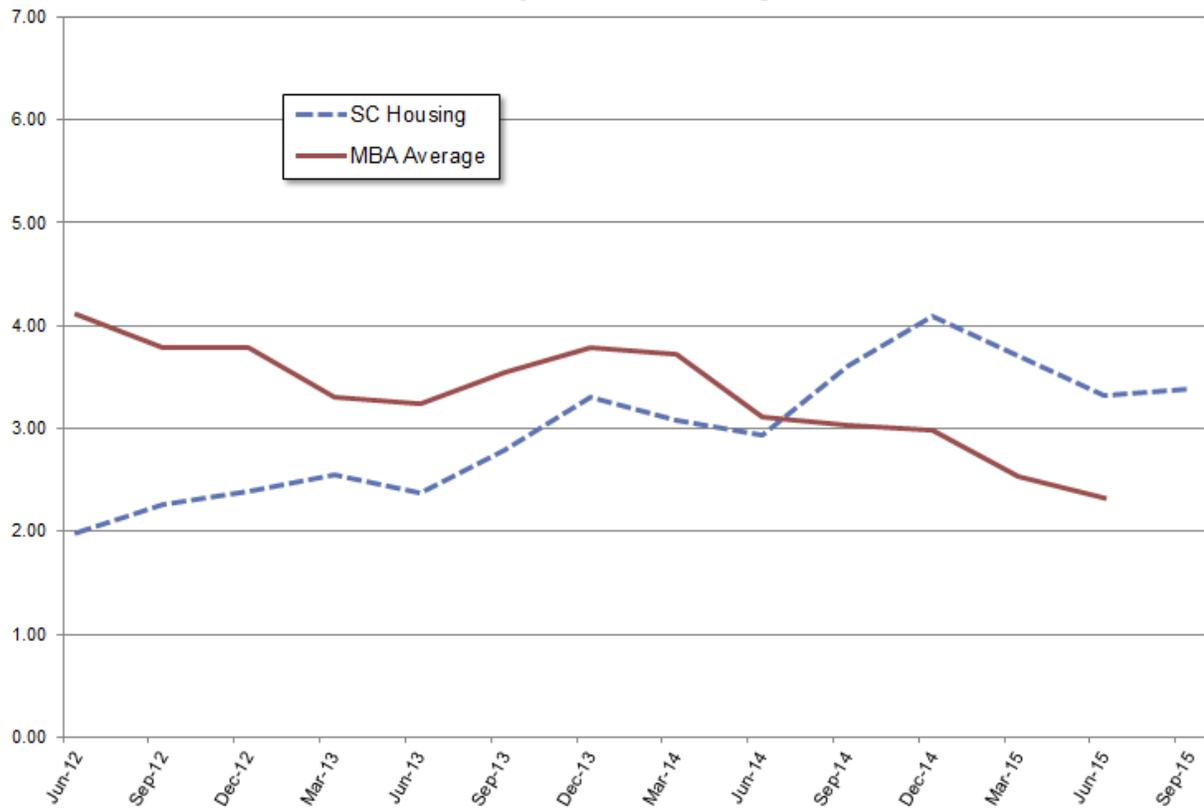
DPA Mortgage Portfolio



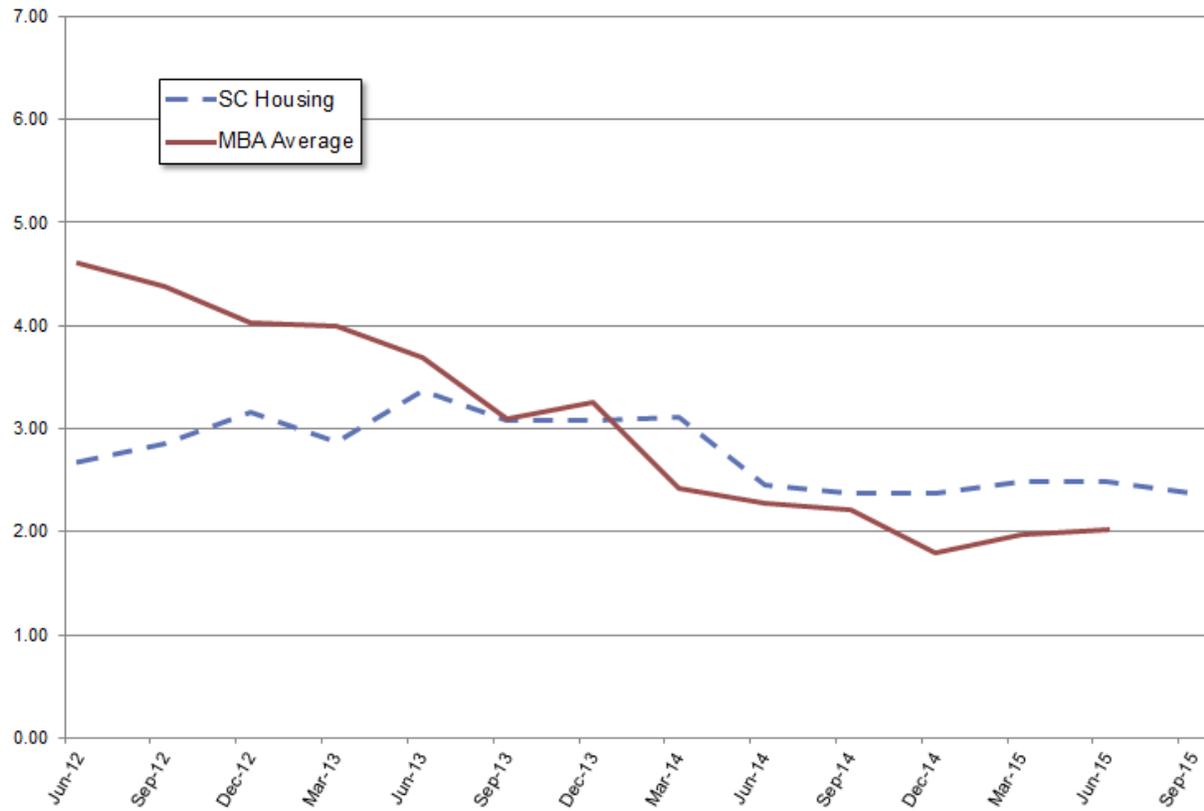
60-Day Delinquency Rates Reported Quarterly



90-Day Delinquency Rates Reported Quarterly



Foreclosure Rates Reported Quarterly





November 18, 2015

Division: SC HELP

SC HELP Update

New applications for assistance were down slightly in the month of October; however approvals and disbursements were up. We continued our marketing and outreach efforts and augmented same as a result of the catastrophic flooding event that occurred in early October. We are still working with Freddie Mac to complete a direct mail campaign that should reach approximately 5,700 delinquent homeowners across the state.

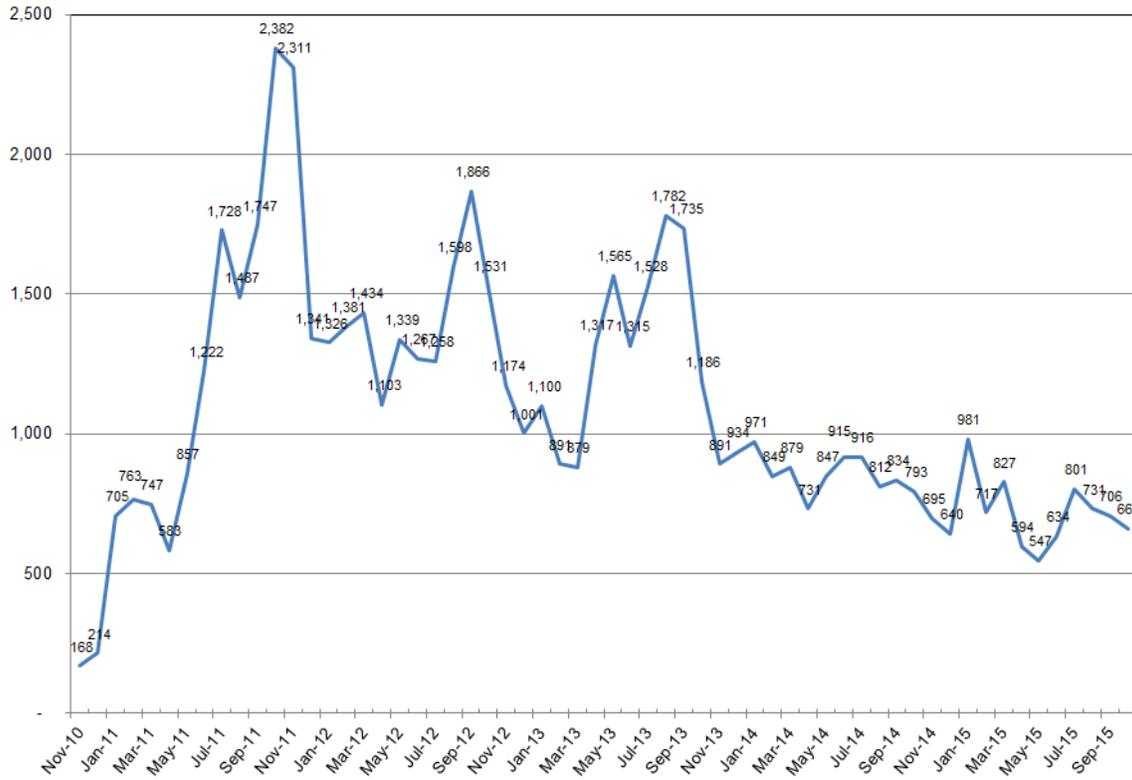
SC HELP Program Performance Data

Production as of October 31, 2015:

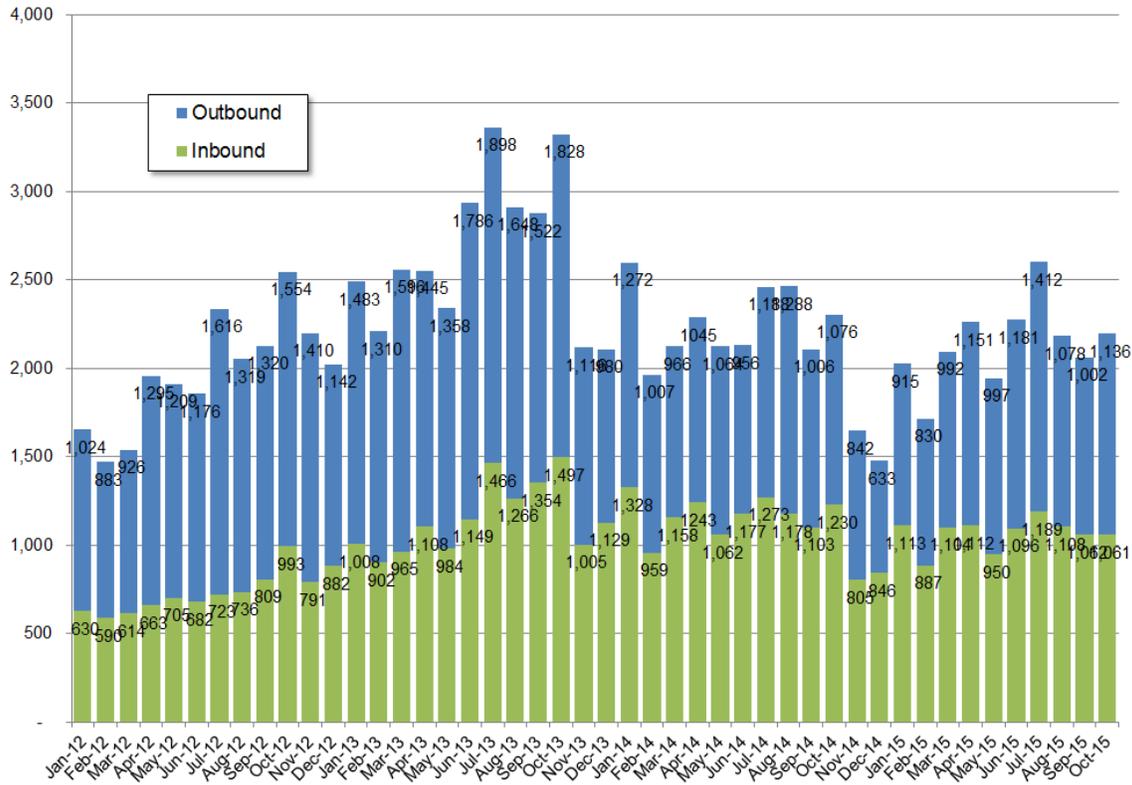
Homeowners Approved & Funded	10,087
Homeowners Approved - Pending	195
Programs Funds Disbursed	\$154,427,883
Additional Funds Committed	\$60,644,745
Total Program Funds Disbursed & Committed	\$215,072,628
Neighborhood Initiative Properties Submitted	326
Neighborhood Initiative Properties Approved	28
Neighborhood Initiative Funds Disbursed	\$0

NOTE: Production (applicant and disbursement) numbers are NOT reconciled as of the date of this report. Final reconciled production numbers are provided on the Quarterly Production and Quarterly Financial Reports.

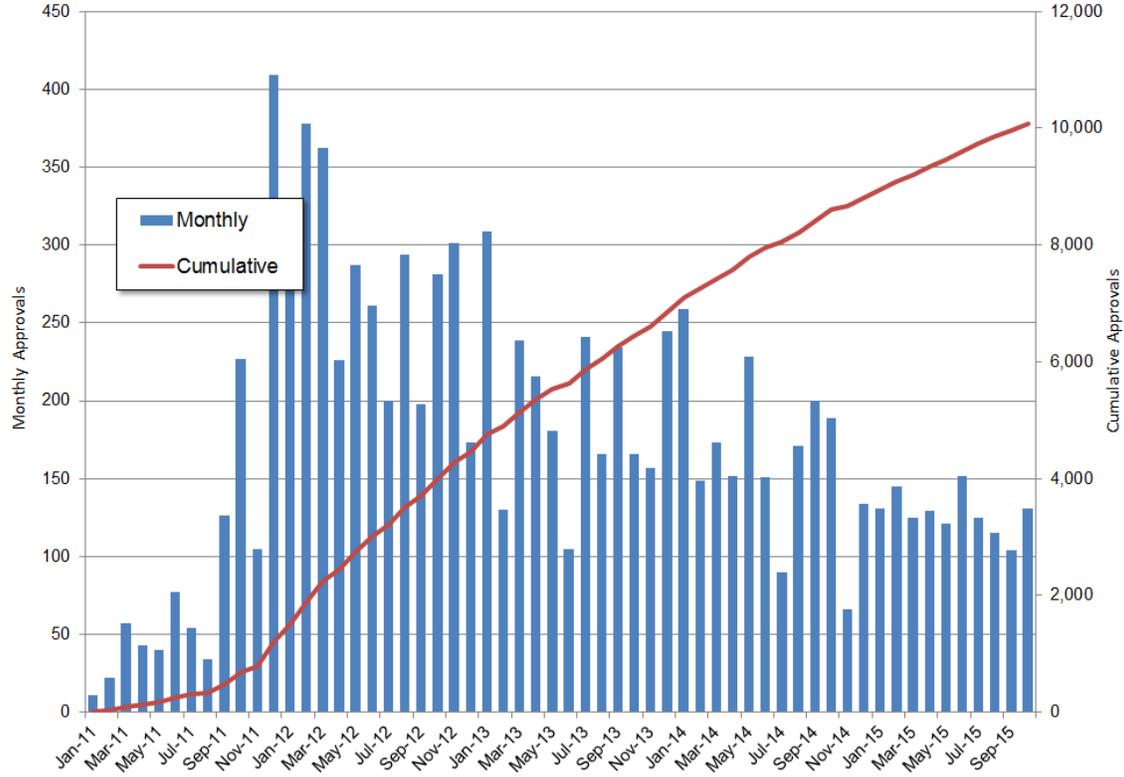
SC HELP New Account Registrations



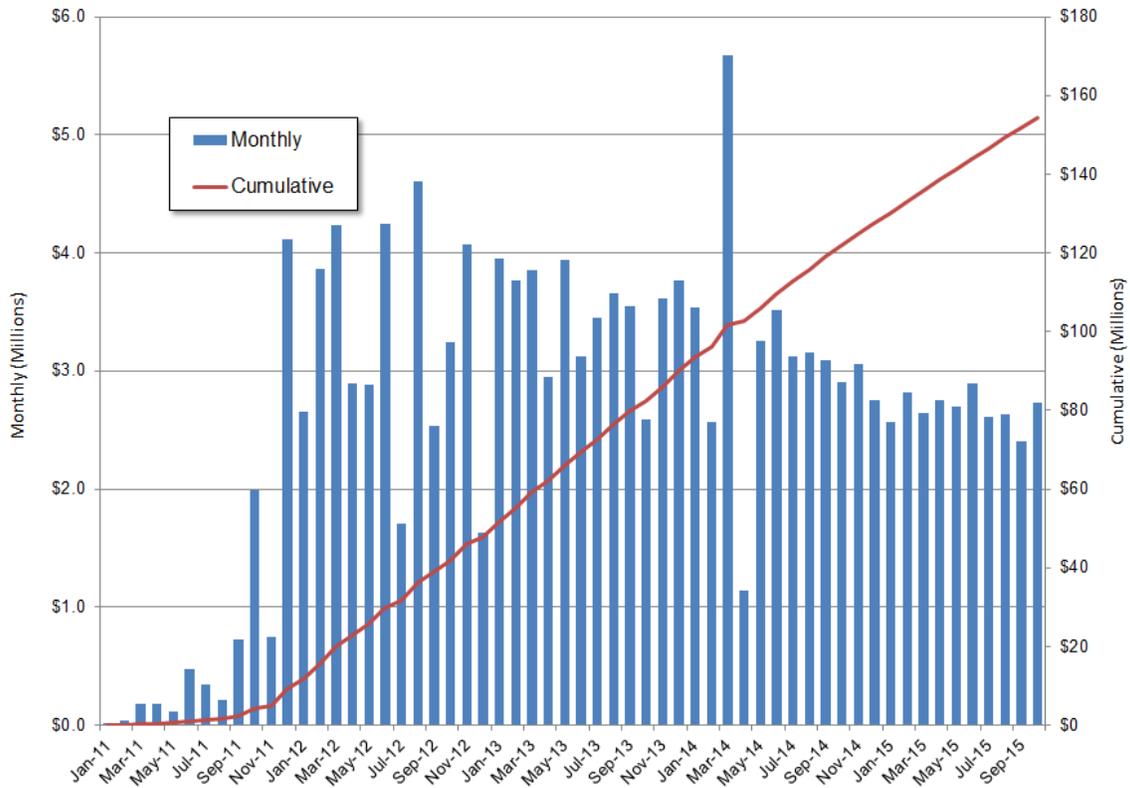
SC HELP Client Relations Call Volume



SC HELP Homeowner Approvals



SC HELP Program Disbursements

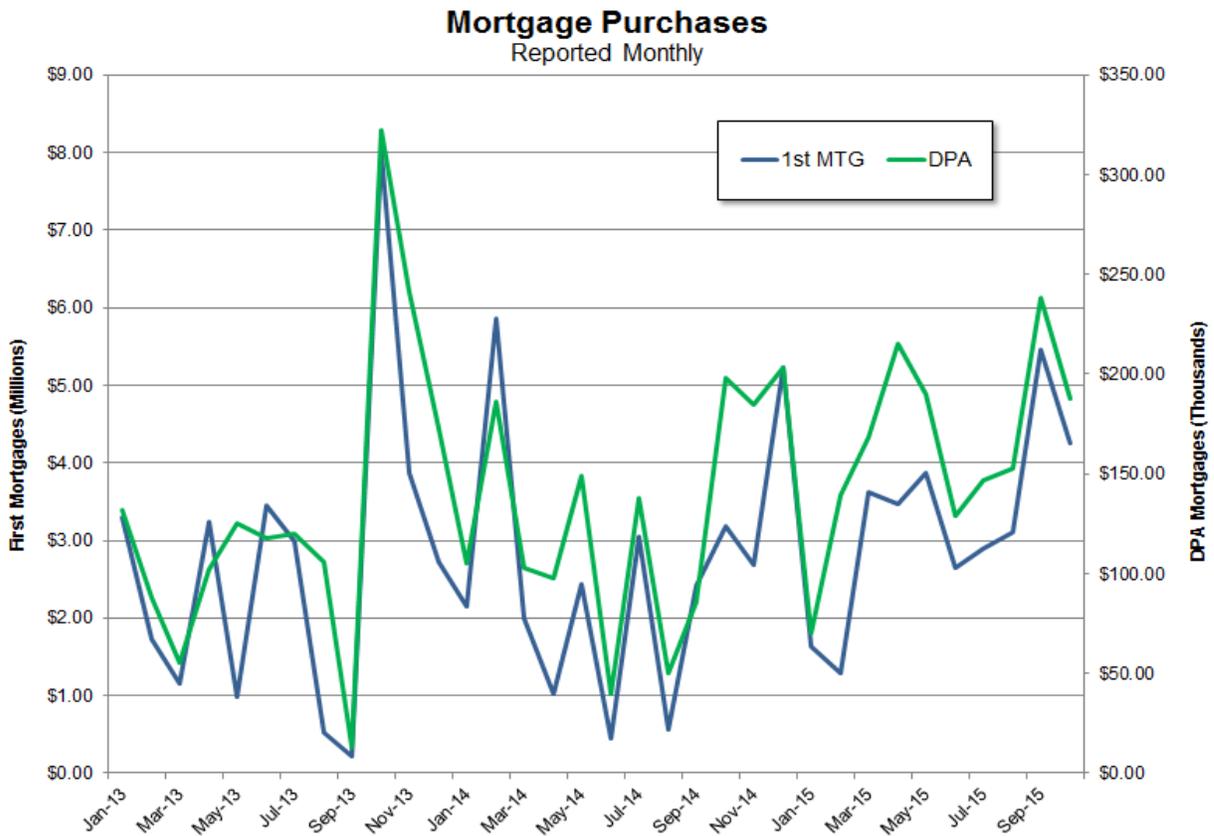


Division: Mortgage Production

Mortgage Production Update

Mortgage production for the month of October was down with approximately \$5.2 mil. in new loan reservations. Loan purchases were up and totaled \$5.3 mil. for the month.

Reservations in the current Bond Program for FHA loans total \$58.8 mil., Palmetto Heroes total \$8.5 Million and \$2.2 million in Conventional loans. The interest rate currently quoted for FHA loans is 3.75% and 4.25% for Conventional loans.



DIVISION: Chairman
SUBJECT: Board Report

DIVISION: Executive Director
SUBJECT: Board Report

DIVISION: Deputy Director for Programs
SUBJECT: Oral Report



November 18, 2015

Division: Human Resources

Subject: Oral Report

Total Authorized Permanent Positions	146
Filled Permanent Positions	124
Vacancies	22
Authority Temporaries	11
Staffing Agency Temporaries	6

New Hires, Promotions & Transfers

Division/Department	Employee Name	Job Title	Effective Date
Mortgage Servicing	Jill Moore	Payment Specialist	11/2/2015
Mortgage Servicing	Todd Elrod	Front Desk Specialist	11/3/2015

Job Postings:

Department/Title	State Job Title	Vacancy Posting Dates
Home Ownership	Accountant/Fiscal Analyst II	11/16/2015 to 11/23/2015

Announcements:

Our annual United Way campaign was a success, raising \$4,391.50 to support the needs of individuals and families in the Midlands.

As part of our Fall Festival, SC Housing employees donated to a fund raiser benefiting Harvest Hope Food Bank. We raised \$307, which Bank of America will match 2 to 1 through their Give a Meal program.

We would like to congratulate the following members of our second STEPS Leadership class, who will graduate on December 8, 2015:

Nina Carpenter, Mattie Choice, Enid Conner, Gabe Creech, Shante Edmonds, Joseph Kass,
Jesus Melendez, Nathan Powell, Todd Sipos, Tonya Stroman and Vonda White