



**AFFORDABLE
HOUSING
PROGRAMS
FOR YOU**

SC HOUSING
Financing Housing. Building SC.

SC Housing At A Glance

The South Carolina State Housing Finance and Development Authority (SC Housing) creates quality affordable housing opportunities through a broad range of programs that provide:

- Competitive market-based financial products for homeownership;
- Comprehensive home repair programs to correct life, health and safety conditions and provide accessibility;
- Financing supportive housing programs that include needed services for vulnerable residents;
- Financing of multifamily projects to increase the availability of quality rental homes; and
- Monitoring of properties to ensure that living conditions are safe and habitable, and that rent remains affordable over time.



Our vision is that all South Carolinians have the opportunity to live in safe, decent, and affordable housing.

Agency operations are supported by a funding base that includes Mortgage Revenue Bonds, federal grants, state deed tax allocations, fees and other revenue earned through the administration of our various housing programs. We also provide in-house loan servicing to our first-time homebuyers, similar to a bank.

Homeownership

SC Housing provides funds to participating private mortgage lenders to assist low- and moderate-income homebuyers with what is often the purchase of their first home. This is primarily done by offering low-interest, fixed-rate, 30-year mortgages that include down payment assistance (DPA), reducing the amount of savings necessary to make homeownership affordable. Eligible properties include site built single-family homes, off-frame modular homes, patio/townhomes and condominiums.* We offer additional down payment assistance for certain rural areas.

On a seasonal basis, SC Housing offers the **Palmetto Heroes** program, which offers a lower interest rate for teachers, first responders, nurses, emergency medical technicians, correctional officers, veterans and other identified community heroes.

SC Housing began a program to provide alternative financing for the purchase of mortgage loans called the Palmetto Home Advantage (PHA) program. The PHA program is self-funded via mortgage backed securities transactions, which removes some of the restrictions that govern traditional lending options available from SC Housing. Homebuyers may borrow up to 97 percent of the home's value and can remove their private mortgage insurance payments (on conventional loans) once the homeowner has 20 percent equity.

The above single-family mortgage programs serve all 46 counties in South Carolina.

**Condominiums must receive lender approval.*



Development

The Development Division oversees a number of programs that provide for the construction, financing, rehabilitation, and repair of housing across South Carolina.

FEDERAL AND STATE HOUSING TAX CREDIT PROGRAMS

The Low-income Housing Tax Credit (LIHTC) program is a federal program that helps build or preserve thousands of units in South Carolina every year. Credits are made available in two ways: the "9 percent" credit, which is awarded on a competitive basis once per year and is designed to cover about 70 percent of project costs, and the "4 percent" credit, which is designed to cover 30 percent of project costs and is paired with Tax Exempt Bonds to cover the remainder.



Real estate developers submit applications to SC Housing to apply for LIHTC tax credits and are approved for a tax credit award based upon selection criteria outlined in the state's Qualified Allocation Plan (QAP).

The South Carolina State Housing Tax Credit for affordable housing development was created by the Workforce and Senior Affordable Housing Act, which was signed by the Governor on May 14, 2020 as Act 137; and was subsequently revised by Act 202 on May 31, 2022. Developers who are applying for federal housing tax credits through the LIHTC program can also request state tax credits to support their eligible projects.

SMALL RENTAL DEVELOPMENT PROGRAM

The Small Rental Development Program (SRDP) allows the agency to fund a broader range of rental housing by combining state and federal funding sources to provide a flexible source of financing for smaller rental properties. The funding programs that support SRDP include the South Carolina Housing Trust Fund (SCHTF), the National Housing Trust Fund (NHTF), and the HOME Investment Partnerships program (HOME). Both NHTF and HOME are administered by the U.S. Department of Housing and Urban Development (HUD).

Development

SOUTH CAROLINA HOUSING TRUST FUND

The South Carolina Housing Trust Fund is funded by a portion of the documentary stamp tax on real estate transactions. Its purpose is to assist low-income households throughout the state by providing financial assistance for the development, rehabilitation, and preservation of safe, decent, sanitary, and affordable housing, often leveraging outside dollars to support these efforts. SCHTF funding is administered through a network of non-profit and for profit entities that provide assistance to eligible low-income households.

The Home Repair Program is only for rehabilitation of an existing home and includes two tiers: The Critical Home Repair Program covers urgent health and safety repairs that are mostly external, such as roof replacements and HVAC equipment and systems. A more comprehensive Home Repair Program that covers interior and exterior repairs, including lead-based paint, asbestos, and mold removal and remediation based upon applicable federal and state regulations, is available as well. The financial support for repairs is provided as a forgivable loan as long as the property is occupied as the beneficiary's primary residence for a period of 20 years, and repairs greater than \$15,000 are also subject to a restrictive covenant on the property.

The Supportive Housing Program funds new construction, acquisition, and acquisition/rehabilitation of rental housing that provide access to supportive services for special needs populations, such as people with disabilities and people experiencing homelessness.





Development

HOME INVESTMENT PARTNERSHIPS PROGRAM

HOME Investment Partnerships Program provides formula grants to states, counties, and cities for expanding the supply of affordable housing for low-income households. Funds can be used to address a broad range of activities including rental housing development.

NATIONAL HOUSING TRUST FUND

The National Housing Trust Fund is a federal resource that the agency began receiving in 2016 to exclusively serve extremely low-income households (no more than 30 percent of AMI). This restriction requires NHTF to be combined with other financial sources to make rental developments financially viable.

Both NHTF and HOME are administered by the U.S. Department of Housing and Urban Development.



Rental Assistance and Compliance

HOUSING CHOICE VOUCHERS

SC Housing oversees the Housing Choice Voucher Program (HCVP) in the seven counties that do not have a local participating public housing authority: Clarendon, Colleton, Dorchester, Fairfield, Kershaw, Lee, and Lexington.

This is a federal program operated by HUD that provides rental assistance to eligible households to cover the gap between the rent charged and 30 percent of their income; ensuring the tenant does not experience housing cost burden. These families and individuals live in privately-owned properties, both single-family homes and apartment buildings.

CONTRACT ADMINISTRATION

SC Housing monitors a portfolio of hundreds of Section 8 rental properties across the state on behalf of HUD through the Project-Based Contract Administration (PBCA) program. HUD provides SC Housing with funds to review and approve monthly housing assistance payments, conduct Management and Occupancy Reviews to ensure compliance with federal law, serve as an ombudsman for tenant concerns, oversee subsidy contracts with property owners, and support the Section 8 program as a whole in South Carolina.

PROGRAM COMPLIANCE

Program Compliance confirms that properties receiving funding from SC Housing's Development Division meet state and federal laws, regulations and requirements. Their duties consist of primarily on-site inspections to ensure the properties meet the health and safety standards; a thorough review of property managers' files

to validate that the right affordable rents have been charged and that tenants are income-eligible to live in their homes; and follow-up on tenant concerns and other regulatory requirements.

**Creating quality affordable
housing opportunities for the
citizens of South Carolina.**

For more information on SC Housing programs and services:

www.schousing.com

