

A large, stylized graphic of a house roof in shades of blue, composed of several overlapping geometric shapes, set against a solid blue background.

# SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY



South Carolina Housing Trust Fund Program  
Participation Certification

A stylized graphic of a house roof, composed of several overlapping geometric shapes in shades of blue, located in the top left corner of the slide.

# SC Housing Trust Fund Program

## Participation Certification

Presenters: Jessica Malovic and Jennifer Cogan

# SC Housing Trust Fund Program

The South Carolina Housing Trust Fund (HTF) provides financial assistance to qualified non-profit and municipal organizations for the construction and rehabilitation of affordable housing for low-income households throughout the state, often leveraging outside dollars to support these efforts. SC Housing administers these resources on behalf of the state, ensuring that funds are properly expended on eligible activities defined in the South Carolina Housing Trust Fund Act. That legislation allocated a portion of the state documentary stamp tax on property transactions to be placed in a dedicated account for HTF; the state treasurer serves as the fund's trustee. All properties receiving HTF awards must remain affordable for low-income households for a compliance period of 20 years, ensuring that these programs serve their public purpose.

# SC Housing Trust Fund Activities

The three activities funded by the SC Housing Trust Fund include:

- **Home Repair** –The HTF Home Repair Program is designed to assist low-income (80% and below Area Median Income as determined by household size and county of residence) homeowners in making repairs to their primary residence.
- **Critical Home Repair** - The HTF Critical Home Repair Program is designed to assist low-income (80% and below Area Median Income as determined by household size and county of residence) homeowners in making needed Critical Repairs to their primary residence to address critical life, health and safety issues.
- **Supportive Housing** - The combination of housing and voluntary support services to address the needs of special needs populations, which include any subset of the population that has been identified as having specific needs. Supportive services may include but are not limited to: outreach, case management, childcare, job training/placement, health care, and transportation.

# SC Housing Trust Fund Activities

## Home Repair

The purpose of the program is to correct life, health and safety issues, provide accessibility for disabled persons, and repair or replace major housing systems.

- Minimum amount of assistance per property - **\$5,000**
- Properties may qualify up to **\$75,000** – Construction Costs
- Manufactured/Mobile home may qualify up to **\$40,000** – Construction Costs
- **All beneficiaries receiving HTF repair assistance equal to or exceeding \$15,000 are required to execute a restrictive covenant that will be recorded against the property for 20 years.**
- Sponsors are eligible to request a project delivery fee for successfully completing Home Repair Projects. Project Delivery Fee is the greater of **15%** of total construction costs or **\$1,000.00**.

# SC Housing Trust Fund Activities

## Critical Home Repair

The HTF Critical Home Repair Program is designed to assist low-income (80% and below Area Median Income as determined by household size and county of residence) homeowners in making needed Critical Repairs to their primary residence to address critical life, health and safety issues.

### Funding Limitations

- Minimum amount of assistance per property = \$5,000
- Properties including Manufactured/Mobile homes may qualify for up to **\$30,000**
- All beneficiaries receiving HTF Home Repair assistance equal to or exceeding \$15,000 are required to execute a **Restrictive Covenant** that will be recorded against the property for the 20 year HTF affordability period.

### Eligible Repairs

- Sewer / Septic systems,
- Water wells,
- Roof replacements (non-asbestos shingled roofs only),
- Fascia and Soffits,
- Gutters,
- Exterior façade, sidings (non-asbestos siding only),
- Windows,
- Exterior Doors/Storm Doors,
- Accessibility Ramps,
- HVAC equipment and/or systems (including electrical upgrade if necessary),
- Attic Insulation,
- Water Heater,
- Primary entrance, Porches/Decks,
- Gypsum Board/Sheetrock ceiling and wall repairs related to above repairs,
- Crawl space access doors,
- Lithium ten (10) year, battery operated, wireless, interconnected smoke and carbon monoxide detectors can be installed at the beneficiary's request.

# SC Housing Trust Fund Activities

## Environmental Requirements

SC Housing inspection staff will notify the Sponsor if any areas of the home need to be tested for the below hazardous materials. Sponsors are **not** to incur expenses for environmental testing unless they are notified during the inspection process that testing is necessary.

**Lead-Based Paint** - All properties built prior to January 1, 1978 are subject to the Environmental Protection Agency's Lead Renovation, Repair and Painting Program (RRP) Rule.

- [EPA's Lead Renovation, Repair and Painting Program \(RRP\) Rule](#)
- [Find an RRP Certified Firm](#)

**Radon** - Projects that are located in Greenville county are subject to the radon regulatory requirements of ANSI/AARST MAH 2019 and SGM-SF 2017 with 12/20 revisions.

- <https://standards.aarst.org/MAH-2019/index.html>
- <https://standards.aarst.org/SGM-SF-2017/index.html>

**Mold** - Properties are subject to testing and remediation in the event potential mold is suspected during an inspection and/or while work is being undertaken on the property. If mold is suspected, Sponsors must contact SC Housing for approval prior to incurring expenses to have the mold tested.

# SC Housing Trust Fund Activities

## Supportive Housing

The Supportive Housing Program is designed to provide financing to eligible Sponsors for the purpose of funding Supportive Housing rental projects. This type of housing may include shelters, transitional supportive housing, group homes, and permanent supportive housing.

- All projects must provide supportive housing services.
- Traditional rental housing only developments are not eligible properties under the Supportive Housing activity.

**Funds are available for the following eligible single and multi-family projects types:**

- Rehabilitation
- New construction
- Conversion
- Acquisition
- Refinancing with Rehabilitation

Developments containing up to twelve units which will serve persons at or below fifty percent (50%) of the area median income.

**Maximum HTF Subsidy per Project:**

\$300,000 per unit

**Non-Authority Funding:**

Must be an amount equal to all project expenses that are ineligible HTF expenses.

**Developer Fee:**

\$25,000 per unit

**\$20 million dollars** has been set-aside for FY 2023-2024 to fund supportive housing projects, of which \$1 million has been set aside for the Department of Disabilities and Special Needs and their affiliates.

# Participation Certification

## Application Process

- New Participant organizations may submit their application for approval to participate in the HTF program at any time.
- Previously approved Sponsors **must** recertify to participate in the program. Most existing certifications expire June 2024.
- The **Participation Application Manual** and associated application materials can be found on SC Housing's website:  
<http://www.schousing.com/Home/SCHousingTrustFund>
- Applications may be submitted via flash drive or by uploading the application to SC Housing's online **Secure File Exchange** by using the following link:  
<https://www.schousing.com/Home/PartnerLogin>

# Participation Certification

## Application Process

- SC Housing will first review submitted applications for completeness. Applicants will receive a letter outlining any missing or incomplete items. If the requested information is not provided within thirty (30) days the application will be deemed withdrawn.
- SC Housing will review complete applications to verify eligibility in accordance with the requirements outlined in the **Participation Manual**. If clarification is needed regarding submitted materials, SC Housing will notify the applicant.

# Participation Certification

## Application Process

- SC Housing will make best efforts to notify the applicant whether they have been deemed ineligible or have been approved to participate in the program within ten (10) business days of receiving a **complete** application.
- All approvals will be for a period of two (2) years, assuming there are no changes to the information submitted within the application that would deem the Sponsor ineligible.

# Participation Certification

## Eligibility Requirements

- Applicant must have been in business for at least (1) full year.
- Eligible Applicants include nonprofits, municipalities, municipal associations and councils of government.
- **Tax Exempt Status** – Nonprofit applicants must have a tax-exempt ruling from the IRS under one of the following permissible designations under Section 501(c) of the Internal Revenue Code of 1986:
  - 501(c) (3) status – charitable, nonprofit corporation
  - 501(c)(4) status - a community or civic organization
- Nonprofit applicants must provide their most recently filed **IRS Form 990** (with evidence of delivery to the IRS)

# Participation Certification

## Eligibility Requirements cont.

- Nonprofit applicants that have not participated in the SC HTF program previously, must provide a certified copy of its Articles of Incorporation (if applicable).
- A certified copy of the Articles of Incorporation and documentation of Good Standing can be obtained by visiting the Secretary of State's web page at: [www.scsos.com](http://www.scsos.com). Directions to request the Articles of Incorporation can be found in the **Participation Manual**. You will be prompted to register as a user or login to request documents.
- Documents will be emailed to the registered agent for your organization.

# Participation Certification

## Eligibility Requirements cont.

- All nonprofit applicants regardless of past participation must provide documentation of “Good Standing” status from the South Carolina Secretary of State.
- Directions on how to search for your organization’s Certificate of Good Standing are listed in the **Participation Manual**.

South Carolina Secretary of State  
**Business Entities Online**  
 File, Search, and Retrieve Documents Electronically



### Corporate Information

Entity Id 00013883  
 Entity Type Nonprofit  
 Status Good Standing  
 Domestic/Foreign Domestic  
 Incorporated State South Carolina

### Important Dates

Effective Date 08/30/1989  
 Expiration Date N/A  
 Term End Date N/A  
 Dissolved Date N/A

### Registered Agent

Agent [Redacted]  
 Address [Redacted]

## Participation Certification Eligibility Requirements cont.

Applicants must have a clear mission of developing or preserving affordable housing within a defined service area.

**By-Laws** – Nonprofit applicant must submit a copy of signed and dated By-Laws. The By-Laws must include all the following information, which must be **highlighted** or circled:

- a clear housing purpose, such as a provision to provide safe, sanitary and affordable housing to low and very-low income families; and
- a map and description of the applicant's defined service area.

# Participation Certification

## Eligibility Requirements cont.

**Affordable Housing Experience – experience requirements are determined by the activity for which the applicant intends to apply.**

- Applicants applying for the **Home Repair** programs that have not participated in the HTF program previously, must provide documentation of at least one (1) full year of experience in affordable housing development. At a minimum, documentation must include:
  - A summary of projects that the applicant participated in or completed, including if applicable, a letter from the funding source that financed the project. Project summaries should include dates of completion, funding sources, total development costs, number of units, end use (rental, homeownership, owner-occupied repairs, etc.), project type, i.e. new construction, rehabilitation, conversion, etc.
  - Include pictures documenting the projects included in the summary.

# Participation Certification

## Eligibility Requirements cont.

- Applicants proposing participation in the **Supportive Housing** activity must be able to document they have successful experience developing and operating rental housing projects **within the last ten (10) years.**
- Applicants and/or their supportive service provider partners must provide a narrative describing their experience providing supportive services which describes when the services were provided, who they were provided to, what types of services were provided, the duration of services provided, and how the services were funded. The Applicant must provide the following with its application:
  - A list of staff members coordinating the project.
  - A listing of completed projects including the project address, target population, number of units, services provided, funding sources, the amount of funding awarded from each source, photos, and dates of completion.

# Participation Certification

## Eligibility Requirements cont.

### Affordable Housing Experience cont.

- An applicant that does not meet the affordable housing development experience requirements may utilize a Consulting Organization to meet this requirement.
- The Consulting Organization may not be partnered with more than two (2) Applicants/Sponsors at a time.
- Existing HTF Sponsors wanting to provide consulting services must be active participants in the HTF activities they plan to provide consulting services for. Actively participating is defined as Sponsors that have successfully completed HTF projects within the timeframes described in the Home Repair, Critical Home Repair Manuals or Supportive Housing Implementation Schedule since July 1, 2022.
- Costs for the Consultant are not eligible HTF expenses; however, Sponsors may use project delivery fees to pay Consultants.

# Participation Certification Eligibility Requirements cont.

## Affordable Housing Experience cont.

**SC HOUSING MUST GIVE WRITTEN APPROVAL FOR AN APPLICANT TO WORK WITH A CONSULTING ORGANIZATION.** The applicant must provide all of the following:

- A DRAFT contract between the applicant and the Consulting Organization stating what services will be provided by the Consulting Organization and a description of each of the organizations' respective responsibilities.
- A detailed training plan that will be used to train the applicant's key staff members or its principal officers. The plan must address all of the following areas of training: scope of work, staff to be trained, costs, timeline with specific objectives to be reached by specific dates, and a completion date.
- A completed and executed **Attachment A, Consultant Disclosure.**
- Resume(s) of the Consulting Organization's key contact person(s).
- Documentation of experience.

# Participation Certification

## Eligibility Requirements cont.

**Staffing Capacity** – Applicants must demonstrate the capacity of its key staff to carry out HTF activities. Applicants must have designated staff persons who are specifically assigned to work the HTF program and oversee all construction activities. This staff member should be identified as the HTF Project Manager on **Attachment B - Organization Staff Members**.

**Applicants must have all items listed below:**

- Full-time employee of the organization or contract staff with a signed contractual agreement(s) on file; staff member must have knowledge of HTF activities and construction.
- Office telephone number with voice mail;
  - Office telephone number must be available to receive calls from beneficiaries; and
  - Applicants must commit to responding to calls and messages within 3 business days.
- Computer with internet access
- Working e-mail address
- Scanner and color printer
- Appropriate place to securely store documents containing PII

# Participation Certification

## Eligibility Requirements cont.

### Staffing Capacity cont.

To demonstrate staffing capacity, the applicant must provide all of the following:

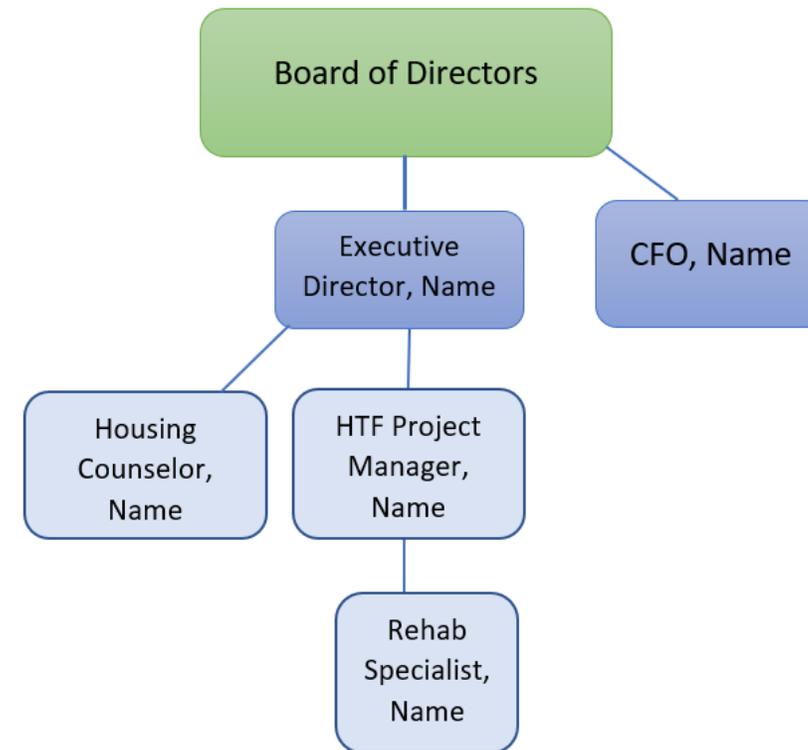
- A completed **Attachment B, Organization Staff Members.**
- A copy of the organizational chart which visually represents the staffing structure of the organization, including staff names and titles.
- Resumes of all key staff members and principal officers associated with implementing the activities of the HTF program, noting experience relative to housing programs.

# Participation Certification

## Eligibility Requirements cont.

- The organization's Chief Executive Officer (CEO)/Executive Director/President cannot also serve as the organization's Chief Financial Officer (CFO) or Financial Representative.
- Also, the Board Chairperson/Board President cannot also be the organization's Chief Executive Officer (CEO)/Executive Director/President and/or the organization's Chief Financial Officer (CFO)/Financial Representative.
- These three positions must be held by three (3) different individuals.

Palmetto Community Development Group  
Organizational Chart  
2024



# Participation Certification

## Eligibility Requirements cont.

**Board Requirements** – Applicants must have a minimum of (5) board members with no less than 75% of it's members residing within their defined serviced area. The application must include a complete **Attachment C, Board of Directors Status Information**.

**The Board must comply with the following requirements:**

- Members of the board cannot be related to one another by blood, marriage and/or business relationships;
- Terms of service must be for a specified time and cannot be lifetime terms;
- Board members cannot serve as staff members; and
- Board members must not serve as a member of another approved nonprofit organization participating in the HTF program.

The Applicant must provide 12 months of meeting minutes signed and dated by appropriate board officer and board meeting schedule for the previous year.

# Participation Certification

## Eligibility Requirements cont.

**Financial Capacity** – Applicants must demonstrate they are financially viable and have a financial management system in place that provides proper controls and reporting of the organization’s activities.

### Applicants must have minimum unrestricted Liquid Assets as Noted:

**Level I** - Applicants with minimum unrestricted net liquid assets of five thousand dollars (\$5,000) may have one (1) Home Repair or Critical Home Repair project open at a time. Experienced Level I Sponsors may request an increase in the number of open applications, subject to evaluation by SC Housing. The evaluation considers factors such as timely construction initiation, meeting deadlines without extensions, and compliance with program requirements.

# Participation Certification

## Eligibility Requirements cont.

### Financial Capacity cont.

**Level II** –Applicants with minimum unrestricted net liquid assets of ten thousand dollars (\$10,000) may have up to two (2) Home Repair and/or Critical Home Repair projects open at one time. Experienced Level II Sponsors may request an increase in the number of open applications, subject to evaluation by SC Housing. The evaluation considers factors such as timely construction initiation, meeting deadlines without extensions, and compliance with program requirements.

# Participation Certification

## Eligibility Requirements cont.

### Financial Capacity cont.

**Level III** – Applicants must meet the financial capacity requirements as described below to participate in **Supporting Housing Activities**, which are based on the total number of affordable Supportive Housing rental units to be developed:

- **1 – 3 total units** – Applicant must have a minimum net worth of **\$250,000** and a minimum of **\$50,000** in unrestricted liquid assets.
- **4 – 8 total units** – Applicant must have a minimum net worth of **\$500,000** and a minimum of **\$75,000** in unrestricted liquid assets.
- **9 – 12 total units** – Applicant must have a minimum net worth of **\$1 million** and a minimum of **\$150,000** in unrestricted liquid assets.

# Participation Certification

## Eligibility Requirements cont.

**To demonstrate financial capacity, applicant must provide:**

- Financial Statements – audited, reviewed or compiled by an independent CPA licensed by SC Board of Accountancy. The Authority reserves the right to perform an independent verification of assets. Financial statements must include a balance sheet dated on or after **December 31, 2022**.
- As an alternative to meeting the minimum amount of unrestricted liquid asset requirements, Level I and Level II applicants can provide **bank statements for the most recent 12 month period prior to application submission** demonstrating the organization has maintained a minimum balance of at least \$5,000 (Level I Applicants) or \$10,000 (Level II Applicants) for the entire 12 month period. Required minimum balances must be maintained by the applicant at all times. Financial contributions made to the organization must be permanent contributions. Short-term contributions donated for the purpose of meeting the financial capacity requirements will not be counted towards meeting the minimum balance requirements.
- A completed and notarized **Attachment D, Standards for Financial Management Systems**, executed by the Board Treasurer or Chief Financial Officer.
- An executed **IRS Form W-9**, Request for Taxpayer Identification Number and Certification.

# Participation Certification

## Eligibility Requirements cont.

**Insurance** – Applicants must carry an effective **\$1 million** General Liability Insurance Policy. Copy of the Certificate of Insurance must be provided with application.

**Community Support** – Nonprofit Applicants that have not participated in the HTF program previously must provide a minimum of three (3) written community support letters from third-party organizations located in the service area in which it plans to undertake HTF activities. The letters must be obtained from organizations with which the Applicant has worked; preferably completing activities comparable to HTF activities, such as:

- Local municipalities (e.g. a city council member, mayor, etc.)
- Local community organizations or churches
- Local community businesses that have partnered with the applying nonprofit in community events

The community support letters cannot be obtained from other organizations participating in HTF activities. The letters must be signed, typed on the supporting organization's letterhead, and must be dated within six (6) months of application submission.

# Participation Certification

## Eligibility Requirements cont.

**Conflict of Interest** - No person or organization exercising any functions or responsibilities with respect to HTF-assisted activities may have a financial interest or obtain a financial benefit from the activities or any contract, subcontract, or agreement with respect thereto.

To be eligible for participation in HTF activities, the applicant's Bylaws included with the application must include the following language verbatim:

*“No employee, agent, consultant, Board member or officer of **[insert name of organization]** may obtain a financial interest or benefit from **[insert name of organization's]** operation of any South Carolina State Housing Finance and Development Authority program, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder during one's tenure, or for one (1) full year thereafter. Nor shall an immediate family member or business associate of an employee, agent, consultant, Board member or officer, or any organization which employs or is about to employ such employee, agent, consultant, Board member or officer, obtain a financial interest or benefit from the transaction or contract of **[insert name of organization]** related to participation in any South Carolina State Housing Finance and Development Authority program.”*

Alternatively, the Applicant may provide a resolution passed by the applicant's Board of Directors that adopts the above language.

# Participation Certification

## Eligibility Requirements cont.

### **Protection of Confidential Information and Personally Identifiable Information (PII) -**

Applicant must have defined procedures for protecting confidential information. All files are to be maintained in a secure environment, whereby only authorized staff members have access. All documents containing confidential information or PII being disposed must be shredded. At no time should documents be placed in the garbage or an unlocked recycle bin, without first being shredded.

Applicant must provide documentation that all staff members with responsibilities associated with the Housing Trust Fund have successfully completed PII training and acknowledge their responsibility to manage their beneficiary's information.

The link below can be used to access the Department of Defense's Training Course titled **Identifying and Safeguarding Personally Identifiable Information (PII) Version**.

Applicant's staff members with responsibilities relative to HTF activities must take this on-line course and submit a copy of each staff member's certificate of completion with the Application.

[Identifying and Safeguarding Personally Identifiable Information \(PII\) Version 3.0 \(usalearning.gov\)](https://www.usalearning.gov/courses/identifying-and-safeguarding-personally-identifiable-information-pii-version-3.0)

# Participation Certification

## Eligibility Requirements cont.

Example of the Certificate



# Participation Certification

## Eligibility Requirements cont.

**Beneficiary and Tenant Selection Procedures** - Approved HTF Participants must have written beneficiary and tenant selection procedures that are compliant with fair housing laws and regulations. The process for evaluating a household's request for assistance must be reasonable, adhere to program guidelines and be managed in a consistent manner with the purpose of providing assistance for income eligible beneficiaries.

*Unless the Applicant organization has a preference to serve a particular target population the required method for maintaining your organization's waitlist is to add applicants to the list as they come in and select applicants from the list in chronological order.*

**Beneficiary = Home Repair activities**

**Tenant = Supportive Housing activities**

# Participation Certification

## Eligibility Requirements cont.

### Beneficiary and Tenant Selection Procedures cont.

Applicants must provide a copy of their written beneficiary and/or tenant selection procedures behind **Tab 2** that:

- Are consistent with the purpose of providing housing for very low and low-income households;
- Are reasonable, but adhere to program eligibility and acceptance requirements;
- Includes details about how beneficiaries and/or tenants will be selected in chronological order from a written waiting list; and
- Includes a policy which ensures prompt written notification will be given should a beneficiary or tenant be rejected and the grounds for such rejection.
- Include the number applicants on the waiting list and how the waiting list will be managed and maintained.
- If applicable, identify target population preferences and include a description of the method of prioritization used.

# Participation Certification

## Eligibility Requirements cont.

### Required Training for Approved Participants (Sponsors)

- Sponsors will not be eligible to participate in HTF activities until they have participated in an **Implementation Training**.
- SC Housing, additional training and technical assistance will be provided by SC Housing staff upon request or as deemed necessary.
- Additionally, SC Housing conducts annual workshops on application criteria and processes, which all approved Sponsors are required to attend.

# Participation Certification

## Eligibility Requirements cont.

After meeting all the qualifications to participate in SC HTF Program –  
**Certification is approved for (2) years.**

Once you become an approved Participant (Sponsor), your organization's contact information is published on SC Housing's website @ [List of Approved Sponsors by County.](#)

# Participation Certification Recertification

- Sponsors must submit a recertification application within 30 days of the expiration date of the current certification period. Returning Sponsors may submit an abbreviated version of the **Participation Application**. The following documents will not be required to recertify a Sponsor unless there has been a material change to the documents originally submitted.
  - Articles of Incorporation
  - By-laws
  - IRS letter 501c3 or 501c4
- The majority of existing Sponsor Certifications will expire in June.



# SC Housing Trust Fund Program



**THANK YOU!**

Thank you for your participation and we look forward to a continued partnership as work together to create quality affordable housing opportunities for the citizens of South Carolina.

If you have any further questions please contact Dorothy Sutton at 803-896-9360 or via email

[Dorothy.Sutton@schousing.com](mailto:Dorothy.Sutton@schousing.com)