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Summary: Housing and redevelopment

**HISTORY OF LEGISLATIVE ACTIONS**

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View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=4331&session=121&summary=B) at the website

**VERSIONS OF THIS BILL**

[6/3/2015](file:///p:\pprever\2015-16\4331_20150603.docx)

**A** **BILL**

TO AMEND SECTION 31‑13‑20, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO HOUSING AND REDEVELOPMENT, SO AS TO CHANGE THE NAME OF THE “SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY” TO THE “SOUTH CAROLINA HOUSING FINANCE AGENCY”; AND TO AMEND ARTICLE 4, CHAPTER 13, TITLE 31, RELATING TO THE HOUSING TRUST FUND, SO AS TO REVISE DEFINITIONS AND TO DEFINE “PROJECT”, TO PROVIDE FOR THE BOARD TO SET POLICIES FOR PAYMENT OF REASONABLE FEES AND EXPENSES FOR SPONSORS, TO REMOVE THE SOUTH CAROLINA HOUSING PARTNERSHIP FROM THE ADVISORY COMMITTEE, TO ADD THE SOUTH CAROLINA MUNICIPAL ASSOCIATION TO THE ADVISORY COMMITTEE, TO PROVIDE THAT GRANTS MAY BE MADE TO CERTAIN HOUSING TRUST FUNDS, TO PROVIDE A CAP AT FIFTEEN PERCENT OF THE AMOUNT OF ANNUAL TRUST FUND DEPOSITS AWARDED TO UNITS OF STATE, REGIONAL, AND LOCAL GOVERNMENTS, AND TO MAKE TECHNICAL AND CONFORMING CHANGES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 31‑13‑20 of the 1976 Code is amended to read:

“Section 31‑13‑20. There is ~~hereby~~ created a public body corporate and politic to be known as the South Carolina ~~State Housing Finance and Development Authority~~ Housing Finance Agency.”

SECTION 2. Article 4, Chapter 13, Title 31 of the 1976 Code is amended to read:

“Article 4

Housing Trust Fund

Section 31‑13‑400. This article may be cited as the ‘South Carolina Housing Trust Fund Act’.

Section 31‑13‑410. As used in this article:

(1) ‘Affordable housing’ means residential housing that~~, so long as the same~~ is occupied by lower or very low income households~~, requires payment of monthly housing costs of no more than thirty percent of one‑twelfth adjusted annual income~~.

(2) ‘Annual income’ means the anticipated total income during the upcoming twelve‑month period from all sources received by ~~the family head and spouse and by each additional member~~ all adult members of the household, including all net income derived from assets.

(3) ‘~~Authority~~ Agency’ means the South Carolina ~~State~~ Housing Finance ~~and Development Authority~~ Agency.

(4) ‘Board’ means the Board of Commissioners of the ~~South Carolina State Housing Finance and Development~~ South Carolina Housing Finance Agency.

(5) ‘Executive director’ means the executive director of the authority.

(6) ‘Lower income household’ means a single person, family, or unrelated persons living together whose annual income adjusted for household size is more than fifty percent, but less than eighty percent, of the median income of the area of residence as determined by the United States Department of Housing and Urban Development.

(7) ‘Substandard unit’ means a housing unit which, by reason of dilapidation, deterioration, age, or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, unsanitary or unsafe conditions, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors, is conducive to ill health, transmission of disease, or has an adverse effect upon the public health, safety, morals, or welfare of its inhabitants.

(8) ‘Trust fund’ or ‘fund’ means the South Carolina Housing Trust Fund.

(9) ‘Very low income household’ means a ~~household that has an~~ single person, a family, or unrelated persons living together whose annual income adjusted for household size ~~of less than~~ is at or below fifty percent of the median income of the area of residence as determined by the United States Department of Housing and Urban Development.

(10) ‘Project’ means affordable housing that consists of a single property or collection of properties or a program designed to increase or preserve affordable housing.

Section 31‑13‑420. (A) There is established the South Carolina Housing Trust Fund. The State Treasurer shall serve as trustee for the fund and shall hold the monies deposited in the fund separate and distinct from the general funds of the State. The trust fund consists of monies received under this article and any other sources of revenue, public or private, including donations dedicated for inclusion in the trust fund. The State Treasurer shall deposit the funds in a separate account to be administered by the ~~authority~~ agency in accordance with the guidelines and purposes established by this article. Interest, repayment, or other increment resulting from investment must be deposited in the fund.

(B) The monies in the trust fund must be paid out only upon the signature of the chairman of the board or a designee of the board and the signature of the executive director, upon the written warrants of the Comptroller General drawn on the State Treasurer to the payee designated in the requisition. The ~~authority~~ agency shall maintain separate records and books of accounts for all monies deposited into the fund. The ~~authority~~ agency is entitled to reimbursement for the costs or expenses incurred in the administration and operation of the fund from monies deposited into the fund. The board also may set policies for payment of reasonable fees and expenses for sponsors not to exceed fifteen percent of the trust fund award.

(C) The board shall make a separate annual report to the Governor and the General Assembly with respect to the fund pursuant to Article 13, Chapter 1, ~~of~~ Title 1.

Section 31‑13‑430. (A) An advisory committee is established consisting of nine members, three of whom must be selected by the board and must include one member of a very low income household, one member of a lower income household, ~~a~~ one representative of a nonprofit organization which pursues housing programs, and one representative of each of the following:

(1) South Carolina Low Income Housing Coalition;

(2) South Carolina Citizens for Housing;

(3) South Carolina Association of Housing Authority Executive Directors;

(4) South Carolina Community Development Association;

~~(5)~~ ~~South Carolina Housing Partnership; and~~

~~(6)~~(5) South Carolina Association of Regional Councils; and

(6) South Carolina Municipal Association.

(B) On or before the first day of January of each year the presiding officer of each organization represented on the advisory committee shall notify the chairman of the ~~authority~~ agency of the name, mailing address, and telephone number of its representative on the advisory committee. It is the duty of the chairman to ensure that timely notification of each meeting of the advisory committee is provided to each of its members.

(C) The advisory committee shall meet at least ~~four times a year~~ semiannually to advise the board of particularly critical housing needs, to recommend to the board those areas of the State in which requests for proposals for ~~developments~~ projects should be published, the type of development for which proposals should be solicited, and to provide other pertinent information to the board as the members of the advisory committee consider appropriate. The committee shall adopt rules concerning meeting attendance by its members.

(D) Members of the advisory committee are not eligible for reimbursement for travel, lodging, meals, or per diem. Membership on the committee must include representation from rural communities.

Section 31‑13‑440. (A) Pursuant to this article and in accordance with the procedures adopted by the board, the executive director is responsible for the day‑to‑day operations of the fund.

(B) The executive director shall:

(1) develop and implement a comprehensive program for the use of the fund which ensures the equitable distribution of monies in the fund between urban and rural areas of South Carolina;

(2) develop and implement an application and selection system to identify ~~housing~~ sponsors and affordable housing ~~developments~~ projects which qualify to receive assistance from the fund;

(3) provide technical assistance to prospective applicants;

(4) monitor ~~developments~~ projects receiving assistance from the fund to ensure that the ~~developments~~ projects are operated in a manner consistent with this article and in accordance with the representations made by the sponsors of these ~~developments~~ projects to the fund; and

(5) ensure that all ~~developments~~ projects receiving assistance from the fund are operated in a manner consistent with the South Carolina Fair Housing Law.

(C) The executive director may utilize members of the ~~authority~~ agency staff as considered necessary to discharge the executive director’s responsibilities under this section.

Section 31‑13‑445. No more than twenty percent of trust fund monies ~~expended~~ committed in a fiscal year may be for projects in any one county, unless there is not a sufficient number of applications received to grant the balance in the trust fund.

Section 31‑13‑450. (A) Except as otherwise provided in this section, all monies deposited in the fund must be used to increase the supply of safe, decent, and affordable housing for members of the very low or lower income households within this State. These monies must be used to:

(1) encourage affordable home ownership and rental housing opportunities for the very low and lower income individuals and households;

(2) assist in the creation and preservation of safe, decent, affordable, and sanitary housing for the very low and lower income persons through the provision of loans and grants;

(3) increase the availability of affordable ~~rental and owner‑occupied~~ housing for special needs populations, ~~including housing for~~ which may include the elderly, the ~~handicapped~~ disabled, veterans, and the homeless;

(4) promote creativity and flexibility in the design of programs at the local level to bring about the creation of safe, decent, affordable, and sanitary home ownership and rental housing in quality living environments;

(5) maximize the utilization of federal housing assistance programs and leverage all other public and private resources; ~~and~~

(6) establish a spirit of partnership between government, nonprofit, and for‑profit concerns and those in need of affordable housing~~.~~; and

(7) make grants to local housing trust funds created prior to the effective date of the William C. Mescher Local Housing Trust Fund Enabling Act and those created pursuant to the terms of the William C. Mescher Local Housing Trust Fund Enabling Act as may be amended from time to time.

(B) Monies deposited in the fund must be used to finance, in whole or in part, affordable ~~housing~~ projects ~~and developments~~ eligible under this section. Monies deposited in the fund may be used to make loans, or grants~~,~~. ~~or provide for~~ The loans or grants may serve as matching funds to secure financial assistance made available through federal funding and other programs to ~~eligible applicants~~ sponsors for the provision of affordable housing. Only nonprofit sponsors are eligible to receive grants for the implementation of an affordable housing proposal. Funds for resident services programs which further independence and responsibility may be included in a proposal submitted to the fund but may not exceed two percent of the total funds requested in the proposal.

(C) In evaluating proposals for the use of monies deposited in the fund, the board shall ensure, to the extent feasible, that monies are allocated to affordable housing for home ownership or rental housing ~~developments~~ projects which provide housing to members of very low or lower income households. The fund may provide for appropriate penalties or fees for removal of the lien in its loan documents or contractual documents if monies are not used to provide housing for members of very low or lower income households for a period of at least twenty years. All prepayments must be returned to the fund.

(D) The board shall ensure that monies deposited in the fund are allocated only to projects which are eligible projects. An eligible project consists of one or more residential buildings containing similarly constructed units, the site on which the building is located, and any functionally related facilities. Multiple buildings may constitute a project only if bounded together as a result of proximate location or common ownership and financing.

(E) The board may approve the withdrawal of monies deposited in the fund for the acquisition and rehabilitation of substandard housing units, new construction of housing units, to provide assistance for the construction or rehabilitation of shelters for the homeless, or for such other programs which increase the supply of safe, decent, and affordable housing for members of very low or lower income households which the board considers appropriate to meet the purposes stated in this section.

Section 31‑13‑460. Units of state, regional, and local governments, including municipal corporations and nonprofit and for‑profit housing sponsors, are eligible to apply to receive monies from the fund for the development of affordable housing. No more than fifteen percent of the annual trust fund deposits shall be awarded as grants to units of state, regional, or local governments in any given fiscal year.

Section 31‑13‑470. (A) Monies within the fund must be allocated to ~~eligible applicants~~ sponsors, who have submitted proposals for eligible projects, in accordance with funding cycles established at least annually by the board.

(B) In allocating monies within the fund, priority must be given to applications which provide for one or more of the following:

(1) affordable housing proposals which serve very low income households;

(2) local government contributions to project costs, including infrastructure improvements, contributions of publicly‑owned land for housing development, and the provision of funds for resident services;

(3) proposals which utilize financial assistance available through federal funding or other programs to leverage monies available from the fund;

(4) applicant contributions to project costs;

(5) proposals submitted by nonprofit sponsors for the provision of affordable housing;

(6) coordination with other housing and infrastructure investments in the community; or

(7) provision of housing to persons whose current housing fails to meet basic standards of health and safety and who have little prospect of improving the condition of their housing.”

SECTION 3. The Code Commissioner is directed to change all references in Chapter 13, Title 31 of the 1976 Code from “South Carolina State Housing Finance and Development Authority”, or “Authority” to “South Carolina Housing Finance Agency”, “Agency”, or “SCHFA”, as appropriate.

SECTION 4. This act takes effect upon approval by the Governor.

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