

**South Carolina State Housing Finance and
Development Authority**



**Housing Trust Fund
Application for Nonprofit Participation**

Introduction:

The South Carolina Housing Trust Fund (Housing Trust Fund) was created by the South Carolina General Assembly under the Housing Trust Fund Act of 1992. The primary purpose of the Housing Trust Fund is to promote the preservation of safe, sanitary and affordable housing for low-income families in the State of South Carolina. The South Carolina State Housing Finance and Development Authority (“the Authority”), acting as the Administrator for the State.

The Housing Trust Fund requirements are set forth in the S.C. Code of Laws. *See Sections 31-13-400 through 31-13-470.* An approved Housing Trust Fund participant is restricted to eligible Housing Trust Fund activities in which the nonprofit acts as either a developer or sponsor of affordable housing.

If your nonprofit 501© (3) or (4) organization is interested in providing or improving affordable housing for low-income persons or families and would like to establish your organization as a qualified nonprofit to participate in the Housing Trust Fund programs, please complete and return the attached application to:

Linda Hough-Hicks
SC State Housing Finance and Development Authority
300-C Outlet Pointe Blvd.
Columbia, SC 29210
(803) 896-9338
(803) 551-4896 Fax
linda.hough-hicks@schousing.com

Eligibility Requirements

To become qualified the nonprofit must:

- ❖ Be a private, 501© (3) or (4) nonprofit organization;
 - ✓ This letter is obtained from the IRS
- ❖ Be organized under the laws of the State of South Carolina;
 - ✓ Registered with the Secretary of State's Office
- ❖ Perform housing related services within a defined service area, such as those identified in the Housing Trust Fund program;
- ❖ Provide written evidence of community support from the jurisdiction in which the service area is located;
- ❖ Provide evidence of previous housing experience;
- ❖ Provide financial data to support your nonprofit's financial responsibility and capacity;
- ❖ Provide documented "approval" from your nonprofit's board of directors to participate in the Housing Trust Fund program;
- ❖ No person may seek to derive profit or financial gain from the organization's participation in Authority programs, including any member of a nonprofit's staff, family member, board of directors, or any related person seeking any direct or indirect benefit.

CHDO EXEMPTION: Any 501© (3) or (4) nonprofit organization approved under the State HOME program as a **Community Housing Development Organization (CHDO)** is exempt from the above requirements of this manual. In order to participate in the Housing Trust Fund, the **CHDO** should submit a written request to Linda Hough-Hicks at the address listed on the previous page.

South Carolina State Housing Finance and Development Authority
Housing Trust Fund Program
Application for Nonprofit Participation

Name of Organization:	Executive Director:	
	Contact Person:	
Mailing Address:	Telephone Number:	
City, State, Zip	Fax:	
Federal ID#:	Email Address(es):	
Date of Incorporation:		
Number of Board Members:	Define Service Area(s):	Preferred HTF Activity

TAB #	Eligibility Requirements
1	IRS 501© (3) or © (4) Letter
2	Certificate of Incorporation By-Laws Board of Directors (Attachment A)
3	Defined Service Area
4	Community Support Letter(s)
5	Housing Experience
6	Financial Responsibility and Capacity (Attachment B)
7	Staff Capacity (Attachment C)
8	No Individual Benefit

**Please include this page as your cover sheet for the Application for
Nonprofit Participation**

Clarification and Explanation of Application for Nonprofit Participation

TAB 1 - Internal Revenue Service Status Letter:

Please provide your IRS Tax Exempt letter documenting your 501© (3) or © 4 Status.

TAB 2 – Legal Operating Ability:

Please provide a copy of your Certificate of Incorporation and a copy of your organization's By Laws;

- ✓ By Laws must include a clear **“Housing purpose”**, such as the provision to provide safe, sanitary and affordable housing to low and moderate income families;
- ✓ By Laws must be exclusive to your organization;
- ✓ Please complete **“Attachment A”** to include the board term of each board member. *A Life Time Board Term is not acceptable;*
- ✓ A nonprofit must have a minimum of **five (5) board members** with the majority of board members situated within the defined service area(s).

TAB 3 – Defined Service Area:

All nonprofits must perform service within a defined area.

- ✓ A map and description of the service area must be provided;
- ✓ This must be evident in the organizations Charter, Articles of Incorporation and By Laws; or an approved Resolution by the Board of Directors.

TAB 4 – Community Support:

Nonprofits must provide written community support letters from the jurisdiction(s) in which it plans to provide services; a minimum of **three (3) letters** is sufficient.

- ✓ This letter can be obtained from your local municipalities, local community leaders or other participating nonprofits in your area.

TAB 5 – Housing Experience:

Nonprofits must demonstrate that they have at least **one year** housing experience serving the community where it intends to provide affordable housing, such as those activities identified by the Housing Trust Fund program.

- ✓ Newly created organizations wishing to become qualified nonprofits can meet this requirement if a parent or consulting qualified nonprofit is in good standing with the Authority and has also provided service(s) to the community for at least one year. **Please include a “Contract for Services” from the sponsoring parent or nonprofit.**

- ✓ Nonprofits with **limited or no experience** planning to use experienced qualified nonprofits for development activities, the following documentation must be submitted as evidence:
 - ✓ Documentation from the qualified nonprofit demonstrating they have completed projects similar to the proposed activities;
 - ✓ A copy of the Contract for Services
 - ✓ The training plan that's being used to train key staff members or its principal officers.

Acceptable documentation must also include previous expertise in providing the type of services or performing the type of activity for which funding is sought. This documentation may relate to either the qualified nonprofit or the principal officers of the newly created nonprofit. Also include any newspaper clippings, annual reports or funding approvals from other organizations.

PLEASE NOTE: Based on the expertise/experience of the newly created nonprofit; the Authority reserves the right to restrict program activity participation for one year.

TAB 6 – Financial Capacity:

Nonprofits must meet the Authority's financial underwriting requirements:

- ✓ Please provide a copy of your organizations most recent audited financial statements, in addition to a month end balance sheet and/or a completed income tax return.
- ✓ Please complete The Financial Certification (**Attachment B**). At a minimum, a potential qualified nonprofit must demonstrate that it is financial viable and have a sound financial management system already in place that provides for the proper control and reporting of the organizations activities.

PLEASE NOTE: A nonprofit can be denied participation in the Housing Trust Fund Program if major weakness and or negative financial conditions are noted in the financial statements.

TAB 7 – Staff Capacity (Attachment C):

Nonprofits must demonstrate that it has the staff capacity to implement the additional workload associated with the Housing Trust Fund.

- ✓ All nonprofits must have an office telephone with voice mail, fax machine and a working email address. It is advised that when communicating with the Housing Trust Fund staff your organization utilizes email.
- ✓ Please provide resumes for all key staff members and principal officers associated with the implementation of the Housing Trust Fund program.

PLEASE NOTE: There is a significant difference in the type of experience and capacity required to carry out the eligible Housing Trust Fund activities. Therefore, experience in having completed similar Housing Trust Fund projects, such as Owner-Occupied Rehabilitation, Homeownership, Emergency Repairs, Rental, Supportive Housing and Group Homes draws a distinction between development/management and development/sales.

TAB 8 – No Individual Benefit:

The Housing Trust Fund is statutorily enabled to provide a benefit to persons in economic need. Insuring personal benefit, directly or indirectly, frustrates the purpose of the Housing Trust Fund. To that end, no person may seek to derive profit or financial gain from the organization's participation in Authority programs, including any member of a nonprofit's staff, family member, board of directors, or any related person seeking any direct or indirect benefit.

Application Review and Eligibility:

Upon receipt of the above items, the Authority will evaluate you organization's eligibility to participate in the Housing Trust Fund programs. Qualifying nonprofits will receive an approval letter within **fourteen (14) days**. Qualifying nonprofits must be approved to participate in the Housing Trust Fund program at least **thirty (30) days** prior to submitting your first application for funding; and attend a one-on-one Technical Assistance meeting.

Organizations failing to qualify will receive a letter explaining the reasons for denial. Organizations may re-submit any missing documents or provide clarification for any denial letter. All denied applications will be kept on file for six (6) months. If you fail to correct a deficiency after six (6) months; your organization must re-apply.

Please contact Linda Hough-Hicks at (803) 896-9338 for further assistance.

TAB 1
INTERNAL REVENUE SERVICE STATUS LETTER

TAB 2
LEGAL OPERATING ABILITY

TAB 3
DEFINED SERVICE AREA

TAB 4
COMMUNITY SUPPORT LETTERS

TAB 5
HOUSING EXPERIENCE

TAB 6
FINANCIAL CAPACITY

TAB 7
STAFF CAPACITY

TAB 8
NO INDIVIDUAL BENEFIT