

# 2017-2018 ANNUAL ACTION PLAN



**WACCAMAW**  
R E G I O N A L  
COUNCIL OF GOVERNMENTS

**Waccamaw HOME Consortium**

**c/o Waccamaw Regional Council of Governments**

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## GENERAL

The Waccamaw HOME Consortium (Consortium or WHC) is the recipient of an annual allocation of HOME Investment Partnerships Program (HOME) funds from the U.S. Department of Housing and Urban Development (HUD). As a condition of receiving these funds each fiscal year, the Consortium develops the Annual Action Plan for submittal to, and approval by, HUD. Each completed Annual Action Plan details how the HUD funds will be invested to address needs as described in the Consolidated Plan. At adoption, each Annual Action Plan becomes a part of the Consolidated Plan.

This Annual Action Plan represents the steps the Consortium will take over the next year to implement its strategies that address housing, homeless, and community development needs. The geographic areas covered by the Consortium include all municipalities in Georgetown, Horry, and Williamsburg counties, South Carolina, with the exception of Briarcliffe Acres. Rather than targeting a specific region, a method has been established that provides a competitive process for submission of applications for funding. Applications first go through a staff review for compliance and then are evaluated by a Technical Review Committee (TRC), consisting of representatives from local governments participating in the Consortium. The TRC makes recommendations to the HOME Consortium Board regarding which projects to pursue. The ultimate decision regarding the geographic distribution of HOME funds rests with the HOME Consortium Board in its approval of applications for funding.

As part of the 2017 planning process, a Notice of Available Funding (NOFA) and a request for proposals were issued in February 2017. Eight (8) applications for funding were received requesting a total of \$1,691,973. The Technical Review Committee recommends funding awards totaling \$762,543. These awards will leverage an additional approximately \$381,350 in non-Consortium funding and result in the production of eight (8) affordable rental units in the region. The awards will also allow for four (4) homeowner housing rehabilitations and Tenant Based Rental Assistance (TBRA) to approximately (7) homeless families. Detailed summaries of the recommended projects are listed on Tables 5 & 6.

The lack of affordable housing, adequate transportation, rising home costs, as well as other economic hardship issues, create obstacles to meeting the needs of the underserved in these areas. Funding to address these obstacles comes from HUD, including more than eight hundred thousand dollars from the HOME Program. In addition, Section 8 rental assistance supports the Public Housing Authorities of Conway, Georgetown, and Myrtle Beach to assist families on their waiting lists. Other resources at the state and federal level (such as the Low-Income Housing Tax Credit program and McKinney-Vento Homeless Assistance Act funds, State CDBG funds, Horry County Entitlement CDBG funds and State Housing Trust funds) are expected to be available through competitive award.

The proposed activities described in this document are managed by a lead entity, the County of Georgetown, South Carolina; however, the Waccamaw Regional Council of Governments (WRCOG) will direct the daily administration of the HOME program by way of a written agreement with Georgetown County. Municipalities and other organizations contribute ideas and suggestions that lead to the successful administration of these programs. In addition to this professional input, citizens will be provided an opportunity to express their opinions during the public comment period.

Several agencies and institutions will work to reach the goals established in this plan. Federal, state, and local governmental agencies and private organizations each contribute to the institutional structure of this region. Federal agencies, such as the U.S. Department of Housing and Urban Development, the U.S. Department of Economic Development, and the U.S. Department of Health and Human Services, provide financial underpinning to much of the work that the Consortium and the WRCOG performs. In addition, more than a dozen state agencies, which include the Department of Commerce, the Department of Social Services and many others, contribute funding and expertise that serve the public through these programs. Local governments provide technical and financial resources to programs assisting with homelessness or at-risk, low-income households. Financial institutions, including private lenders and Fannie Mae, provide financial and technical resources in their capacity as originators of the loans that eventually become financed through the State Housing Finance and Development Authority.

Monitoring is essential to the success of these programs. The Consortium will perform monitoring in accordance with the Waccamaw Home Consortium's Monitoring Plan and in accordance with HUD's requirements. Monitoring includes periodic telephone contacts, written communications, data collection, submission of reports, analysis, on-site visits, risk analysis and evaluation sessions, among other efforts. In addition to the Consortium's monitoring protocols, agreements executed for awarded projects require that compliance documentation accompany all reimbursement requests.

Lead-based paint is a concern in this area, as more than 35,000 homes in the three-county area are estimated to contain lead paint. During the next year, the Consortium will work to reduce the number of housing units with lead-based paint by evaluating HOME-assisted housing units for lead contamination, and then properly encapsulating and abating those units with lead contamination.

Despite the efforts of the Consortium and its federal, state, local, and private partners, obstacles to affordable housing remain. Barriers to maintaining and increasing the level of decent, safe, and affordable housing include tax laws, flood elevation requirements, zoning ordinances, building inspection requirements, building and construction fees, etc. Other barriers to affordable housing in the area include increases in the cost of land, taxes, insurance and an inadequate supply of land appropriate for development. Recent economic and population growth has helped to revitalize the real estate market spurring rising home values. Increasing

home prices, stagnant wage growth and stricter home purchase credit requirements have put homeownership out of reach for many families.

The HOME program provides certain guidelines for resale/recapture of properties that have received financial assistance from the Waccamaw HOME Consortium. These guidelines are in place in order to provide for long-term affordable housing. Guidelines vary based on the program, but at a minimum often require that either the cost of the housing remains affordable to HOME eligible income level occupants or that the original beneficiaries repay all or a portion of HOME funds if they do not stay in compliance with HOME requirements prior to the expiration of the affordability period.

### **Obstacles to Meeting Underserved Needs**

In Georgetown, Horry, and Williamsburg counties, obstacles include lack of affordable housing; a lack of adequate transportation to needed services for seniors and rural residents; inadequate financial literacy of these populations; a lack of affordable insurance; rising home values and taxes; gentrification; and a shortage of financial institutions offering market rate loans to low-income families and individuals. In addition, tougher credit criteria has made it virtually impossible for low-income families to obtain loans.

### **Citizen Participation**

The Waccamaw Regional Council of Governments, on behalf of the Consortium, consulted with Consortium member local units of government; local public housing authorities; social service agencies; agencies and organizations serving the elderly, persons with disabilities, children, homeless populations, and populations with HIV/AIDS. Consultation was done throughout the year and will be on-going through phone calls, e-mail correspondence, and in-person consultations. All of these efforts assist the Consortium in refining the housing needs and priorities of the region.

An Annual Action Plan public hearing will be held in Georgetown, SC, prior to the plan being submitted to HUD. Members of the public will be given an opportunity to provide comments regarding affordable housing, neighborhood and community revitalization, homelessness, and special needs. Notices for this meeting will be published in newspapers of general circulation and on WRCOG's website. Additionally, copies of the Plan will be made available at the Consortium office and at the public library branches within the service area.

### **Lead-based Paint**

It is estimated that over 35,000 housing units in Georgetown, Horry, and Williamsburg counties contain lead-based paint. During the next year, the Consortium will work to reduce the number of housing units with lead-based paint hazards in units assisted with HOME funds by preventing lead poisoning. This will be

accomplished through the evaluation and disclosure of housing that might contain lead-based paint and properly abating and encapsulating lead contamination, through homeowner housing rehabilitation assistance and rental rehabilitation projects.

## **Monitoring**

The Consortium monitors and evaluates its funded agencies annually in accordance with the Waccamaw Home Consortium's Monitoring Plan and HOME Program regulations. This ensures that programs and processes are consistent and compliant with the Consolidated Plan, written funding agreements, and HOME program regulations. Monitoring of the implementation of the Consolidated Plan includes periodic telephone contacts, written communications (including email correspondence), data collection, submission of reports, analysis of report findings, periodic meetings and workshops, and evaluation sessions. General procedures used when monitoring sub-recipient and CHDO organizations include:

- Meetings with appropriate officials including an explanation of the purpose of the monitoring process;
- Review of appropriate materials such as reports and documents that provide more detailed information on the programs and their status;
- Interviews with members of staff and the community to discuss performance;
- Visits to project sites;
- If appropriate and necessary, a closed conference with program officials;
- Provision of comments and recommendations as needed; and
- Desk Monitoring of each request form reimbursement under sub-recipient agreements are conducted to ensure outcome compliance prior to payment being issued.

In case of project delays, an assessment will be conducted to identify the factors that contributed to the delay. Appropriate action will be taken if the delay was caused by the agency. If the delay(s) was beyond the organization's control, further review will be conducted to determine if original priorities, objectives, and schedules may have been unrealistic.

## **Matching Requirements**

HOME funding requires a 25 percent non-federal match. Based on the total HOME project funding of \$762,543 (total estimated allocation minus administration), the matching requirement for the Consortium is \$190,636.

Each recipient of Consortium HOME funds will match their allocation with 25 percent funding from non-federal sources. These contributions to the project must be permanent. Any match provided in excess of the 25 percent requirement will be retained by the Consortium and banked for use with future HOME projects. Evidence of match must be submitted with all applications. In the event an applicant cannot

provide the required match, they may request a waiver and it may or may not be granted by the Consortium depending on if there are sufficient match funds available to cover the deficit. The HOME match is documented each year in WHC's annual performance report (CAPER).

## **Housing Development**

This program provides funding for the construction of affordable rental and homeownership housing units, rehabilitation of structures for rental, innovative homeownership, and special needs housing for those with low and moderate income. This program is directed primarily toward rental housing developments serving, in whole or part, households earning 60% or less of the area median income (AMI) with a priority given to rental developments serving households earning 30% or less of the AMI. For ownership developments, the target housing development must serve households earning 80% or less of the AMI. Housing developments having a mixture of incomes are encouraged.

The Consortium will maintain the affordability for the units through the use of recorded affordability instruments including a deed restriction, mortgage and promissory note with either a resale or recapture clause. Inspections of the units (where applicable) and monitoring of the owner agencies provide another level of affordability period assurance. The minimum length of the affordability period will be based on the amount of Consortium financing per unit and type of development.

The Horry County Community Development Department is developing the rehabilitation of three (3) housing units. The City of Conway, working with Grand Strand Housing CDC, is in the midst of completing a five (5) unit homeowner rehabilitation project, with an additional four (4) units awards in 2017-2018 program year. The City of Myrtle Beach has completed two (2) units of owner occupied rehabilitation and is currently developing owner occupied rehabilitation for an additional six (6) units.

Habitat for Humanity of Horry County is developing new construction of four (4) homeownership units in the Hopes Crossing subdivision in Horry County. Habitat for Humanity of Horry County is able to stretch its HOME dollars by utilizing volunteer labor and donated materials to significantly reduce the final cost to the homebuyer. These donated materials and services result in a significant amount of HOME match for the Consortium to report.

## **CHDO Set-Aside**

In accordance with HOME regulations, a minimum of 15 percent (15%) of the HOME funding will be set-aside for this program to be used exclusively by designated Community Housing Development Organizations (CHDOs) for specific activities.



Grand Strand Housing CDC is in the final stages in the acquisition and rehabilitation of two (2) existing units to offer as affordable rental housing in Georgetown County. Grand Strad Housing has made steady progress towards completing its fourteen (14) unit homeowner rehab project and has an additional six (6) unit homeowner rehab project in development in Horry County. Grand Strand Housing was awarded funding in 2017-2018 for four (4) unit acquisition and rehabilitation rental project in Horry County.

Santee-Lynches CDC is in the midst of working with the Consortium staff in the acquisition and rehabilitation of one (1) existing units to offer as affordable rental housing in Horry County. Santee-Lynches was awarded funds in 2017-2018 for one (1) additional rental housing project in Horry County. They have also been awarded 2017-2018 funds for the acquisition and rehabilitation of three (3) affordable rental housing units located in Kingstree, SC.

Habitat for Humanity of Georgetown County is close to completing four (4) new affordable homeowner units on various lots in the West End neighborhood of the City of Georgetown. As with Habitat for Humanity of Horry County, they also provide much needed matching funds to the Consortium.

Home Alliance is in the beginning stages of rental rehabilitation for Balsam Place Apartments located in Myrtle Beach, SC. The project involves HVAC and mechanical upgrades for 28 rental units for LMI families.

Tri-County Regional Development Corporation will build upon its Rental Transportable Unit program in partnership with Georgetown County. The RTU program will gain additional funding from Tri-County's ETU program to develop nine (9) units.

Homes of Hope began development of four (4) new affordable rental units (3) in the West End neighborhood and 1 on Novell Street in the City of Georgetown. Project constraints has prevented the project from moving forward, however potential funding may be available if the project's thresholds are satisfied.

### **CHDO Operating**

The Waccamaw HOME Consortium allocated CHDO operating funding to Home Alliance in conjunction with funding the CHDO for the continued administration of the Balsam Place Apartment program. Grand Strand Housing CDC has also been allocated CHDO operating funds in prior years to help administer various rental projects.

### **Program Administration**

Funds are provided for the administration of the HOME program. Some of these responsibilities include: coordinating activities with the Consortium partners, monitoring compliance with written funding agreements and federal regulations,



administering housing loans and grants provided by the Consortium, and coordinating with HUD to achieve compliance with federal regulations. The Consortium proposes to use funds for a pro-rata share of the salaries, fringe, and overhead and other costs that can be directly attributable to the HOME Program. Adequate records are maintained to justify the allocation of HOME administration funds for these purposes.

## PROCESS

### **Lead & Responsible Agencies**

Georgetown County is the lead entity responsible for implementation of the Consolidated Plan, Annual Action Plans and the HOME program. Waccamaw Regional Council of Governments prepares the Consolidated Plan and administers the HOME program on behalf of Georgetown County. Within the region, Horry County has been designated an Urban Entitlement County, and administers Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) program funding. Horry County is the lead entity for the entitlement pursuant to an Intergovernmental Funding Agreement with the cities of Myrtle Beach and Conway. Through this agreement, Horry County receives and administers CDBG funds on their behalf.

### **Consultation**

The Waccamaw HOME Consortium (WHC) is designed to meet the needs of a complex and diverse region. Consultation with local jurisdictions, strategic partners, non-profit organizations and the general public is vital to the effectiveness of the program. As the administrator of the Consortium, Waccamaw Regional Council of Governments is in a unique position to coordinate activities between member jurisdictions and other strategic partners.

WHC provides technical assistance to many service providers and local jurisdictions that participate in the HOME program. WHC utilizes its annual monitoring activities as an opportunity to enhance coordination and service delivery of HOME funding. In addition to the management of HOME funds, WRCOG staff participate on the Board of Directors of the Eastern Carolina Homelessness Organization (ECHO), which acts as the lead applicant for the Continuum of Care for an eleven county region. WHC's Strategic Partners and subrecipients include but are not limited to: Home Alliance, Inc., Habitat for Humanity of Horry County, Habitat for Humanity of Georgetown County, ECHO, Santee Lynches CDC, Homes of Hope CDC, Grand Strand Housing & CDC, City of Conway, City of Myrtle Beach, and each of the three counties within the jurisdiction.

ECHO is the lead entity coordinating the region's Continuum of Care (CoC) Program. The CoC is designed to promote a community wide commitment to the goal of ending homelessness; provide communication of funding announcements for efforts by nonprofit providers, state and local governments, and faith based organizations to quickly rehouse homeless individuals and families while minimizing trauma;

promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among those experiencing homelessness.

The CoC brings together over 80 members representing more than 40 agencies that provide a wide range of services to the homeless. These services include homeless/emergency shelter, transitional housing, permanent supportive housing, supportive services, emergency food, meals, clothing, medical services, mental health services, rental and utility assistance, and many other appropriate services. Each year, a Point-in-Time (PIT) count is made of the persons residing in shelter and transitional facilities and living unsheltered in the region.

- City of Myrtle Beach, SC- WHC works with the City of Myrtle Beach to meet the housing needs of the public leveraging both CDBG and HOME funds. Staff continually discuss project objectives and deliverables to determine best practices and overall approach to addressing housing needs.
- City of Conway, SC- WHC works with the City of Conway to meet the housing needs of the public leveraging both CDBG and HOME funds. Staff continually discuss project objectives and deliverable to determine best practices and overall approach to addressing housing needs.
- Horry County, SC- WHC works with Horry County to meet the housing needs of the public leveraging both CDBG and HOME funds. Staff continually discuss project objectives and deliverables to determine best practices and overall approach to addressing housing needs. Horry County also participates on the technical review committee which recommends projects annually to the board of directors.
- Habitat for Humanity of Horry County, SC - Habitat for Humanity of Horry County is a key not for profit affordable housing developer within Horry County. It is anticipated that Habitat for Humanity of Horry County will continue to produce affordable single family owner occupied units throughout the five year consolidated plan period.
- Grand Strand Housing & CDC-is a leading affordable housing provider of homeowner rehabilitation projects and rental rehabilitation and new construction. Grand Strand works closely with WHC. It is anticipated that they will continue to produce affordable housing units throughout the five year consolidated plan period.

- Eastern Carolina Homelessness Organization (ECHO) -is the lead entity for the continuum of care for the twelve county region servicing homeless persons and families.
- Habitat for Humanity of Georgetown County - is a key not for profit affordable housing developer within Georgetown County. It is anticipated that Habitat for Humanity of Georgetown County will continue to produce affordable single family owner occupied units throughout the five year consolidated plan period.
- Tri-County Regional Development - is a key affordable housing developer working mainly in Georgetown County. The organization manages an elderly transportable unit program and WHC anticipates the organization will continue to produce these units throughout the next five year period.
- Homes of Hope - is a prominent CHDO active throughout the State of South Carolina. Homes of Hope provided feedback related to program structure and the ability of CHDO organizations to build affordable units throughout the region.

## EXPECTED RESOURCES AND PROPOSED FUNDING

HOME funding is the only source of grant funds that the Waccamaw HOME Consortium receives directly from HUD. No program income is anticipated for HOME assisted projects. Projects identified in this Consolidated Plan will be funded utilizing HOME funds, and will require a 25% match contribution from identified subrecipients. WHC anticipates an average allocation of \$850,000 through the 5 year plan period. Based on the average annual allocation amount the match contribution level will be approximately \$212,500 annually, with a minimum match contribution of \$1.1 million.

HOME funds are available on a competitive basis. One or two funding cycles take place annually depending on available funding and if any HOME funds are deobligated during the fiscal year. Even though the annual HOME allocation is not insubstantial, the need for decent, safe, and affordable housing within the region is far greater than the HOME allocation can address. For this reason, an important criteria for project funding is the requirement that applicants must provide leveraging as well as non-federal match. This requirement encourages the pursuit of additional funding resources as HOME funds are not meant to be a sole source of funding. Specific housing objectives and projects that have been awarded funding by the HOME Consortium are located in the Housing Section of this report.

Table 1 shows the proposed funding available to the Waccamaw HOME Consortium for the fiscal year 2017-2018 from the U.S. Department of Housing and Urban Development.

<b>Table 1. Anticipated Fiscal Year 2017-2018 Funding*</b>	
Source of Funds	Amount
HOME Investment Partnerships Program	\$847,270

\* As of June 1, 2017, HUD has yet to release 2017-2018 HOME allocation amounts. It is anticipated the 2017 allocation amount will be approximate to 2016-2017 funding.

## Other Resources

Other funding sources available to local units of government within the Consortium service area are:

- State HOME funds
- State CDBG funds
- Entitlement CDBG funds
- Entitlement ESG funds
- Private foundations
- Donated Labor/Materials
- USDA Rural Development Housing Preservation Grant
- State of South Carolina Housing Trust Funds
- State Finance and Housing Development Authority
- Federal Home Loan Bank of Atlanta
- Local Jurisdictions General Funds
- Low-Income Housing Tax Credits

Another source of funding for the region is Section 8 rental assistance which is utilized by the Public Housing Authorities of Conway, Georgetown, and Myrtle Beach to assist families on their waiting lists. The Housing Authority of Kingstree does not receive Section 8 rental assistance.

The Consortium actively participates in the Total Care for the Homeless Coalition which assists in coordinating Continuum of Care funding. Other resources at the state and federal level (such as the McKinney-Vento Homeless Assistance Act funds) are expected to be available through competitively awarded processes. These resources complement the resources available through the Waccamaw HOME Consortium and further help to meet the affordable housing and homeless needs within the region.

## ANNUAL GOALS AND OBJECTIVES

### Specific Housing Objectives

The Consortium's 5-Year Consolidated Plan 2016-2020 assessed the region's housing needs and identified the following priorities:

1. Rental Acquisition & Rehabilitation Program
2. Rental New Construction
3. Tenant Based Rental Assistance (TBRA)
4. Homeowner Rehabilitation
5. Homeowner New Construction
6. Fair Housing
7. Homeless Intervention
8. CHDO Capacity Building

**Goals Summary Information:** The housing goal addresses the needs for decent, safe and sanitary housing by increasing the number of affordable units available, including TBRA to improve access to affordable housing.

**Table 2 2017-2018 HOUSING GOAL SUMMARY**

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing	2016	2020	Affordable Housing	Waccamaw Region	Rental Acquisition/Rehabilitation Program Rental New Construction TBRA-Tenant Based Rental Assistance Homeowner New Construction Fair Housing Homeless Intervention CHDO Capacity Building	HOME: \$847,270	Rental units Acquisition & Rehab Added 8 Housing Units; Homeowner Housing Added 4 Housing Units; and Tenant-based rental assistance / Rapid Rehousing Added 7 New Households Assisted

**Table 3: Goals and objectives to be carried out during the action plan period are indicated by a check in the following boxes:**

<input checked="" type="checkbox"/>	<b>Objective Category Decent Housing</b> Which includes:	<input checked="" type="checkbox"/>	<b>Objective Category: Suitable Living Environment</b> Which includes:	<input type="checkbox"/>	<b>Objective Category: Expanded Economic Opportunities</b> Which includes:
<input checked="" type="checkbox"/>	assisting homeless persons obtain affordable housing	<input checked="" type="checkbox"/>	improving the safety and livability of neighborhoods	<input type="checkbox"/>	job creation and retention
<input checked="" type="checkbox"/>	assisting persons at risk of becoming homeless	<input checked="" type="checkbox"/>	eliminating blighting influences and the deterioration of property and facilities	<input type="checkbox"/>	establishment, stabilization and expansion of small business (including micro-businesses)
<input checked="" type="checkbox"/>	retaining the affordable housing stock	<input type="checkbox"/>	increasing the access to quality public and private facilities	<input type="checkbox"/>	the provision of public services concerned with employment
<input checked="" type="checkbox"/>	increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability	<input type="checkbox"/>	reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods	<input type="checkbox"/>	the provision of jobs to low-income persons living in areas affected by those programs and activities under programs covered by the plan
<input checked="" type="checkbox"/>	increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence	<input type="checkbox"/>	restoring and preserving properties of special historic, architectural, or aesthetic value	<input type="checkbox"/>	availability of mortgage financing for low income persons at reasonable rates using non-discriminatory lending practices
<input checked="" type="checkbox"/>	providing affordable housing that is accessible to job opportunities	<input checked="" type="checkbox"/>	conserving energy resources and use of renewable energy sources	<input type="checkbox"/>	access to capital and credit for development activities that promote the long-term economic social viability of the community

**Table 4 RESOURCE ALLOCATION TO IDENTIFIED NEEDS FOR 2017-2018**

Priority Need	Description	Proposed Funding
Rental Acquisition & Rehab	Funding for the production of affordable rental housing throughout the service area.	\$544,500
Owner Occupied Rehabilitation	Funding for the rehabilitation of low-income, owner-occupied housing throughout the service area.	\$165,000
TBRA/Homeless Intervention	Funding for Tenant Based Rental Assistance for homeless individual/ families throughout the service area.	\$53,043
Program Administration	Provides financial assistance for the administration of the HOME program.	\$84,727
	<b>Total HOME funding</b>	<b>\$847,270</b>

## SECOND YEAR PROJECTS

In February 2017, WHC advertised for HOME eligible projects through a competitive process which included the following housing priorities: 1) Rental Acquisition & Rehabilitation, 2) Homeowner Rehabilitation 3) Rental New Construction, 4) New Homeowner Construction, and 5) Tenant Based Rental Assistance (TBRA). Eight Applications responded to the RFP requesting funds covering four priority needs. At their May 30, 2017 meeting the HOME Technical Review Committee (TRC) recommended approval of the 2017 Action Plan Budget. WHC's Total Anticipated Project Budget for FY17 is approximately \$762,543 (excluding administrative costs). The TRC discussed and ranked the applications based on the following criteria:

1. Fulfills a priority unmet need as documented in the Waccamaw Region
2. Project Design
3. Organization or Staff has capacity and experience
4. Financial Capacity and viability
5. Project Leverage and Match
6. Timeliness

Table 5 provides an overview of 2017 HOME proposed budget including Tier One activities selected for funding and Tier Two unfunded alternative activities.

**Table 5 FY 2017-2018 PROPOSED ACTIVITIES/TECHNICAL REVIEW COMMITTEE  
GRANT FUNDING AWARDS RECOMMENDATIONS**

	<b>Tier I Activity (Funded)</b>	<b>Proposed Units</b>	<b>Proposed Funding</b>
<b>Rental Housing Development</b>	Grand Strand Housing & CDC <i>Acquisition &amp; Rehab of rental units in Horry County</i>	4	<b>\$240,000</b> Project SC \$24,000
	Santee Lynches Affordable Housing & CDC <i>Acquisition &amp; Rehab of rental units in the Town of Kingstree</i>	3	<b>\$180,000</b> Project SC \$18,000
	*Santee Lynches Affordable Housing & CDC <i>Acquisition &amp; Rehab of rental units in Horry County</i>	1	<b>\$75,000</b> Project SC \$7,500
	<b>Total Rental Housing Development</b>	<b>8</b>	<b>\$544,500</b>
<b>Tenant Based Rental Assistance</b>	Eastern Carolina Homeless Organization  <i>ECHO Tenant Based Rental Program</i>	7	<b>\$53,043</b> Project SC N/A
	<b>TOTAL TBRA</b>	<b>7</b>	<b>\$53,043</b>
<b>Owner Occupied Rehabilitation</b>	City of Conway <i>Homeowner Rehabilitation</i>	4	<b>\$150,000</b> Project SC \$15,000
	<b>Total Homeowner Rehabilitation</b>	<b>4</b>	<b>\$165,000</b>
<b>CHDO Operating</b>			-
		<b>Total Project Funding</b>	<b>19</b>
		<b>Total Project Soft Costs</b>	<b>\$698,043*</b>
		<b>Total Tier One Funding</b>	<b>\$64,500</b>
			<b>\$762,543</b>

\* The Santee-Lynches CDC award for Rental Acquisition & Rehab (Horry County) includes \$15,000 to supplement funds from the 2015 Action Plan to provide for the completion of a rental unit.



**Table 6 FY 2017-2018 FUNDED PROJECT DETAILS INCLUDING BENEFITS TO FAMILIES, LOCATION DESCRIPTION AND PLANNED ACTIVITIES.**

1	<b>Project Name</b>	<b>TBRA Program</b>
	<b>Goals Supported</b>	Housing
	<b>Needs Addressed</b>	HOME Tenant Based Rental Assistance
	<b>Funding</b>	HOME: \$53,043
	<b>Description</b>	Tenant Based Rental Assistance Program
	<b>Target Date</b>	7/1/2018
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The project proposes to serve very low/ extremely low income homeless families with children, and individuals. Among this population other sub populations may be served include physically disabled, mentally disabled, persons with HIV/AIDS, victims of domestic violence, veterans, and chronically homeless. ECHO plans to use TBRA to assist 20 homeless families with medium term rental housing options.
	<b>Location Description</b>	Scattered site project in Horry, Williamsburg and Georgetown counties, excluding Briarcliffe Acres.
	<b>Planned Activities</b>	Tenant Based Rental Assistance (TBRA) is a rental subsidy used to assist eligible applicants to secure safe, decent, and sanitary housing. The program allows individuals/families to reside within a preferred neighborhood. The subsidy stays with the client (not the unit) if they move.  The HOME consortium and ECHO established TBRA program policies and procedures manual in 2016. ECHO plans to initiate the TBRA program in 2017.
2	<b>Project Name</b>	<b>Horry County Rental Acquisition &amp; Rehabilitation</b>
	<b>Target Area</b>	Horry County
	<b>Goals Supported</b>	Housing
	<b>Needs Addressed</b>	New Rental Production
	<b>Funding</b>	HOME: \$264,000
	<b>Description</b>	Grand Strand Housing & CDC- New Rental Production for Horry County.
	<b>Target Date</b>	4/30/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The project will develop four, three bedroom rental units in Horry County. This program will provide affordable rental housing for low income families in Horry County.
	<b>Location Description</b>	TBD, near Conway and/or Myrtle Beach city limits.
<b>Planned Activities</b>	The project will acquire and rehabilitate four single-family homes to expand affordable rental opportunities in Horry County. The units will be three bedrooms totaling approximately 1,300 sq. ft. The HOME award is a maximum \$60,000 per unit. The total project development cost is approximately \$390,600.	
3	<b>Project Name</b>	<b>Conway Housing Rehabilitation Program</b>
	<b>Target Area</b>	City of Conway

	<b>Goals Supported</b>	Housing
	<b>Needs Addressed</b>	Homeowner Rehabilitation
	<b>Funding</b>	HOME: \$165,000
	<b>Description</b>	The City of Conway is working to enhance its existing Housing Repair Program with HOME funds designated for owner-occupied rehabilitation. The project will work to improve housing conditions in low and very low income neighborhoods within Conway's municipal limits.
	<b>Target Date</b>	12/31/2018
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The project seeks to rehabilitate four (4) single-family low to moderate income owner-occupied housing units.
	<b>Location Description</b>	City of Conway
	<b>Planned Activities</b>	The project will rehab four single-family homes to improve housing standards for low to moderate families residing within the City of Conway's municipal limits. The HOME award is a maximum \$37,500 per unit. This projects expands upon 2015 HOME.
<b>4</b>	<b>Project Name</b>	<b>Breezy 4 (Rental Acquisition &amp; Rehab)</b>
	<b>Target Area</b>	Town of Kingstree, SC (Williamsburg County)
	<b>Goals Supported</b>	Housing
	<b>Needs Addressed</b>	Santee-Lynches CDC- New Rental Production for Town of Kingstree
	<b>Funding</b>	HOME: \$198,000
	<b>Description</b>	Santee-Lynches CDC will acquire and rehab three rental units in the Town of Kingstree. HOME funds cost per unit is \$60,000.
	<b>Target Date</b>	2/5/2018
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The project will benefit low to moderate income families in the Town of Kingstree by providing decent and affordable rental units. Santee-Lynches currently has six (6) rental units located in Kingstree and has a double digit wait list for the area.
	<b>Location Description</b>	Scattered within Town of Kingstree.
	<b>Planned Activities</b>	The project scope is to acquire and rehab three homes located within the Town of Kingstree. The units will be three bedrooms totaling approximately 1,200 sq. ft. The HOME award is a maximum \$60,000 per unit. The total project development cost is approximately \$390,600
<b>5</b>	<b>Project Name</b>	<b>Horry County Rental Acquisition &amp; Rehab</b>
	<b>Target Area</b>	Horry County
	<b>Goals Supported</b>	Housing
	<b>Needs Addressed</b>	Santee-Lynches CDC - New Rental Production for Horry County
	<b>Funding</b>	HOME: \$82,500
	<b>Description</b>	Santee Lynches will acquire & rehabilitate two (2) housing units in Horry County. Approximately \$15,000 will be used to supplement funds to the 2015 Action Plan to complete an existing rental project, with the remaining \$60,000 to be used for a rental rehabilitation project.

	Target Date	12/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	The project will benefit low to moderate income families in Horry County by providing decent and affordable rental units.
	Location Description	Horry County
	Planned Activities	The goal of the project is to complete an existing acquisition & rehab project and develop an additional project increasing low income rental units in Horry County. The HOME cost per unit is \$60,000.
6	Project Name	Administration
	Funding	HOME: \$84,727
	Description	HOME Administration
	Planned Activities	Funds will be utilized to complete administrative activities related to the overall management systems of the HOME program.

## GEOGRAPHIC DISTRIBUTION OF FUNDS

Geography and Population - The Consortium Consolidated Plan Jurisdiction includes fifteen (15) municipalities and three (3) counties. Georgetown and Horry counties are situated on the Atlantic coast, while Williamsburg County is inland. The Consortium distributes HOME funds throughout the three county region.

- Georgetown County is the smallest of the three counties in terms of land area and second in population; it covers 815 square miles. Georgetown County experiences many of the same issues that Horry County experiences, as housing along the coastal areas of the county have experienced increased costs. Coastal areas of the county are more developed than the rural western portion of the county. The western portion of the county tends to have lower housing costs than the coast. However, many of the jobs in the county are located along the eastern coastline. Georgetown County residents experience cost burden issues, albeit to a lesser extent than Horry County. The City of Georgetown is the county seat and the other towns participating in the HOME Consortium are Andrews and Pawleys Island.
- Horry County is the largest in area, 1,134 square miles, as well as in population. Its county seat is Conway. Other cities and towns include Atlantic Beach, Aynor, Briarcliffe Acres, Loris, Myrtle Beach, North Myrtle Beach, and Surfside Beach. Of these cities and towns, all are members of the Consortium with the exception of Briarcliffe Acres. Horry County is an urban county, but does have some rural areas. Horry County is primarily

driven by the tourism industry and is a retirement destination. Rising housing prices in the county have worked to limit affordable housing options, with families increasingly contributing over 50% of their income to housing expenses. In order to obtain affordable housing, many households are forced to move to rural areas of the county and commute to jobs along the coast. Additionally, the tourism driven economy has produced many jobs that are seasonal in nature, as well as providing a minimal income.

- Williamsburg County is a large rural county covering 934 square miles and has the smallest population. The county’s economy is based primarily on agriculture and manufacturing. Many of the county’s residents commute to Georgetown and Horry counties for employment opportunities. The Town of Kingstree is the county’s largest municipality in terms of population and is the county seat. Other cities and towns include Greeleyville, Hemingway, Lane, and Stuckey, all of which participate in the Consortium.

The Consortium has not established a specific target area because the need for affordable housing exists in virtually every part of the region. The Consortium encourages the development and retention of affordable housing throughout the three county region in order to provide multiple options for low income residents. The Consortium will work with participating communities and their units of local government to identify and prioritize housing needs. Additional technical assistance will be provided to assist in identifying sponsors and developers of projects as well as identifying the additional funding resources needed to make a project viable.

**Geographic Distribution**

Target Area	Percentage of Funds
Waccamaw Region	100

A process has been established that allows a Technical Review Committee (TRC), consisting of representatives from all counties participating in the Consortium, to make recommendations to the HOME Consortium Board regarding which projects to pursue. The ultimate decision regarding the geographic distribution of HOME funds rests with the HOME Consortium Board, but is also directly affected by the availability of entities with the capacity and willingness to develop projects eligible for funding. WHC pays close attention to the growth patterns of county census divisions as a component of the GSATS long range land use projections. The Consortium is working with community development organizations and other stakeholders to develop viable projects that fulfill unmet needs.

In the event the TRC and the HOME Consortium Board do not act in a timely manner as defined in the Consortium Agreement, the Georgetown County Council, the lead entity, has the authority to approve projects.

## AFFORDABLE HOUSING

Affordable housing activities undertaken will address the needs of homeless, non-homeless, and special-needs households. Various programs will provide these households with rental assistance, new units or rehabilitated units. The goals for affordable housing and further details on the projects included are provided below.

<b>Second Year Goals for the Number of Households to be Supported</b>	
Homeless	7
Non-Homeless	12
Special-Needs	0
Total	19

<b>Second Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	7
The Production of New Units	0
Rehab of Existing Units	4
Acquisition & Rehab of Existing Units	8
Total	19

WHC will provide housing assistance through the HOME program. The previous needs assessment indicates an extreme level of cost burden and a lack of availability of affordable housing units as priority needs within the region. The second Plan Year activities address these needs by creating 7 affordable rental units (7 TBRA) for extremely low income families, provide for the rehab of four (4) owner occupied housing units and produce new rental units through the acquisition and rehabilitation of eight (8) rental units for low to moderate income families.

The targeted priority cohort groups are unassisted, very low-income renter households who pay more than half of their income for rent, live in seriously substandard housing (which includes homeless people) or have been involuntarily displaced.

## PUBLIC HOUSING

WRCOG works with the four Public Housing Authorities within its jurisdiction: the Housing Authority of Myrtle Beach (MBHA), the Housing Authority of Conway (CHA), Kingstree Housing Authority (KHA), and the Georgetown Housing Authority (GHA).

MBHA only offers Section 8 Housing Choice Vouchers and does not have any public housing units. The CHA and GHA each have a small number of public housing units as well as Section 8 Housing Choice Vouchers. KHA has a small number of public housing units. Due to the demand for assistance, including Section 8 waiting lists, a portion of HOME funds have been allocated to a pilot Tenant Based Rental Assistance program.

Each of the four public housing authorities work diligently to expand services and housing opportunities to their residents and the communities they serve. To address

the public housing needs within the next year WHC will work with the PHA's to:

- Improve quality of life and economic vitality for residents;
- Promote self-sufficiency and asset development of families and individuals; and
- Ensure equal opportunity in Housing.

## HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES

WHC focuses on efforts to address the root causes of homelessness and chronic homelessness. It is difficult to accurately measure the number of individuals and families at risk of becoming homeless. WHC supports the "Housing First" philosophy and programs that identify those who are "at-risk," by attempting to intervene prior to homelessness, re-house individuals as quickly as possible, and by providing supportive services, with an ultimate goal of preventing homelessness from taking root.

In an effort to reach out and assist homeless persons with their individual needs, the Consortium collaborates with organizations that provide a range of homeless, social, supportive and housing services within each component of the Continuum of Care (CoC). The Consortium continues to strengthen and enhance CoC existing assets as a strategy to address homelessness.

Furthermore, the Consortium in collaboration with local jurisdictions and stakeholders places a high priority on the development and support of homelessness services including continued outreach, emergency sheltering, case management and provisions for crisis hospitalization for homeless individuals in need of mental health care. While HOME funds are limited, these services are coordinated through multiple funding sources and a variety of agencies.

Horry County and ECHO emphasize homeless data collection and review via the Homeless Management Information System (HMIS). Review of HMIS data conducted through regular meetings help identify critical areas of service. WHC anticipates participation in this process and will review the data provided with a regional scope.

WHC places high priority on emergency shelter services, transitional housing, services for the homeless, and homelessness prevention. From year-to-year, its Annual Action Plans reflect this high priority. These goals are met through strategic partnerships and not the use of HOME funds.

HOME funds will be allocated toward two primary programs that directly target homeless persons, especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. The Tenant Based Rental Assistance (TBRA) is a rental subsidy program used to help individual households afford housing costs. Clients choose their housing and the subsidy stays with the client (not the unit) if they move. The HOME consortium and ECHO established a TBRA program policies and procedures manual in 2016. Additionally,

ECHO was awarded funding in the 2016 program year to implement their program which is anticipated to serve approximately 20 homeless families with short-medium term housing solutions. To assist in the program's administration ECHO will have a case manager to conduct the intake process and vulnerability screening while helping beneficiaries complete a sustainability plan. Families must participate in a self-sufficiency program and be determined to be income eligible at time of admission. ECHO was awarded funding in the 2017 program year to provide additional assistance to homeless families.

Funded in 2016, the rental rehabilitation project at Balsam Place will extend the affordability period of the 28 unit apartments. The project contains 28 units which provide permanent supportive housing for homeless, disabled individuals whom are military veterans. Formerly a motel in downtown Myrtle Beach, Home Alliance, Inc. (HAI) purchased and completed renovations in 2007 without the necessary energy efficiency improvement. Balsam Place Apartments and Balsam Annex currently have twenty-eight inefficient wall units that provide heat and air conditioning to twenty-eight individual rental units. This project would convert these units to energy efficient units. These and other energy efficiency upgrades will provide significant cost savings to the overall operation of the units.

Since housing affordability is a key indicator for the potential of homelessness in a community, a critical factor in housing choice is affordability of housing. The Consolidated Plan needs assessment clearly indicates cost burden as a major barrier to affordable housing within the region. The goal of WHC is to increase the number of affordable units to prevent homelessness for those who may be at risk of becoming displaced. The acquisition and rehabilitation of eight (8) new affordable units is designed to meet that goal.

The preceding narrative illustrates that WHC utilizes its funding to the greatest extent possible to address homelessness needs throughout the region. HOME is an explicit program that has the ability to meet specific housing needs. In order to address the needs of the low income individuals and homeless individuals and families in areas outside of permanent housing, WHC will continue to actively participate in the CoC and other housing committees.

## **BARRIERS TO AFFORDABLE HOUSING**

A number of governmental regulations and policies have been identified as impediments or barriers to affordable housing in the Waccamaw region. These barriers include tax inventory laws, FEMA flood elevation requirements, zoning ordinance requirements, and heirs property constraints. This portion of the Action Plan outlines the strategies that have been developed for combating barriers to affordable housing.

- In an effort to remove or ameliorate the negative effects of public policy that act as barriers to affordable housing, local jurisdictions should consider the following actions:



- Local jurisdictions should review their tax inventory regulations to develop alternative tax classifications for unoccupied developer owned lots. Potential tax breaks could allow for a stimulus in the local construction industry, relieving the additional financial strain placed upon developers by these regulations.
- Zoning ordinance regulations should be examined by local municipalities to evaluate if adjustments could be made to reduce barriers.
- Provide for reduced fee or pro bono legal assistance to individuals dealing with heirs property issues that allows for development of a functional chain of title for properties slated for subdivision or transfer. This assistance is available monthly in the Waccamaw Regional Council of Governments' Georgetown office. This service assists prospective sellers with clarifying the ownership of their lots, removing a serious barrier for many rural property owners.
- Promote public awareness and outreach on affordable housing issues. Many of the issues associated with NIMBYism can be attributed to a lack of knowledge of proposed improvements. A proactive education campaign should be used to dispel any misinformation and confusion, so that the public is aware of the project benefits. Together, these strategies seek to reduce common barriers to affordable housing. Governmental regulations and policies continue to be identified as barriers to affordable housing in the Waccamaw region. By identifying these barriers, local governments can begin to review their policies to look for any adverse effects that may manifest as byproducts of governmental regulation. It is important for jurisdictions to recognize these encumbrances in order to facilitate the development of affordable housing. These alterations can create a climate that encourages construction of new homes, increasing the local tax base and benefiting the local government.

## OTHER ACTIONS

In addition to the proposed initiatives stated in the Action Plan, WHC continues to pursue supplemental actions to promote safe, sanitary, and affordable housing for the Waccamaw Region. These planned actions will address a variety of issues and hazards, as listed below.

**Meeting Underserved Needs** – WHC will continue collaborative efforts with regional partners and pursue additional resource to address underserved community needs.

**Foster and Maintain Affordable Housing** - The WHC will continue to pursue actions to foster and maintain affordable housing through a campaign of education and financial assistance. WHC will coordinate with member jurisdictions to declare April as "Fair Housing Month". Additionally, WHC attends events in local jurisdictions and sets up information booths to promote awareness of fair housing rights. WRCOG will continue to provide legal assistance on a monthly basis for families dealing with heirs property issues. Additionally, WHC will continue to distribute HOME funds in areas of the greatest need for new homeowner construction, homeowner rehabilitation, new rental construction, rental rehabilitation, TBRA, and CHDO operating funds. By assisting these projects, additional affordable housing units can be sustained or created.

**Reduce Lead Based Paint Hazards** - It is estimated that over 35,000 housing units in Georgetown, Horry, and Williamsburg counties contain lead-based paint. During the next year, the WRCOG will work to reduce the number of housing units with lead-based paint hazards in units assisted with HOME funds by preventing lead poisoning. This will be accomplished through the evaluation and disclosure of housing that might contain lead-based paint and properly abating and encapsulating lead contamination.

**Reduce the Number of Poverty Level Families** -The current poverty rate for the Waccamaw Region is approximately 19%. In order to reduce the number of poverty-level families in the region, coordination with partner organizations will be arranged in order to meet the goals of the Consolidated Plan. Neighborhood associations, residents, faith-based organizations, businesses, health and human service agencies, private developers, lenders, and non-profit service providers are included in this list.

Especially for communities within the Consortium whose economies are not tourism-based, pursuing opportunities for economic growth within all three counties will be essential in ameliorating the problem of poverty. Although none of these counties have sustained an overall economic loss, much of the region's economic problems are the result of losing industries, such as large factories, that sustained many smaller communities as well as segments of populations in cities like Myrtle Beach. For communities that are tourism-based, low-wage service industry jobs can contribute to the prevalence of poverty, especially if they are seasonal. In order to reduce poverty, county level economic development agencies will continue to pursue recruitment of industries, which will provide year-round employment with higher paying jobs for area workers.

Allocation of resources to assist in increasing employee skills and education is another essential action to undertake in the next year to stimulate economic development. Since earnings generally increase with skill level and education, the development of programs to assist workers in expanding or improving their skills and education will be pursued to assist with raising pay for workers. Additional actions to be pursued to reduce poverty in the Consortium region include further cultivation of the tourism industry, attracting new businesses and encouraging competition among existing businesses, managing growth and encouraging redevelopment within existing cities, creating performance-based economic development, developing public-private investment strategies, and encouraging people-based economic development.

**Develop Institutional Structure** – The Consortium will continue to have formal and informal working relationships with the Public Housing Authorities, Community Housing Development Organizations (CHDOs), and other non-profit housing developers and local jurisdictions. WHC staff members work hand in hand with local jurisdictions and state agencies. WHC will also provide workshops and training initiatives to improve the capacity and compliance of regional partners and programs. To that end, WHC will strive to encourage partners to leverage federal, state and private funds to benefit affordable housing opportunities with the region.

**Enhance Coordination Between Public and Private Housing and Social Service Agencies** – WHC is involved in various efforts to enhance the coordination between public and assisted housing providers and private and governmental health, mental health and service agencies. WHC staff serve on committees within the region in order to take an active role in the coordination of efforts with particular emphasis on housing and community development efforts. WHC is actively working on initiatives to further strengthen this coordination. An example of a coordinating organization is the CoC that leverages the efforts of the regions nonprofit organizations, PHAs, local governments, social service providers, housing agencies, and health care institution. The CoC convenes on a quarterly basis to develop and evaluate efforts to end homelessness. The "Continuum of Care" strategy that emphasizes permanent housing alternatives and supportive services for the homeless, disabled and other "special needs" populations and coordinates the process of obtaining Federal resources through its application for funding under the "Continuum-of-Care" SuperNOFA. WHC also maintains several mailing lists with organizations that represent minority, disabled, and homeless populations, including ECHO and Tri-County Regional Development, to ensure their involvement in the community needs assessment and planning process. Organizations are notified of public hearings,

funding availability, changes in qualifying median-income, and HOME rents.

These proposed actions are essential to the promotion of safe, sanitary, and affordable housing. Through intergovernmental coordination between member jurisdictions, WHC will continue to educate the public on their rights under the Fair Housing Act. Additionally, WHC will continue to pursue projects that utilize HOME funds in the most effective capacity possible.

## PROGRAM SPECIFIC REQUIREMENTS

The Consortium has developed a policy manual to guide its activities. These policies and procedures dictate the management of the program including underwriting, contract management, management of subrecipients, recapture and resale provisions. The manual complies with the 2013 New HOME Rule and elements are indicate below as required in the Consolidated Plan.

### **Affordability Period**

All HOME-funded activities including homebuyer down payment and closing cost assistance, housing development subsidies, and rental and owner-occupied housing rehabilitation activities must be in compliance with affordability period requirements. Such requirements ensure the investment of HOME funds is protected and maintains the intended impact of the HOME Investment Act. The Consortium employs the use of recorded deed restrictions, mortgage and real estate security agreements and promissory notes as enforcement instruments in observing the affordability period stipulations. These three (3) affordability instruments are required for all activities with a mandatory affordability period.

The affordability period is determined by the amount of HOME assistance as well as the type of activity. The Consortium observes the required periods as shown in the table below:

HOME Program Affordability Period		
Activity Type	HOME Investment per Unit	Period of Affordability
Homebuyer Assistance	\$5,000 to \$15,000	5 years
Homebuyer Assistance	\$15,000 to \$40,000	10 years
Homebuyer Assistance	over \$40,000	15 years
Rehabilitation of Rental Units	\$5,000 to \$15,000	5 years
Rehabilitation of Rental Units	\$15,000 to \$40,000	10 years
Rehabilitation of Rental Units	Over \$40,000	15 yeas
Rehabilitation of Owner-Occupied Units	all	5 years
New Construction of Rental Units	all	20 years

The requirements in 24 CFR part 92.254 allow for two (2) approaches in enforcing the affordability period: Resale and Recapture. The Consortium utilizes the resale provision for new homeowner housing activities while the recapture provision is used for rental rehabilitation, new construction of rental units and owner-occupied housing rehabilitation assistance.

**HOME Investment Partnership Program (HOME)  
Reference 24 CFR 91.220(l) (2)**

A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

HOME funding requires a 25 percent non-federal match. HOME funding requires a 25 percent non-federal match. Based on the total HOME project funding of \$762,543 (total estimated allocation minus administration), the matching requirement for the Consortium is \$190,636

Each recipient of Consortium HOME funds will be required to match their allocation with 25 percent funding from non-federal sources. These contributions to the project must be permanent. Any match provided in excess of the 25 percent requirement will be retained by the Consortium and banked for use with future HOME projects. Evidence of match must be submitted with all applications. In the event an applicant cannot provide the required match, they may request a waiver and it may or may not be granted by the Consortium depending on if there are sufficient match funds available to cover the deficit.

1. Guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Recapture Method

In the event of a voluntary or involuntary sale, the HOME Consortium will recapture and retain all appreciation before the homebuyer receives a return. The recapture amount is limited to the net proceeds available from the sale. The homebuyer will then retain remaining funds after the Consortium retains its investment up to 100% including project related soft costs. The net proceeds are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

Homeownership project funds that are for direct subsidies to the buyer will be recaptured by the HOME Consortium.

Any proceeds from the recapture of HOME funds will be used to facilitate the acquisition, construction and/or rehabilitation of housing for the purposes of promoting affordable housing.

Resale Method

In all Homeownership projects, except direct subsidies for down payment or

closing cost assistance, a HOME-assisted unit will have a resale requirement. If the property owner no longer uses the property as a principal residence, violates other HOME principal residency requirements for the property, is unable to continue ownership or violates affordability requirements of the HOME program, the HOME-assisted unit must be sold to another income eligible person(s). This provision will be enforced with restrictive covenants through the use of a recorded LURA. The property owner, if an ownership unit, will be provided a fair return on his/her investment out of the proceeds of the sale of the unit.

In the event of sale by the original buyer during the affordability subsidy period, the owner is entitled to a fair return on investment. Fair return on investment is defined as the homeowner's investment, which is the sum of dollars invested by the homeowner for capital improvements, down payment, and loan principal repayments. If the property appreciates and additional net proceeds are available, the homeowner will also be entitled to a portion of the appreciation in equity. The percentage of equity appreciation to be returned to the homeowner will be equal to the following ratio: (homeowner investment)/ (homeowner investment plus Waccamaw Home Consortium (Payee) HOME Investment). The Payee HOME Investment is defined as the amount of grant funds or subsidy invested in the project to ensure or enhance affordability.

In order to evaluate the fairness of a return on investment, the appreciation of a home will be calculated using the Federal Housing Finance Agency's Housing Price Index (HPI) calculator, available at <http://www.fhfa.gov/DataTools/Tools/Pages/HPI-Calculator.aspx>. The calculation will be made for the Myrtle Beach-Conway-North Myrtle Beach, SC-NC Metropolitan Statistical Area (MSA).

If, at the time of resale, the value of the property is higher than the amount that a qualified buyer can afford, additional Waccamaw HOME Consortium (WHC) subsidy may be required to ensure that (1) the house is affordable to the qualified buyer and (2) the original buyer receives a fair return on investment. WHC may also choose to exercise its right of refusal if the subsidy needed to keep the home affordable is disproportionately large. WHC reserves the right to make this determination on a case-by-case basis.

2. Guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds See 24 CFR 92.254(a)(4) are as follows:

#### Recapture Method

In the event of a voluntary or involuntary sale, the HOME Consortium will recapture and retain all appreciation before the homebuyer receives a return. The recapture amount is limited to the net proceeds available from the sale. The homebuyer will then retain remaining funds after the Consortium retains its investment up to 100% including project related soft costs. The net proceeds are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

## Resale Method

Where applicable, a HOME-assisted unit may have a resale requirement. If the property owner no longer uses the property as a principal residence, violates other HOME principal residency requirements for the property, is unable to continue ownership or violates affordability requirements of the HOME program, the HOME-assisted unit must be sold to another income eligible person(s). This provision will be enforced with restrictive covenants through the use of a recorded LURA. The property owner, if an ownership unit, will be provided a fair return on his/her investment out of the proceeds of the sale of the unit.

Furthermore, the Consortium does not intend or anticipate refinancing any existing debt for multifamily housing that will be rehabilitated with HOME funds per 24 CFR 92.206(b) guidelines.

## **CONCLUSION**

The 2017 Annual Action Plan is a result of on-going efforts by the Consortium, local stakeholders and the public to identify and address the region's critical housing needs. The funded projects identified within this Action Plan are designed to ameliorate these needs by providing for rental acquisition and rehabilitation, homeowner rehabilitation and tenant based rental assistance.



