

Agency Name:	Housing Finance & Development Authority		
Agency Code:	L320	Section:	42



Fiscal Year FY 2024-2025
Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS <i>(FORM B1)</i>	For FY 2024-2025, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

NON-RECURRING REQUESTS <i>(FORM B2)</i>	For FY 2024-2025, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.

CAPITAL REQUESTS <i>(FORM C)</i>	For FY 2024-2025, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.
	<input type="checkbox"/>	

PROVISOS <i>(FORM D)</i>	For FY 2024-2025, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input checked="" type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	John Morrison	(803) 896-9041	John.Morrison@schousing.com
SECONDARY CONTACT:	Flora Wingard	(803) 896-4210	Flora.Wingard@schousing.com

I have reviewed and approved the enclosed FY 2024-2025 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:		

This form must be signed by the agency head – not a delegate.

Agency Name:	Housing Finance & Development Authority
Agency Code:	L320
Section:	42

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Federal Authorization Increase	0	17,369,255	0	0	17,369,255	0.00	1.00	0.00	0.00	1.00
2	B1 - Recurring	Earmarked Authorization	0	0	-18,407,035	0	-18,407,035	0.00	0.00	1.00	0.00	1.00
TOTALS			0	17,369,255	-18,407,035	0	-1,037,780	0.00	1.00	1.00	0.00	2.00

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Federal Authorization Increase
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$0</p> <p>Federal: \$17,369,255</p> <p>Other: \$0</p> <p>Total: \$17,369,255</p>
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What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	1.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input checked="" type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>Strategies</p> <p>1.2 Maximize the use of available resources to finance the development of privately owned affordable rental housing for low-income South Carolinians.</p> <p>1.3 Support a wider range of activities within the Development Division that allow marginalized populations in South Carolina to live independently.</p> <p>2.1 Performed mandated rental assistance activities in an efficient and effective manner, as an administrator of HUD's Housing Choice Voucher and Project-Based Rental Assistance programs.</p> <p>2.2 Conduct required Compliance Monitoring activities to ensure that the physical condition of the properties and income eligibility of tenants to meet federal laws and regulations.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

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RECIPIENTS OF FUNDS

The federal funds pay rent and utilities for very low income families.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

The increase in federal funds are for program payments mandated and paid for by the Department of Housing and Urban Development (HUD).

Contract Administration administers the project based assistance and requests an increase of \$7,597,705

Rental Assistance area administers the tenant based assistance and requests an increase of \$2,111,051

Housing Initiatives Programs administer the National Housing Trust Fund and the new Home ARP Program and requests an increase of \$7,639,499

-This includes the 1 FTE for the new HOME ARP Program

Employee Benefits administered among the programs listed above requests and increase of \$21,000

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Earmarked Authorization
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$0</p> <p>Federal: \$0</p> <p>Other: (\$18,407,035)</p> <p>Total: (\$18,407,035)</p>
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What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	1.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>Strategy 1.1 Provides resources to provide the cost effective development of affordable housing that addresses the needs of South Carolina citizens including multi-family loans and homeownership opportunities.</p> <p>Strategy 3.1 Utilize the Communication and Outreach Division to increase engagement with agency services and programs, and affordable housing issues among stakeholders and the general public.</p> <p>Strategy 4.1 Serve as responsible stewards of public funds and maintain the agency's financial condition.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	Low to moderate income families, multi-family developers and administration
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

Provide resources to support the cost effective development of affordable housing that addresses the needs of South Carolina citizens including multi-family loans and homeownership opportunities through the following areas:

Housing Initiative programs requests an increase of \$245,807

Contract Administration and Compliance requests an increase of \$152,947

Mortgage Production and Servicing requests an increase of \$132,564

Administration and support services requests an increase of \$695,647

Employee Benefits requests an increase of \$366,000 among programs listed above.

The requested increases are for new program parameters that will needed for the spending authority for the program expenditures, as well as covering increasing administrative costs. The Authority continues to look for opportunities cut cost while maintaining quality services to the individuals and families we serve.

The budget increases for earmarked funds above are offset by a \$20 million decrease in Housing Initiatives. This decrease corrects a \$20 million increase from the prior year for State Housing Trust Fund program disbursements, which should not have been included in the earmarked funds budget. These disbursements are made through unbudgeted funds and do not effect earmarked funds. This decrease was recommended by the Executive Budget Office to correct the budget amounts going forward.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM D – PROVISO REVISION REQUEST

NUMBER	42.1
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	HFDA: Federal Assistance Administrative Fee Carry Forward
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	Rental Assistance
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	
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Is this request associated with a budget request you have submitted for FY 2024-2025? If so, cite it here.

REQUESTED ACTION	Codify
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	None
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	Fees earned from HUD programs may be kept by the Authority.
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

None

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

All rental administrative fees shall be carried forward to the current fiscal year for use by the Authority in the administration of the federal programs under contract with the authority.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISO REVISION REQUEST

NUMBER	42.2
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	HFDA: Program Expenses Carry Forward
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	Mortgage Servicing, MOrtgage Production and Executive Operations
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	
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Is this request associated with a budget request you have submitted for FY 2024-2025? If so, cite it here.

REQUESTED ACTION	Codify
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	None
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	Income earned by the Bond programs may be kept by the Authority.
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

None

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

For the prior fiscal year monies withdrawn from the Authority's various bond financed trust indentures and resolutions, which monies are deposited with the State Treasurer, to pay for program expenses, may be carried forward by the Authority, into the current fiscal year.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISO REVISION REQUEST

NUMBER	42.3
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	HFDA: Advisory Committee Mileage Reimbursement
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	Housing Initiatives
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	
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Is this request associated with a budget request you have submitted for FY 2024-2025? If so, cite it here.

REQUESTED ACTION	Codify
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	None
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>SC Housing Trust Advisory Committee members may be reimbursed for mileage expense.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

None

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

Members of the SC Housing Trust Advisory Committee are eligible for mileage reimbursement at the state employee as established in Provisio 117.20(j) (Travel Subsistence Expense & Mileage) in the act.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISO REVISION REQUEST

NUMBER	42.4
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	HFDA: Allocations of Indirect Cost Recoveries
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	Executive Operations
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	
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Is this request associated with a budget request you have submitted for FY 2024-2025? If so, cite it here.

REQUESTED ACTION	Codify
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	None
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>Indirect cost recoveries in excess of SWCAP may be kept by the Authority.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

None

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

The Authority shall deposit in the state general fund indirect cost recoveries for the Authority's portion of the Statewide Central Services Cost Allocation Plan (SWCAP). The Authority shall retain recoveries in excess of the SWCAP amount to be deposited in the state general fund.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Housing Finance & Development Authority		
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FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Housing Finance & Development Authority
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AMOUNT	\$0
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	None
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	None
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What programs or activities are supported by the General Funds identified?

SUMMARY	None
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

**AGENCY COST
SAVINGS PLANS**

None

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Reducing Cost and Burden
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	Unable to determine
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What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Repeal or revision of regulations.
	<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.
	<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.
	<input checked="" type="checkbox"/>	Other

METHOD OF CALCULATION	Budgeting process
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.


REDUCTION OF FEES OR FINES	None
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	None Regulations for federal programs are mandated by the Department of Housing and Urban Development (HUD). Regulations for mortgage activities are mandated by both federal and state laws.
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

SUMMARY	<p>The SC State Housing Finance and Development Authority does not request appropriations from the State. The cost burden directly to South Carolina business and citizens is \$0. Federal programs operate as a pass-through payment for disbursing federal rental and subsidy payments. The funds generated through mortgage servicing are used to fund the agency operations year to year. The Authority continues to search for improvement in it's operation to reduce operating expenses and to create quality affordable housing opportunities for the citizens of South Carolina.</p>
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Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?