

AGENCY NAME:	SC Housing Finance & Development Authority	
AGENCY CODE:	L320	SECTION: 42



Fiscal Year 2026-27 Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

**OPERATING
REQUESTS
(FORM B1)**

For FY 2026-27, my agency is (mark "X"):

- | | |
|-------------------------------------|---|
| ☐ | Requesting General Fund Appropriations. |
| ☒ | Requesting Federal/Other Authorization. |
| ☐ | Not requesting any changes. |

**NON-RECURRING
REQUESTS
(FORM B2)**

For FY 2026-27, my agency is (mark "X"):

- | | |
|-------------------------------------|---|
| ☐ | Requesting Non-Recurring Appropriations. |
| ☐ | Requesting Non-Recurring Federal/Other Authorization. |
| ☒ | Not requesting any changes. |

**CAPITAL
REQUESTS
(FORM C)**

For FY 2026-27, my agency is (mark "X"):

- | | |
|-------------------------------------|--|
| ☐ | Requesting funding for Capital Projects. |
| ☒ | Not requesting any changes. |

**PROVISOS
(FORM D)**

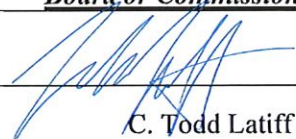
For FY 2026-27, my agency is (mark "X"):

- | | |
|-------------------------------------|---|
| ☐ | Requesting a new proviso and/or substantive changes to existing provisos. |
| ☒ | Only requesting technical proviso changes (such as date references). |
| ☐ | 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:	Elaine Bouse	803-896-9971	Elaine.bouse@schousing.com

I have reviewed and approved the enclosed FY 2026-27 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:	Richard A. Hutto	C. Todd Latiff

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	16,372,156	0	0	16,372,156	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Earmarked Authorization	0	0	5,240,844	0	5,240,844	0.00	0.00	0.00	0.00	0.00
TOTALS			0	16,372,156	5,240,844	0	21,613,000	0.00	0.00	0.00	0.00	0.00

Agency Name:	Housing Finance & Development Authority		
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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	General: \$0 Federal: \$16,372,156 Other: \$0 Total: \$16,372,156
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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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:	
	☒	Change in cost of providing current services to existing program audience
	☐	Change in case load/enrollment under existing program guidelines
	☐	Non-mandated change in eligibility/enrollment for existing program
	☐	Non-mandated program change in service levels or areas
	☐	Proposed establishment of a new program or initiative
	☐	Loss of federal or other external financial support for existing program
	☐	Exhaustion of fund balances previously used to support program
	☐	IT Technology/Security related
	☒	HR/Personnel Related
	☐	Consulted DTO during development
	☐	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	☐	Education, Training, and Human Development
	☒	Healthy and Safe Families
	☐	Maintaining Safety, Integrity, and Security
	☐	Public Infrastructure and Economic Development
	☐	Government and Citizens

ACCOUNTABILITY OF FUNDS	Strategies 1.2 Maximize the use of available resources to finance the development of privately owned affordable rental housing for low-income South Carolinians. 1.3 Support a wider range of activities within the Development Division that allow marginalized populations in South Carolina to live independently. 2.1 Perform mandated rental assistance activities in an efficient, effective manner as administrator of HUD's Housing Choice Voucher and Project-Based Rental Assistance programs. 2.2 Conduct required Compliance Monitoring activities to ensure that the physical condition of properties and income eligibility of tenants meet federal laws and
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regulations.

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 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 requested increase in federal funds is necessary to support critical housing assistance programs mandated and funded by the U.S. Department of Housing and Urban Development (HUD). These programs provide essential financial support to help low-income South Carolinians pay for rent and utilities, ensuring they have stable, safe, and affordable housing.

The Contract Administration administers the contract-based rental assistance and requests an increase of \$22,625,295.

The Rental Assistance area administers the tenant-based rental assistance and requests an increase of \$3,712,000.

Housing Initiatives Programs administer the National Housing Trust Fund and the HOME ARP Program and requests a decrease of (\$9,897,215).

Employment Benefits administers the programs listed above and requests an decrease of (\$67,924).

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	General: \$0 Federal: \$0 Other: \$5,240,844 Total: \$5,240,844
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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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:	
	☒	Change in cost of providing current services to existing program audience
	☒	Change in case load/enrollment under existing program guidelines
	☐	Non-mandated change in eligibility/enrollment for existing program
	☐	Non-mandated program change in service levels or areas
	☐	Proposed establishment of a new program or initiative
	☐	Loss of federal or other external financial support for existing program
	☐	Exhaustion of fund balances previously used to support program
	☒	IT Technology/Security related
	☒	HR/Personnel Related
	☐	Consulted DTO during development
☐	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	☐	Education, Training, and Human Development
	☐	Healthy and Safe Families
	☐	Maintaining Safety, Integrity, and Security
	☐	Public Infrastructure and Economic Development
	☒	Government and Citizens

ACCOUNTABILITY OF FUNDS	Strategies 1.2 Maximize the use of available resources to finance the development of privately owned affordable rental housing for low-income South Carolinians. 1.3 Support a wider range of activities within the Development Division that allow marginalized populations in South Carolina to live independently. 2.1 Perform mandated rental assistance activities in an efficient, effective manner as administrator of HUD's Housing Choice Voucher and Project-Based Rental Assistance programs. 2.2 Conduct required Compliance Monitoring activities to ensure that the physical condition of properties and income eligibility of tenants meet federal laws and
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regulations.

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 FUNDS

Low to moderate-income families, multi-family developers, and administration.

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

Housing Initiative Programs requests a decrease of (\$26,785)

Housing Tax Credit requests an increase of \$51,000

Contract Administration requests an increase of \$226,705

Mortgage Production and Servicing requests an increase of \$401,000

Administration, Finance, and Support Services request an increase of \$4,160,000

Employee Benefits requests an increase of \$428,924 among the programs listed above.

The requested increase is for the program's spending authority to cover expenditures, as well as to account for increases in administrative costs. These include the modernization of the SC Housing Information Technology Infrastructure, enhancements to cyberSecurity, and essential equipment upgrades. The Authority remains committed to identifying cost-saving opportunities while continue to deliver high-quality services to the individuals and families we serve.

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.

Agency Name:	Housing Finance & Development Authority		
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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 2026-2027? 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	Administrative Fees earned from HUD programs may be kept by the Housing 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
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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 federal rental assistance 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.
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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 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 Production, Mortgage Servicing, 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 2026-2027? 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 Housing 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
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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 Housing Authority’s various bond-financed trust indentures and resolutions, which are deposited with the State Treasurer, to pay for the program expenses, may be carried forward by the Housing Authority into the current fiscal year.
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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 D – PROVISIO 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 2026-2027? 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	The SC Housing Trust Advisory Committee members may be reimbursed for mileage expenses.
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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
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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 rate as established in Proviso 117.20(j) {Travel Subsistence Expense & Mileage} in the act.
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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 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 2026-2027? 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	Indirect Cost Recoveries in excess of SWCAP may be kept by the Housing 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
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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 Housing Authority’s portion of the Statewide Central Services Cost Allocation Plan (SWCAP). The Housing Authority shall retain recoveries in excess of the SWCAP amount to be deposited in the state general fund.
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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		
Agency Code:	L320	Section:	42

FORM D – PROVISO REVISION REQUEST

NUMBER	42.5
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Cite the proviso according to the renumbered list (or mark “NEW”).

TITLE	HFDA: Housing Trust Fund Disaster Initiative
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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 2026-2027? 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	Funds allocated, granted or awarded under the Housing Trust Fund’s Disaster Initiative shall not be included when calculating the percentage of trust fund expenditures per county.
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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
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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	(HFDA: Housing Trust Fund Disaster Initiative) Funds allocated, granted or awarded under the Housing Trust Fund’s Disaster Initiative shall not be included when calculating the percentage of trust fund expenditures per county.
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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		
Agency Code:	L320	Section:	42

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Reducing Cost and Burden Provide a brief, descriptive title for this request.
EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	Unable to Determine 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: ☐ Repeal or revision of regulations. ☐ Reduction of agency fees or fines to businesses or citizens. ☐ Greater efficiency in agency services or reduction in compliance burden. ☒ Other
METHOD OF CALCULATION	Budgeting Process Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.
REDUCTION OF FEES OR FINES	None 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. Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?
SUMMARY	The SC State Housing Finance and Development Authority does not request appropriations from the state. The cost burden directly to South Carolina businesses 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's operations year to year. The Housing Authority continues to search for improvement in its operation to reduce operating expenses and to create quality affordable housing opportunities for the citizens of South Carolina.

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?