

**ORANGEBURG COUNTY HOME CONSORTIUM**

*“AKA”*

*LOWER SAVANNAH REGIONAL HOUSING CONSORTIUM*

*(LSRHC)*

**2014-15 CONSOLIDATED ANNUAL  
PERFORMANCE AND  
EVALUATION REPORT (CAPER)**

September 2015

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## Executive Summary

The Orangeburg County HOME Consortium, regionally known as the Lower Savannah Regional Housing Consortium (LSRHC), was approved as a consortium in 2011 with a grant award amount of \$1,063,968. Program Year 2014-15 was the fourth year of funding for the Orangeburg County HOME Consortium. In the 2014 funding year the consortium was authorized for \$747,316 in HUD funding. The information reported in this CAPER is for activities for which the HOME Consortium has dispersed funds during the program year of 2014-15, the majority of which came from 2012 and 2013 program funds.

The LSRHC consists of six counties and sixteen municipalities. The areas are diverse in housing needs and range from moderately urbanized areas to extremely rural. LSRHC mission is to create safe, decent and affordable housing opportunities for the citizens of the consortium region which includes the unincorporated areas of Aiken, Allendale, Bamberg, Barnwell, Calhoun and Orangeburg Counties and the incorporated areas of the municipalities of New Ellenton, North Augusta, Perry, Allendale, Fairfax, Ulmer, Bamberg, Denmark, Ehrhardt, Blackville, Snelling, Williston, Cameron, Neeses, Orangeburg and Santee.

LSRHC has worked and continues to build partnerships, identify areas that do not have resources and spread resources. In order to accomplish this mission the consortium strives to promote partnerships with local governments, Community Housing Development Organizations (CHDO), Public Housing Authorities (PHA), community and economic development organizations, local banking institutions, realtors, nonprofits and for-profit organizations. The goal is also to increase partner awareness of the importance of partnerships while increasing the capacity of safe, decent, affordable housing in the region. As well as educating partners and citizens of impediments of fair housing and dangers of lead based paint.

By way of a written agreement with Orangeburg County, the lead agency of the HOME Consortium, the Lower Savannah Council of Governments (LSCOG) administers the HOME funds. This includes conducting an annual planning effort and implementing an application process that awards HOME funds for eligible activities. Funding is awarded to compliant and eligible projects on a first-come, first-served basis until all funds are programmed.

Eligible projects must be located within unincorporated areas of Aiken, Allendale, Bamberg, Barnwell, Calhoun and Orangeburg Counties and the incorporated areas of the municipalities of New Ellenton, North Augusta, Perry, Allendale, Fairfax, Ulmer, Bamberg, Denmark, Ehrhardt, Blackville, Snelling, Williston, Cameron, Neeses, Orangeburg and Santee. The consortium is working with participating communities and their units of local government to identify and prioritize housing need. Additional technical assistance is provided to assist in identifying sponsors and developers of activities as well as helping to identify additional funding resources needed to make projects viable.

Two CHDOs have been designated for the region: Southern Carolina Community Development Corporation and New America Corporation. The LSRHC is working with community development organizations, CHDOs, local units of government, non-profit organizations, for-profit developers, and other stakeholders to develop viable activities to fulfill unmet affordable housing needs.

A process has been established to review proposed activities through a Technical Review Committee (TRC) which consists of representatives from the six counties participating in the Consortium. The TRC makes recommendations to the Lower Savannah Council of Governments Board of Directors which is acting as the HOME Consortium Board regarding which activities to fund. 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 activities eligible for funding. Accomplishments during the Consortium’s fourth year funding are reflected in the following table.

**Accomplishments for Program Year 2014-15**

<b>Strategic Goal</b>	<b>Goal in Units for PY 14</b>	<b>Units Underway</b>	<b>Completed Units</b>	<b>Funds in Program in 2014 AAP</b>	<b>Funds Committed in PY 14-15</b>	<b>Funds Expended in PY 14-15</b>
Homeowner Rehabilitation	7	24	7	\$313,220	\$1,011,496	\$257,267.08
CHDO Set-Aside: Affordable Rental	4	1	6	\$322,000	\$177,542	\$234,144.71
Homebuyer	0	3	0	\$0	\$180,000	\$0
CHDO Operating				\$37,365	\$6,500	\$10,532.60
Planning/ Administration				\$74,731	\$74,731	\$400
<b>TOTAL</b>	<b>11</b>	<b>28</b>	<b>13</b>	<b>\$747,316</b>	<b>\$1,450,269</b>	<b>\$502,344.39</b>

Not taking into account CHDO operating and administration funding, during the 2014-15 budget year one million three-hundred sixty-nine thousand, thirty-eight dollars (\$1,369,038) was programmed for affordable activities in the region and four hundred ninety-one thousand, four hundred eleven dollars and seventy-nine cents (\$491,411.79) was spent on eligible activities. The funding has been programmed as follows:

Homeowner Rehabilitation Units:

- 5 units in Aiken County
- 6 units in Allendale County
- 5 units in Bamberg County
- 2 units in Barnwell County
- 4 units in Calhoun County
- 9 units in Orangeburg County
- **31 TOTAL units**

Affordable Rental Units:

- 4 units in Allendale County
- 3 units in Bamberg County
- **7 TOTAL units**

Homebuyer Assistance Units:

- 3 units in Orangeburg County

## Goals and Outcomes

In 2011, the HOME Consortium's first Five-Year Consolidated Plan (2011-2015) was formally adopted and approved by the U.S. Department of Housing and Urban Development. Specific housing objectives were identified.

The assessment provided in this CAPER covers the 2014-15 Program year (July 1, 2014-June 30, 2015) which was the fourth year of Consortium HOME Program funding and the fourth year of the Consolidated Plan. During the 2014-15 program year, the Consortium has worked to identify eligible feasible project and activities in which to provide and preserve affordable housing while fulfilling the Consolidated Plan objectives.

LSRHC will continue to work on plans, policies and procedures and guidelines to achieve the following goals:

**Homeowner Rehabilitation** - *The Consortium will preserve and expand the area's affordable housing stock with the objective of providing decent housing by providing grants, deferred loans and/or low interest loans to low and moderate income households to rehabilitate their homes. The program will provide financial assistance to be used for property rehabilitation. To qualify for housing rehab assistance the person must own and occupy the home and earn 80% or less of area median income.*

**Home Ownership** - *The Consortium will preserve and expand the area's affordable housing stock with the objective of providing home ownership assistance for decent housing by providing grants, deferred loans and/or low interest loans to low and moderate income households. To qualify for home ownership assistance the person must own and occupy the home and earn 80% or less of area median income.*

**Rental Acquisition and Rehabilitation** - *This program will provide funding for acquiring, constructing and/or, rehabbing units to be used for affordable rental units for low and moderate income housing. 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 60% or less of the AMI. Housing developments having a mixture of incomes are encouraged. The Consortium will maintain the affordability for units through the use of deed restrictions and resale/recapture restrictions, as appropriate. The minimum length of the affordability period will be based on the amount of Consortium financing per unit. The outcome will be more affordable and available housing for LMI persons.*

**CHDO Set-Aside**

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

*specific allowable activities (housing owned, developed and/or sponsored by the CHDO). Rental acquisition will be funded out of CHDO set-aside.*

### **Program Administration**

*Funds are provided for the administration of the HOME program. In the coming year, the staff will be responsible for planning all aspects of the LSRHC program; coordinating activities with the HOME Program Consortium, 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-rate 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.*

## **Summary of Progress Narrative in Comparison to 5-Year Consolidated Plan**

During this fourth program year, the Consortium concentrated its efforts on programming and funding projects. During the 2014-15 program year one million three-hundred sixty-nine thousand, thirty-eight dollars (\$1,369,038) was programmed for activities in the region and four hundred ninety-one thousand, four hundred eleven dollars and seventy-nine cents (\$491,411.79) was spent on eligible activities.

### **Homeowner Rehabilitation**

FIVE YEAR GOAL: 50 Units

*This program proposed to provide funding for owner occupied housing rehabilitation assistance. The LSRHC will preserve and expand the area's affordable housing stock with the objective of providing safe and decent housing by providing up to \$25,000 in the form of grants, deferred loans and/or low-interest loans to low and moderate income households to rehabilitate their homes. The program will provide financial assistance that can be used for property rehabilitation or and/ or eligible replacement. To qualify for housing rehab assistance the person must own and occupy the home and earn 80% or less of area median income.*

During the fourth year of funding after reviewing the housing stock, cost estimates and feedback from partners and applicants the LSRHC board raised the maximum funding for rehabilitation to \$45,000 per unit. This increase made applying for the program more feasible and less burdensome on the property owners.

During the fourth year, funding for thirty-one (31) units has been either committed or expended: five (5) in Aiken County, six (6) in Allendale County, five (5) in Bamberg County, two (2) in Barnwell County, four (4) in Calhoun County, and nine (9) in Orangeburg County.

### **Rental Program**

FIVE YEAR GOAL: 25 Units

*This program proposed to provide funding for rental housing rehabilitation assistance. The LSRHC will preserve and expand the area's affordable housing stock with the objective of providing safe and decent housing by providing up to \$25,000 in the form of grants, deferred loans and/or low-interest loans to*

*rental property owners. The assisted units must be rented to households earning less than 60% of area median income for the duration of the affordability period, which will range from five to fifteen years.*

During the fourth year of funding after reviewing the housing stock, cost estimates and feedback from partners and applicants the LSRHC board raised the maximum funding for rehabilitation to \$45,000 per unit. This increase made applying for the program more feasible and less burdensome on the property owners. The Rental Program was also expanded from rehab only to include rental acquisition and new construction of affordable rental property. Limits on acquisition and new construction projects were set at 75% of HUD subsidy limits for the applicable county.

During the fourth year, funding for seven (7) rental units has been either committed or expended: four (4) in Allendale County and three (3) in Bamberg County.

### **Homebuyer Assistance**

FIVE YEAR GOAL: 25 Units

*The Consortium will provide up to \$10,000 in the form of grants, deferred loans and/or low-interest loans to low and moderate income households to purchase their first home. To qualify for first time homebuyer assistance the person must be at or below 80% of area median income, qualify for a conventional first mortgage, and have taken a qualified homebuyer education and counseling class.*

While this category is needed in the rural areas of the Consortium the number of available units and qualified applicants in the areas is limited. It is anticipated the projected goal of 25 units or 5 per year will not be met. However, the amount of funded projects is consistent with the Annual Action Plan.

During the fourth year, homebuyer assistance was funded to a non-profit developer for the construction of three (3) affordable housing units for home ownership. All three units are single family homes located in the City of Orangeburg, Orangeburg County.

### **CHDO Set-Aside**

FIVE YEAR GOAL: 20 Units

*A portion of the Housing Development HOME program funding will be reserved for Community Housing Development Organizations (CHDOs). CHDOs are non-profit housing developers that demonstrate both capacity and maintain accountability to the low-income residents in the community. A process was put in place to solicit for and designate Community Development Housing Organizations to partner with throughout the Consortium region.*

CHDOs approved for the 2014-15 budget year include the following:

- New America Corporation
- Southern Carolina Community Development Corporation (CDC)

Over the past year the Consortium's CHDOs have been very instrumental in proposing eligible projects, assisting with marketing the Consortium, training first time homebuyers, and providing affordable housing in the region. New America Corporation is a 501(c)3 nonprofit organization that specializes in affordable housing, business development, and education. New America is also qualified as a state CHDO in South Carolina. Southern Carolina CDC has been qualified as a CHDO in the Consortium since its initial year (2011) and continues to provide quality affordable rental housing in the region.

### **Planning and Administration**

Over the past year funding was used for staff cost which included workshops, training, application processing, review and inspection of units, environmental reviews and property owner consultations. Administration funds are also used for the ongoing planning process that involves data collection, a review of existing conditions, structured dialogue with the community stakeholders, preparation of Annual Action Plan, CAPER, compliance efforts, public hearings and other required reporting. The Consortium members, along with the region's CDCs, realtors, bankers and other organizations contribute ideas and suggestions that lead to the successful administration of these programs. The LSRHC will continue to work to assist with preserving and providing affordable housing in the region.

### **Assessment on the Use of Funds to Meet Highest Priorities Narrative**

In the 2014-15 program year, the LSCOG identified the following as its highest priorities:

1. Homeowner Housing Rehabilitation
2. Affordable Rental Units

Following several meetings, surveys and review of community needs hearings it was determined that due to the predominately rural nature of the region, combined with the lack of demand for home purchases in the majority of the region, that funding should be concentrated in the areas of affordable single family rehabilitation of owner occupied and rental housing. A small portion of funds would be set-aside for homebuyer housing assistance in order to encourage homeownership in the rural areas. The approved CHDOs typically work on smaller, 6-unit or fewer housing development and struggle with capacity to do larger projects. However, with the available funding, this strategy is compatible with the Consortium's identified needs.

Over the past year based on ongoing needs assessments conducted over the life of the Consortium, phone inquiries, applications and feedback from public hearings, homeowner housing rehabilitation remains the greatest need in the region. The region is made up predominately of single family detached units built between 1960 and 1990. Due to the predominately rural area roughly 40% of the owners spend their lifetime in the same house. Many of these units are inherited units passed down from one generation of low income owners to another. Rental housing has also been identified as a significant need, but is more difficult to achieve with the limited number of CHDOs and non-profit developers who meet HUD and Consortium requirements.

**Obstacles to Meeting Underserved Needs**

In the region, obstacles to meeting the underserved needs include: lack of affordable housing, a lack of adequate transportation to needed services for senior and rural residents, inadequate financial literacy of these populations, a lack of affordable insurance, rising taxes, gentrification, a high percentage of very low-income residents living in substandard housing units, heir property, with relatives, and a shortage of reputable banks willing to lend to low-income families and individuals.

One major obstacle in meeting underserved housing needs in the LSRHC region is addressing mobile home/manufactured housing units. Members of the consortium receive numerous requests for rehabilitation of these units, in addition to requests to demolish and dispose of abandon mobile home units. Due to depreciation, zoning regulations, hazardous materials such as asbestos, and DMV titles, addressing mobile homes with HOME funds and other federal funds presents a challenge.

**Racial and Ethnicity of Beneficiaries**

*The performance report must include a description of the race and ethnicity of families and persons assisted. This information, in part, is used as a basis for investigation regarding compliance with nondiscrimination requirements. Per 24 CFR 92.508(a)(7), HOME grantees are required to maintain equal opportunity and fair housing documentation, including data on the extent to which each racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with HOME funds.*

<b>Race</b>	<b># of Beneficiaries (households)</b>
White	2
Black/African American	36
Asian	0
American Indian/Alaskan Native	0
Native Hawaiian/Pacific Islander	0
Multiracial	0
<b>Ethnicity</b>	<b># of Beneficiaries</b>
Hispanic	0
Not Hispanic	0
<b>Total</b>	<b>38</b>

## Resources and Investments

### Resources Made Available

Funding Source	Source	Total Authorization	Total Committed	% Committed
PY 2011 HOME	HUD	\$1,063,969	\$1,063,969	100%
PY 2012 HOME	HUD	\$740,004	\$736,589	99.5%
PY 2013 HOME	HUD	\$741,582	\$462,124	76.3%
PY 2014 HOME	HUD	\$747,316	\$186,000	34.8%

### Geographic Distribution and Location of Investments

The LSRHC includes the unincorporated areas of Aiken, Allendale, Bamberg, Barnwell, Calhoun and Orangeburg Counties. Additionally, the Consortium includes the incorporated areas of the Town of New Ellenton, City of North Augusta, Town of Perry, Town of Allendale, Town of Fairfax, Town of Ulmer, Town of Bamberg, City of Denmark, Town of Ehrhardt, Town of Blackville, Town of Snelling, Town of Williston, Town of Cameron, Town of Neeses, Town of Santee, and the City of Orangeburg, South Carolina. During the 2014-15 year the consortium did not target a specific area. Funds were made available to all consortium participating areas on a first come first serve basis. Preference was given to projects that directly benefit low and moderate income residents and/or serve low and moderate income neighborhoods.

During the 2014-15 year \$1,369,038 was programmed for affordable activities in the region and four hundred ninety-one thousand, four hundred eleven dollars and seventy-nine cents (\$491,411.79) was spent on eligible activities.

The funding has been programmed as follows:

Homeowner Rehabilitation Units:

- 5 units in Aiken County
- 6 units in Allendale County
- 5 units in Bamberg County
- 2 units in Barnwell County
- 4 units in Calhoun County
- 9 units in Orangeburg County
- **31 TOTAL units**

Affordable Rental Units:

- 4 units in Allendale County
- 3 units in Bamberg County

- **7 TOTAL units**

Homebuyer Assistance Units:

- 3 units in Orangeburg County

**Leveraging and Match**

**In Program Year 2014-15 the Consortium received a 100% match reduction.** The HOME Match Report is included as an attachment.

**Match Contribution for the Federal Fiscal Year**

Excess Match from prior Federal fiscal Year	\$0.00
Match contributed during the current Federal fiscal year	\$0.00
Total match available for current Federal fiscal year	\$0.00
Match liability for current Federal fiscal year	\$0.00
Excess match carried over to next Federal fiscal year	\$0.00

**HOME Program Income**

The Consortium did not receive or expend HOME program income during the 2014-15 program year.

**Minority Business and Women Business Enterprises (MBE-WBE)**

Please refer to the attached HOME Annual Performance Report (HUD Form 40107).

It is the policy of Orangeburg County, the LSCOG and the LSRHC that women and minority owners have an equal opportunity to receive and participate in any and all State and Federal assisted contracts. It is also our policy:

1. To ensure nondiscrimination in the award and administration of State and Federal assisted contracts;
2. To create a level playing field on which women and minorities can compete fairly for State and/or Federal assisted contracts;
3. To ensure that the State and Federally assisted programs are narrowly tailored in accordance with applicable law and guidelines;
4. To help remove barriers to the participation of women and minority owned businesses in State and/or Federal assisted contracts.

Every effort is made to be sure Minority Business and Women Business Enterprises are not denied the opportunity to participate in the construction of projects funded by the LSRHC.

**Minority Owners of Business Property**

Please refer to the attached HOME Annual Performance Report (HUD Form 40107).

### **Relocation and Property Acquisition**

Please refer to the attached HOME Annual Performance Report (HUD Form 40107).

During the 2014-15 program year the program did not incur any relocation.

### **Affordable Housing**

#### **Number of Households Assisted with Affordable Housing**

	Annual Goal	Actual
Number of homeless provided with affordable housing units	0	0
Number of non-homeless provided with affordable housing units	11	13
Number of special needs households provided with affordable housing units	0	0
<b>Total</b>	<b>11</b>	<b>13</b>

#### **Number of Households Supported with Affordable Housing**

<b>Number of households supported through:</b>	<b>Annual Goal</b>	<b>Actual Completed</b>
Rental Assistance	0	0
Production of New Units	0	0
Rehab of Existing Units	7	7
Acquisition of Existing Units	4	6
<b>Total</b>		

#### **Number of Persons Served by Income**

<b>Income Level</b>	<b>Actual</b>
Extremely-Low Income (0-30% AMI)	0
Low Income (30-50% AMI)	76
Moderate Income (50-80% AMI)	0
<b>Total</b>	<b>76</b>

## Discussion

*Discuss the difference between goals and outcomes and problems encountered in meeting these goals.*

### Homeowner Rehabilitation

During the fourth year of funding after reviewing the housing stock, cost estimates and feedback from partners and applicants, the LSRHC board raised the maximum funding for homeowner rehabilitation to \$45,000 per unit. This increase made applying for the program more feasible and less burdensome on the property owners. It is anticipated that this increase may decrease the five year unit goal projected in the consolidated plan from 50 units to 40 units. The consortium will continue to monitor the number of units over the next year.

### Rental Program

During the fourth year of funding after reviewing the housing stock, cost estimates and feedback from partners and applicants, the LSRHC board raised the maximum funding for rental projects, both new and rehab, to 75% of the subsidy limit for the area. This increase made applying for the program more feasible and less financially burdensome on the CHDOs providing affordable rental housing. It is anticipated that this increase may decrease the five year unit goal projected in the consolidated plan from 25 units to 15-20 units. The consortium will continue to monitor the number of units over the next year.

### Homebuyer Assistance

During the fourth year funding was provided for three new units for homebuyers. It is anticipated the projected goal of 25 units or 5 per year will not be met due to the lack of eligible partners assisting homebuyers. In program year 2013, the Consortium eliminated the down payment assistance program. In program year 2014, the focus has been on assistance to a non-profit developer for construction of homes to income eligible homebuyers.

### CHDO Set-Aside

Over the past year the CHDOs have been very instrumental in proposing eligible projects, assisting with marketing the consortium, training first time homebuyers and providing affordable housing in the region. The CHDO set-aside goal is being primarily through the Rental Program. Of the two CHDOs, one has been actively acquiring and rehabilitating vacant units and turning them into affordable rental units. The other CHDO is developing and construction new affordable rental property. Both CHDOs serve a need for affordable rental housing in the Consortium region.

*Discuss how these outcomes will impact future annual Action Plans.*

As discussed above, some increases in the maximum funding amounts may impact the number of units that can feasibly be funded. This combined with a 30% reduction in annual allocation from the PY 2011 funding to the PY2014 funding will reduce the number of units that can be served in most categories.

## Homeless and Other Special Needs.

### Action Plan Narrative:

The principal challenge identified in preventing and eliminating homelessness continues to be centered on lack of permanent affordable housing. The Consortium feels that efforts will not be successful in ending homelessness until the production of more housing is accomplished and make it affordable to very poor people, including single people with disabilities. Transitional housing and emergency shelters do not offer long term commitments and there continues to be inconsistencies in the eligibility criteria and length of services allowable for people in different configurations of transitional housing.

The LSRHC is a predominately rural area and adequate data on homeless is not available. The estimated homeless population in rural areas such as LSRHC are often not known. The person is often not counted or counted as a part of friends and relatives households. The Consortium recognizes homelessness is an issue and obtaining accurate data as well as locating temporary shelters, permanent affordable housing, employment and educational opportunities is necessary. The determination and elimination of chronic homelessness in LSRHC area will continue to be reviewed and considered a priority. The LSRHC will continue to work with service providers to determine what the true needs of the regions are as it pertains to chronically homeless individuals.

The Consortium will address all homeless-related issues through participation in the local Continuum of Care. The Department of Housing and Urban Development (HUD) describes the fundamental components of the Continuum of Care as: 1) Outreach and assessment to identify an individual's or family's multiple needs and connection to the facilities and services to address those needs; 2) Immediate shelter as a safe, decent alternative to the streets; 3) Transitional housing with appropriate supportive services (such as job training/placement, child care, substance abuse treatment, mental health services, and instruction on independent living care, substance abuse treatment, mental health services, and instruction on independent living skills);and 4) Permanent housing or permanent supportive housing arrangements.

The principal challenge identified in preventing and eliminating homelessness continues to be centered on lack of permanent affordable housing. The Consortium feels that efforts will not be successful in ending homelessness until the production of more housing is accomplished and make it affordable to very poor people, including single people with disabilities. Transitional housing and emergency shelters do not offer long term commitments and there continues to be inconsistencies in the eligibility criteria and length of services allowable for people in different configurations of transitional housing. The Consortium's main role in the addressing homelessness will be through the development of rental housing that is affordable to households earning less than 30% of the area median income.

The LSRHC will work with service providers in the region such as MACH, Habitat for Humanity, Golden Harvest Food Bank, Salvation Army and Christ Central over the next year to determine what the true needs of the regions are as it pertains to chronically homeless individuals. Resources that can be used to serve the homeless populations are inadequate. The extremely low income levels of the

chronically homeless make it imperative to secure operating or rent support; however, federal sources for both are shrinking. As the LSRHC continue to identify areas of homeless the elimination of chronic homelessness will continue to be considered a priority in the future.

## Public Housing

Action Plan Narrative:

During the first year, the LSRHC put guidelines in place to work with the public housing authorities that serve the participating jurisdictions in the Consortium. The Consortium's jurisdiction will address the needs of public housing authorities (PHAs) by reviewing the annual plans that each public housing authority submits to HUD and giving each PHA an opportunity to submit projects for funding.

The Consortium is working in partnership with the two Public Housing Authorities that serve the region, Region III Housing Authority and Aiken Housing Authority. The CEO of the Aiken Housing Authority is currently serving as an advisory of the Consortium's Technical Review Committee. Input from the PHAs is considered and used as a part of the planning process to improve the impact of the consortium.

## Other Actions

### Regulatory Barriers

The following issues were identified in the Consolidated Plan as barriers to affordable housing in the LSRHC area:

- Reduction in federal funding for housing assistance programs
- Development regulations and fees
- Transit service is limited to urban areas, while more affordable housing is often found in more rural areas
- Income is simply not enough to afford adequate housing for many residents
- LMI persons desiring to purchase a home and currently paying more than they can afford for rental housing, results in the inability to save enough money for a down payment or for closing costs
- While standard mortgages require borrowers to have good credit histories, renters living hand-to-mouth are less likely to have established a good credit history and are at greater risk for developing bad credit histories due to late payments or defaults on loans from payday or predatory lenders
- Many persons of low and moderate incomes lack the education and job skills needed to obtain higher-paying jobs that can enable them to afford housing in certain areas within the LSRHC
- Because of literacy, language, and educational barriers, many LMI residents do not fully understand the processes, responsibilities and legal aspects of renting and homeownership

The 2014 Action Plan identified the following specific activities to undertake to address barriers to affordable housing:

- Distribute information pamphlets, brochures, and posters to convey an understanding of the Fair Housing Act to the general public

- Distribute brochures to units of local governments, realtors, home builders, and other housing interest groups
- Develop a public service announcement to be used at area radio stations regarding the Fair Housing Act that can be used on a monthly basis to keep the public informed
- Provide technical assistance to Consortium member local governments, upon request, regarding the Fair Housing Act requirements and local actions to enact Fair Housing Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

### **Actions Taken in the Program Year**

- Developed a Fair Housing Plan for the region
- Printed information pamphlets, brochures, surveys and posters to convey an understanding of the Fair Housing Act to the general public, units of local governments, realtors, home builders, and other housing interest groups.

Counties within the consortium region undertook the following fair housing activities during the month of April 2014:

- Barnwell County - Placed an ad in People Sentinel Newspaper and on the Barnwell County website pertaining to fair housing and the law, handouts made available in the administration building, passed a resolution
- Aiken County - Passed a resolution, displayed fair housing posters at the administration building
- Orangeburg County - Passed a resolution, displayed posters at the County administration building, displayed fair housing information on LED information board in County administration building
- Calhoun County - passed a resolution, displayed fair housing posters, set up a fair housing information table at the administration building
- Bamberg County - passed a resolution, displayed fair housing posters at the administration building
- Allendale County - passed a resolution, displayed fair housing posters at the administration building

### **Lead-based Paint Hazards 91.220(k); 91.320(j)**

The following is an outline of the strategies the Consortium has instituted into its policies and procedures, in accordance with Federal guidelines and the Consortium's commitment to helping combat the danger of lead poisoning in children:

- Lead-based paint risk assessments, reductions and abatements, as outlined in Federal legislation, will be upheld by all those participating in the HOME program or utilizing HOME program funds
- Potentially available private sector resources will be explored in a collaborative effort to control lead-based paint (LBP) risk hazards in units occupied by low income families. Banks and other financial lending institutions which provide residential financing could be approached about participation in LBP hazard reduction rehabilitation financing from the Community Reinvestment Act

- Property owners shall be encouraged and instructed in how to conduct preventative property maintenance to ensure the LBP hazards are not further exacerbated, i.e.:
  - Keeping painted surfaces instance and free of flaking, chipping or peeling paint;
  - Maintaining walls and other surfaces in structurally sound condition;
  - Painting periodically; and
  - Controlling moisture and preventing water damage
- Provide information, education and outreach activities on LBP hazard
- Continue to notify residents and owners of all houses receiving HOME assistance of the hazards of LBP
- Coordinate efforts with SCDHEC for testing and referral when lead hazards are addressed in units which house children

### **Anti-Poverty Strategy 91.220(k); 91.320(j)**

Action Plan narrative:

Poverty is considered to be a lack of income and productive resources to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education, job training and other basic services; inadequate housing, excessive cost burdens for housing and homelessness; unsafe environments; social discrimination and homelessness.

The participating jurisdictions of the LSRHC Consortium and its partners placed a high priority on dealing substantively with the related issues of low wages and unemployment, social exclusion and the need for regional economic diversification and community and downtown revitalization. The emphasis is to help people rise out of poverty, rather than merely easing their situation temporarily. Although essential short-term direct aid such as emergency food and shelter is provided, the thrust of the policy is to address poverty's root causes and assist people in becoming self-sufficient in the long-term.

### **Development of Institutional Structure 91.220(k); 91.320(j)**

The programs described in the document are managed by a lead agency, the County of Orangeburg, South Carolina; however, the Lower Savannah Council of Governments (LSCOG) directs the daily administration of the Consortium program by way of a written agreement with Orangeburg County.

Lower Savannah Council of Governments is a regional planning and development organization made up of six counties. The staff of LSCOG have been administering housing projects involving CDBG and HOME funds since 1975. Municipalities and other organizations contribute ideas and suggestions that lead to the successful administration of these programs.

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 policy making board regarding which projects to pursue. The ultimate decision regarding the geographic distribution of HOME funds rests with the HOME Consortium policy board, which consists of the LSCOG Board of Directors, but is also directed affected by the availability of entities with the capacity and willingness to develop projects eligible for funding. The LSRHC is

continuously working with community development organizations and other stakeholders to develop viable projects that fulfill unmet needs.

### **Actions to Address Impediments to Fair Housing Choice 91.520(a)**

The LSRHC in conjunction with Lower Savannah Council of Governments developed an Analysis of Impediments to Fair Housing (AI). The AI was completed in April 2012. An update to the existing AI and is currently underway and is scheduled to be complete by April 2016.

### **Actions to Address Impediments to Fair Housing Choice 91.520(a)**

#### **Impediment #1: The Planning Process**

When it comes to thorough planning and implementation efforts of the communities in the Lower Savannah region, addressing the issues of affordable housing and fair housing should not be treated separately from the process.

#### **Recommendation:**

Identify sale and rental practices that appear to be racially steering individuals or are violating other provisions from the Fair Housing Act. Ensure that people of all races and ethnicities are being allowed the full range of housing choices that is envisioned by the Fair Housing Act and Community Development Block Grant Program. Make sure that any findings of such sale or rental practice is shared with HUD for possible prosecution of fair housing law violators.

#### **Impediment #2: Assistance with Fair Housing Complaints**

The question remains, “Who do I call?” for anyone who feels they have been victimized against by fair housing discrimination. This is a substantial barrier to fair housing choice when someone believes he or she has been wronged and is not immediately referred to the proper fair housing representative with whom to speak.

#### **Recommendation:**

The counties and municipalities in the Lower Savannah region should make it easy for people who think they may have been victimized by housing discrimination to get assistance. Any necessary training of individuals to assist or refer customers or callers should take place. Information about fair housing violations and remedies should be readily available.

#### **Impediment #3: Limited Affordable Housing**

When there is limited affordable housing available to lower income populations, these individuals may be forced into substandard housing and living conditions.

#### **Recommendation:**

There are steps the counties and municipalities in the Lower Savannah region can take in order to help make moderately priced housing affordable to lower income households. Among these include continuing to provide assistance to CHDOs and homebuyer assistance programs. Also, Analysis of Impediments to Fair Housing Choice encourages area nonprofit organizations to develop affordable housing options. Thirdly, education and counseling for lower income homebuyers is critical.

**Impediment #4: Limited Access to Public Transportation**

The Lower Savannah region and its counties provide limited public transportation for the residents. For some, limited access to transportation, joined with housing burdens, can impede access to job opportunities.

**Recommendation:**

Continued efforts must be made to explore partnerships and public transportation needs in order to improve mobility options for residents.

**Impediment #5: Lack of Education**

The persistence of unfair housing is the basis of unequal education, access to jobs, income and redlining.

**Recommendation:**

Fair housing is about expanding the housing choice for those restricted due to economic, social, political and other causes. Efforts to improve educational and skill levels while recruiting jobs that pay above minimum wage is necessary. The counties in the Lower Savannah region should continue to encourage efforts to increase access to advanced training and educational opportunities. Also, the counties should continue to work with economic development organizations to encourage the recruitment of higher-wage jobs, particularly to those less developed areas of the region.

**Impediment #6: Limited Local Government Budgets**

Unfortunately, due to the current downturn in economy and for other fiscal reasons, local governments have limited financial resources and cutting programs rather than starting new ones is common. Typically some of the first areas to be cut are those that could promote housing choice or education. New avenues must be considered to carry on these programs during bad economic climates and make them self-sufficient.

**Recommendation:**

Seek out partnerships between agencies that are engaged in housing activities and avoid any duplication of services. Research any grant opportunities to expand Fair Housing activities, upgrade existing facilities or build new housing. Educate local and state elected officials on the importance of Fair Housing activities and promote the opportunity for housing expansion.

**Impediment #7: Discrimination**

Discriminatory practices in housing can prove difficult to identify and successfully prosecute. The cost and time involved for a formal complaint or legal process is often prohibitive for low to moderate income individuals.

**Recommendation:**

While discrimination might be impossible to stamp out, it is important to make people aware of their rights if they face such an issue. Promoting anti-discrimination information and points of contact for complaints, partnering with the SCHAC to provide an anti-housing discrimination workshop in the region, and promoting anti-housing discrimination information in all types of media formats is crucial.

### **Impediment #8: Rental and Ownership Real Estate Practices**

Real estate practices in both rental and ownership that direct minorities only to integrated neighborhoods and predominantly minority neighborhoods, and that vice versa direct whites only to virtually all white neighborhoods constitutes one of the most substantial impediments to assuring that people of all races and ethnicities enjoy the full range of housing choice.

#### **Recommendation:**

Identify sale and rental practices that appear to be racially steering individuals or are violating other provisions from the Fair Housing Act. Ensure that people of all races and ethnicities are being allowed the full range of housing choices that is envisioned by the Fair Housing Act and Community Development Block Grant Program. Make sure that any findings of such sale or rental practice is shared with HUD for possible prosecution of fair housing law violators.

### **Impediment #9: Real Estate Practices**

While it is hard to imagine that any real estate firm or agent is unaware of fair housing laws, racial and ethnic steering practices are more common than one may like to believe.

#### **Recommendation:**

Intensive training of real estate professionals is needed to discourage steering based on race, ethnicity, familial status, or disability. Such steering practices impose a major barrier to ensuring that people of all races consider the full range of housing choices they can afford. Such impediments to fair housing choice can quickly change the racial and ethnic makeup of a neighborhood.

### **Impediment #10: Racial and Ethnic Diversity of Real Estate Professionals**

The sampling of the offices of real estate agents and developers in the Lower Savannah region revealed a paucity of Asian, Hispanic, and African American agents. Right or wrong, minorities may interpret that they are not welcome within a community if all the agents appear to be white.

#### **Recommendation:**

Work closely with organizations of local real estate professionals as well as with the offices of local real estate firms, developers and property management firms to increase the effort to recruit African Americans, Hispanics and Asians as residential real estate agents, leasing agents and property managers.

### **Impediment #11: Minority Concentrations**

Early signs of minority concentrations pose an impediment to fair housing choice. When parts of a community become racially identifiable, some real estate professionals have the tendency to steer minorities to those areas perceived as minority or integrated neighborhoods and to direct them away from predominantly white areas, and vice versa.

#### **Recommendation:**

Establish methods to discourage this practice which is a major cause of resegregation. The key to maintaining racially diverse neighborhoods is to maintain demand for housing from all races and ethnic groups.

### **Impediment #12: Mortgage Lending Practices**

When it comes to home loan lending practices, it would prove beneficial to provide financial counseling to minority groups and low to moderate income persons.

#### **Recommendation:**

Provide financial counseling to better prepare applicants before they submit a mortgage loan application. Educate them about what they can actually afford to purchase, preventing the use of subprime mortgages and predatory loans that have produced the current nationwide wave of foreclosures.

### **Impediment #13: Limited Inventory of Housing**

The number of new housing units coming onto the market is limited due to the rural nature of the Lower Savannah region and the downturn in the economy. The shortage of affordable housing is most evident in the number of Section 8 housing vouchers and the growing number of manufactured housing units. With the assistance of the HOME funds in the consortium the CHDOs in the region are acquiring vacant units and rehabilitating them for affordable housing. This is helping to increase the inventory of housing units.

#### **Recommendation:**

Support public/private efforts to provide funding for loans, down payments and other financial assistance for the purchase or rehabilitation of homes for low and moderate income households. Support local non-profit housing organizations in their efforts to improve and expand affordable housing options in the region. Expand participation in Fair Housing awareness promotion efforts such as Fair Housing Month to increase awareness and support Fair Housing Initiatives among the general public, local officials, financial institutions and the private sector.

## **Monitoring**

The Consortium will implement an annual monitoring and evaluation process to ensure that programs are carried out in accordance with the Consolidated Plan, written funding agreements, and HOME Program regulations.

During the fourth year of the Consortium, LSRHC staff approved three CHDO applications for affordable rental housing and three homebuyer assistance applications. Processing and approval of the applications included application review, visiting the sites, working with property owners, applicants and CHDOs throughout the application process. Projects have been and will continue to be monitored annually during the compliance period. The Consortium conducts monitoring in accordance with requirements set forth by HUD. Monitoring 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 grantee 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
- Desktop monitoring when appropriate
- If appropriate and necessary, a closed conference with program officials.
- Provision of comments and recommendations as needed

In case of project delays, an assessment will be made of the reasons for the delay, the extent to which the factors that caused or continue to cause the delay are beyond the organization's control, or the extent to which the original priorities, objectives, and schedules may have been unrealistic.

### **HOME-Specific Narrative**

***Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations. Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.***

Three affordable rental units were inspected and monitored during the program year. Two of the three were acquisition only, and as such were inspected for minimum program standards. One unit did not meet minimum code standards and as such, the CHDO was required to correct the problem and was then reinspected. The unit passed the second inspection. The other two units met code compliance standards.

Additionally, thirty-one Homeowner Rehabilitation projects were inspected at various stages of the project: initial consultation, initial inspection, pre-bid walk through, and during quarterly phases of construction. Any issues with code compliance or contractor work were remedied without issue. All change orders received were inspected and the work was approved prior to approval of the change order. Seven of the thirty-one Homeowner Rehabilitation projects were satisfactorily completed and closed out within the 2014-15 program year.

During the 2014-15 program year, one new construction project was started. This project was carried out by a non-profit developer. A monitoring and inspection schedule was created for this project.

***Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)***

It is the policy of Orangeburg County, the LSCOG and the LSRHC that women and minority owners have an equal opportunity to receive and participate in any and all State and Federal assisted contracts. It is also our policy:

1. To ensure nondiscrimination in the award and administration of State and Federal assisted contracts;
2. To create a level playing field on which women and minorities can compete fairly for State and/or Federal assisted contracts;

3. To ensure that the State and Federally assisted programs are narrowly tailored in accordance with applicable law and guidelines; and
4. To help remove barriers to the participation of women and minority owned businesses in State and/or Federal assisted contracts.

The LSRHC is continuing to work to establish a solicitation list of qualified small and minority businesses and women's business enterprises, assuring that small and minority businesses and women owned enterprises are solicited whenever they are potential partners. LSRHC will also use the services and assistance of the Small Business Development Center and Minority Business Development Agency where possible.

***Summarize the amount of HOME program income received and used. Also include a summary of projects funded and the characteristics of the beneficiaries.***

The Consortium did not receive any HOME program income during the program year.

### **Citizen Notification**

Notification of the CAPER process and results were presented for review at the Lower Savannah Council of Governments Board of Directors on August 13, 2014. The board consists of 39 members from all 6 of the Consortium's member counties. A display advertisement was run in the Orangeburg County Times and Democrat newspaper on Saturday, August 1, 2015 announcing the comment period and public hearing for the CAPER. A public hearing was held on Tuesday, August 18, 2015 in the Orangeburg County Council Chambers concerning the CAPER. As of the date the draft CAPER was submitted to the CPD office for review, there were no comments received concerning the CAPER.

## **Attachments**

**HOME Match Report (HUD Form 40107-A)**

**HOME Annual Performance Report (HUD Form 40107)**

**NOTICE of CAPER Comment period**

**Fair Housing Efforts**