Capital Improvements Joint Bond Review Committee

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JOINT BOND REVIEW COMMITTEE MEETING
Tuesday, August 23, 2022, 10:30 a.m.
105 Gressette Building

AGENDA

Page

Live-streaming of this meeting will be available at www.scstatehouse.gov.

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Transfers of Real Property
South Carolina Department of Commerce, Division of Public Railways, to South Carolina State Ports Authority

The South Carolina Department of Commerce, Division of Public Railways requests review of its proposed transfer of certain parcels of real property totaling 141.81 acres to the South Carolina State Ports Authority. The Division of Public Railways acquired these properties to construct and implement the Navy Base Intermodal Facility.

Property	Approximate Acreage
Main NBIF Parcel	124.71
1799 Meeting Street	1.17
Naval Air Base Road Site	6.11
Shipyard Creek Road Site	2.11
Hobson Avenue/McMillan Avenue	1.99
Hobson Avenue/McMillan Avenue	4.52
Hobson Avenue/McMillan Avenue	1.20

Palmetto Railways is working with the City to combine the Main NBIF Parcel, and the Navy Air Base Road and Shipyard Creek Road sites into a single parcel that will total 163.69 acres which then will be subdivided, with 132.93 acres transferred to the Ports Authority, and 30.76 acres retained by Palmetto Railways.

In the event any of the transferred property is not needed for completion of the project, or if the project is terminated, canceled, or abandoned, Palmetto Railways, the Department of Commerce, and the Ports Authority will agree on the proposed disposition of the properties for submission to and approval by the Committee and the State Fiscal Accountability Authority.

The proposed transfers follow a determination by the General Assembly to designate responsibility for construction and implementation of the intermodal facility with the Ports Authority, and are contemplated within the existing Intergovernmental Agreement, and a current Transfer Agreement to be executed by and among Palmetto Railways, the State Ports Authority, and the Department of Commerce. The JBRC Fiscal Oversight Subcommittee is providing oversight of implementation of the intermodal facility project pursuant to the reporting requirements of Proviso 118.20 of the FY2021-22 Appropriations Act.

These real property transfers are being effected without consideration pursuant to the Intergovernmental Agreement, the Transfer Agreement, and legislative determinations, and to accomplish the purposes for which the properties were originally acquired.

COMMITTEE ACTION:

Review and make recommendation regarding the transfer of the subject properties.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Summary.
2. Letter dated August 3, 2022, of Ms. Karen Blair Manning, Chief Legal Counsel, South Carolina Department of Commerce.

JOINT BOND REVIEW COMMITTEE
AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 23, 2022 **Regular Agenda**

1. Submitted by:
(a) Agency: Department of Administration
(b) Authorized Official Signature: Ashlie Lancaster
Ashlie Lancaster, Director

2. Subject: Asset transfers from Division of Public Railways d/b/a Palmetto Railways to the South Carolina Ports Authority in connection with the Intermodal Facility Project

3. Summary Background Information:

The South Carolina Ports Authority ("Ports Authority") is working to construct and implement the Navy Base Intermodal Facility ("NBIF") project, which includes container transfer infrastructure, waterborne cargo infrastructure and related infrastructure in support thereof, at or in the vicinity of the Port of Charleston facility (the "Project"). The South Carolina Department of Commerce ("Commerce") and its Division of Public Railways ("Palmetto Railways") have parcels of real property totaling 141.81± acres in the cities of North Charleston and Charleston, including the NBIF main site, that are currently available for transfer to the Ports Authority. Palmetto Railways desires to transfer these parcels to the Ports Authority for no additional consideration to facilitate implementation of the NBIF in accordance with the attached Transfer Agreement.

The parcels to be transferred are:

TMS#	Address	Acreage
Portions of various parcels*	Main NBIF Parcel (list attached)	124.71± acres
464-02-00-017	1799 Meeting Street	1.17± acres
466-04-00-009*	Naval Air Bases Road Site	6.11± acres
466-04-00-008*	Shipyard Creek Road Site	2.11± acres
400-00-00-251	Hobson Avenue/McMillan Avenue	1.99± acres
400-00-00-252	Hobson Avenue/McMillan Avenue	4.52± acres
400-00-00-117	Hobson Avenue/McMillan Avenue	1.20± acres

*Palmetto Railways is currently working with the City to combine these parcels into a single parcel totaling 163.69± acres which they will then subdivide and transfer 132.93± acres to the Ports Authority and retain 30.76± acres.

If it is determined that any of the properties are not needed for completion of the Project or if the Project is terminated, canceled or abandoned, the Transfer Agreement requires that the parties confer and agree on the proposed disposition of the properties for submission to and approval by JBRC and SFAA.

4. **What is the JBRC asked to do?** Approve the transfer of the identified parcels of real property totaling a 141.81± acres from Palmetto Railways to the Ports Authority without consideration.

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5. **What is recommendation of the submitting agency involved?** Consider approval of the transfer of the identified parcels of real property totaling 141.81± acres from Palmetto Railways to the Ports Authority without consideration.

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6. **Private Participant Disclosure – Check one:**

☒ No private participants will be known at the time the Authority considers this agenda item.

☐ A Private Participant Disclosure form has been attached for each private participant.

As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval

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7. **Recommendation of other office (as required)?**

(a) Authorized Signature: ______________________________

(b) Office Name:

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8. **List of Supporting Documents:**

(a) Main NBIF Parcel TMS List

(b) Letter from SC Department of Commerce with Attachments

Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

August 3, 2022

Mr. Delbert Singleton
State Fiscal Accountability Authority
1200 Senate Street
Columbia, SC 29201

Ms. Ashlie Lancaster
South Carolina Department of Administration
1200 Senate Street, Ste. 460
Columbia, SC 29201

Dear Delbert and Ashlie:

This letter updates the August 1, 2022 letter previously submitted to reflect the finalization of a Transfer Agreement by and among the South Carolina Department of Commerce ("Commerce") and its Division of Public Railways ("Palmetto Railways") and the South Carolina Ports Authority ("Ports Authority"), which establishes requirements regarding excess property and scenarios in which the Navy Base Intermodal Facility (NBIF) project is not fully implemented as contemplated. The letter's primary purpose, however, remains notification by Commerce and Palmetto Railways of the need for approval of the State Fiscal Accountability Authority (SFAA) to surplus and transfer to the Ports Authority various parcels of real property totaling 141.81± acres needed for the construction and implementation of the NBIF located in North Charleston.

BACKGROUND

The transfer of real property and other assets needed for the NBIF was included in determinations by the General Assembly that the Ports Authority would be responsible for construction and implementation of the NBIF project. Accordingly, in order to establish the responsibilities of each state agency in effecting the transfer of the NBIF project from Palmetto Railways to the Ports Authority, Commerce, Palmetto Railways, and the Ports Authority entered into an Intergovernmental Agreement (IGA), which is attached hereto and was drafted with oversight by the General Assembly. The Joint Bond Review Committee (JBRC) is providing ongoing oversight to the NBIF project implementation pursuant to Proviso 118.17 of the 2022-23 Appropriations Act while the Fiscal Oversight Subcommittee has overseen the asset transfers needed for that implementation.

TRANSFER AGREEMENT

The parties have entered into a Transfer Agreement to facilitate the real property transfers that Palmetto Railways and the Ports Authority are undertaking pursuant to the IGA. The Transfer Agreement is attached and includes Exhibit A, which reflects the parcels to be transferred in blue and the parcel to be retained by Palmetto Railways

1201 Main Street, Suite 1600, Columbia, SC 29201
Tel: (803) 737-0400 • Fax: (803) 737-0418 • www.sccommerce.com

in yellow. The Agreement also requires the Ports Authority and Palmetto Railways to confer and agree on the disposition of excess property not needed for the NBIF project, if any, with final disposition subject to the approval of SFAA and JBRC. Further, the Agreement provides that should the project be terminated, cancelled or abandoned, the Ports Authority and Palmetto Railways must confer and jointly agree on a proposed disposition of the NBIF property for submission to and approval by SFAA and JBRC.

PARCELS TO BE SUPLUSED AND TRANSFERRED

Description		Tax Map System #		Acres	
Main NBIF Parcel	NBIF parcel	29 parcels	+/-	124.71	*
	Naval Air Base Road Site	466-04-00-009	+/-	6.11	
	Shipyard Creek Road Site	466-04-00-008	+/-	2.11	
	Total Main NBIF parcel			132.93	
NBIF Roads	Hobson Avenue & portion of McMillan Avenue	3 Parcels	+/-	7.71	
Class 1 Connection	1799 Meeting St	464-02-00-017	+/-	1.17	
	Total to transfer			**141.81**	

* Does not include +/- 30.76 acres to be retained by Palmetto Railways for NBIF rail infrastructure

Most the acreage to be transferred is associated with 31 parcels that comprise the main NBIF site, which the City of North Charleston is combining into a 132.93± acre parcel (depicted in blue on Exhibit A) to be transferred to the Ports Authority and a 30.76± acre parcel (depicted in yellow on Exhibit A) that will be retained by Palmetto Railways for rail infrastructure. The transfer also includes three (3) NBIF road parcels totaling 7.71± acres and a 1.17± acre parcel located in the City of Charleston that is needed to complete a connection for the Class I railroads to the NBIF. All properties will be transferred for no additional consideration with all transfer costs to be borne by Ports Authority.

ACTION REQUESTED

1. Approve the surplus of 141.81 acres of unimproved land in the Cities North Charleston and Charleston needed to implement the NBIF project.

2. Pursuant to legislative determination and the terms of the IGA and the Transfer Agreement by and among Palmetto Railways, the Department of Commerce and the Ports Authority, approve transfer of the subject parcels to the Ports Authority to facilitate the Port Authority's implementation of the NBIF.

Sincerely,

Karen Blair Manning
Chief Legal Counsel

Attachment: Transfer Agreement w/Exhibit A

Cc: Harry M. Lightsey III
Patrick McCrory, President & CEO, Palmetto Railways
Sheri Cooper, Chief Financial Officer, Palmetto Railways
Chris Huffman, Chief Financial Officer, Department of Commerce

TRANSFER AGREEMENT

THIS TRANSFER AGREEMENT ("Agreement"), dated as of August __, 2022 ("Effective Date"), is entered into by and between the SOUTH CAROLINA DEPARTMENT OF COMMERCE ("Commerce"), the SOUTH CAROLINA DEPARTMENT OF COMMERCE, DIVISION OF PUBLIC RAILWAYS D/B/A PALMETTO RAILWAYS ("Palmetto Railways"), and the SOUTH CAROLINA STATE PORTS AUTHORITY ("Ports Authority").

WHEREAS, Palmetto Railways is the owner of the Property (as hereinafter defined); and

WHEREAS, subject to the terms and conditions hereof, Palmetto Railways desires to convey the Property to the Ports Authority and the Ports Authority desires to obtain the Property from Palmetto Railways for the exclusive purpose of construction and implementation of the Navy Base Intermodal Facility ("NBIF") project.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Description of Property. Palmetto Railways agrees to convey to the Ports Authority and the Ports Authority agrees to receive from Palmetto Railways, upon the terms and conditions hereinafter set forth, all right, title, and interest of Palmetto Railways in and to all those certain lots, pieces, or parcels of land located in the City of Charleston, the City of North Charleston, and the County of Charleston, all in the County of Charleston, State of South Carolina, as shown on Exhibit A attached hereto and hereby made a part hereof (the "Land"), and any additional such land that may be deemed necessary for the NBIF project and as may be amended from time-to-time as additional properties are added in accordance with this Agreement.

The Land described hereinabove includes all improvements and fixtures placed, constructed, or installed on the Land ("Improvements"), and the Land and Improvements shall individually be called a "Parcel" and shall collectively be called the "Property". It is the intent of this Agreement that Palmetto Railways convey said properties now or hereafter identified on Exhibit A, as may be amended.

2. Transfer Price. There will be no additional monetary consideration for the transfer of the Property from Palmetto Railways to the Ports Authority.

3. Transfer Date. Each phased transfer from Palmetto Railways to the Ports Authority of all of the right, title, and interest of Palmetto Railways in and to all or any of the Property pursuant to and as contemplated by this Agreement (each such transfer and conveyance, a "Transfer") shall take place at the offices of The Pflug Law Firm, LLC, on a date which shall be as agreed to between the parties after the approval by the State Fiscal Accountability Authority, the Department of Administration, and/or the Joint Bond Review Committee, as applicable (each such date, the "Transfer Date").

4. Palmetto Railways' Deliverables. On each Transfer Date, Palmetto Railways shall deliver or cause to be delivered to the Ports Authority the following, which shall be executed, certified, and acknowledged by Palmetto Railways as appropriate:

(a) One (1) original quitclaim deed (the “Deed”), duly executed by the parties with the appropriate acknowledgment form and otherwise in proper form for recording so as to convey title to the applicable Property from Palmetto Railways to the Ports Authority as required by this Agreement.

(b) A bill of sale (the “Bill of Sale”) executed by Palmetto Railways conveying to the Ports Authority good and marketable title to the Personal Property (as described in the Bill of Sale), free and clear of all encumbrances and adverse claims.

(c) All necessary approvals of the State of South Carolina authorizing the transaction contemplated hereby and the execution and delivery of the documents required to be executed and delivered hereunder.

(d) A counterpart of a Transfer statement jointly approved by Palmetto Railways and the Ports Authority reflecting the prorations, credits, and adjustments required under this Agreement.

(e) All keys, key cards, and access codes to any portion of the Property.

5. Ports Authority’s Transfer Deliverables. On each Transfer Date, the Ports Authority shall deliver or cause to be delivered to Palmetto Railways the following, which shall be executed, certified, and acknowledged by the Ports Authority as appropriate:

(a) The Ports Authority shall, where applicable, join with Palmetto Railways in the execution and delivery of the Transfer documents and instruments required under this Agreement.

(b) A counterpart of a Transfer statement jointly approved by Palmetto Railways and the Ports Authority reflecting the prorations, credits, and adjustments required under this Agreement.

(c) Such other Transfer documents as may be reasonably requested to be executed by the Ports Authority and/or the attorney(s) for the Ports Authority and Palmetto Railways, respectively.

6. Transfer Costs. The Ports Authority shall pay all closing costs and expenses related to each Transfer, including but not limited to: attorneys’ fees and expenses in connection with the preparation and negotiation of this Agreement and the consummation of the transaction contemplated hereby; the costs related to a new survey of the applicable Property (if desired by the Ports Authority) and any other survey or survey update, if any; any other fees or costs related to the Ports Authority’s inspections of the applicable Property or the Ports Authority’s other due diligence reviews, if any; and all costs related to the recording fees payable in connection with the recording of the Deed, if any.

7. Apportionments. All real estate taxes and assessments, if any, shall be apportioned as of 11:59 p.m. of the date immediately preceding the Transfer Date.

8. Acceptable Title. Palmetto Railways shall convey, and the Ports Authority shall accept, fee simple title to the Property, which may be insured by a title insurance company authorized and licensed to do business in South Carolina selected by the Ports Authority, and subject only to the terms and conditions of this Agreement.

9. Inspections. The Ports Authority acknowledges that it has had the opportunity and right to enter, inspect, and evaluate the Property, to have the Property examined and tested for toxic and other hazardous substances, and to make such other physical inspections of the Property as the Ports Authority deemed necessary or appropriate. The Ports Authority hereby accepts the Property in its current "as is," "where is" condition.

10. Release. The Ports Authority releases Palmetto Railways from any and all liability damage, expense, claims, liens or judgments, including reasonable attorneys' fees, resulting from injury to person or damage to property resulting from or arising out of the acts, errors, or omissions of the Ports Authority and its agents, contractors, invitees, inspectors, representatives, and employees upon the Property.

11. Leases. Palmetto Railways shall not, during the period from the Effective Date until the Transfer Date, enter into any lease affecting all or any portion of the Property or submit or consider any proposal for any lease affecting all or any portion of the Property without the Ports Authority's prior written consent, which consent may be withheld in the Ports Authority's sole discretion. On or before the Transfer, Palmetto Railways shall, at its sole cost and expense, terminate any and all leases affecting all or any portion of the Property.

12. Service Contracts. Following the Effective Date, Palmetto Railways shall not enter into any new Service Contracts which are not terminable on or before the Transfer Date without the Ports Authority's prior written consent, which consent may be withheld in the Ports Authority's sole discretion. On or before the Transfer, Palmetto Railways shall, at its sole cost and expense, terminate any and all Service Contracts.

13. Major Taking or Casualty. If, prior to a Transfer Date, any portion of the applicable Property shall be: (a) taken by any condemnation or eminent domain which permanently and materially impairs the current use of the Property; or (b) damaged or destroyed by fire or other casualty and the cost of repair exceeds Five Hundred Thousand and No/100 Dollars ($500,000.00), then the Ports Authority may terminate this Agreement by giving Palmetto Railways written notice thereof ("Ports Authority's Termination Notice") within thirty (30) days from the date the Ports Authority receives written notice of any such taking, fire, or other casualty. Upon Palmetto Railways' receipt of the Ports Authority's Termination Notice, this Agreement shall terminate and neither party shall have any further rights and/or obligations with respect to each other or this Agreement, except for any obligations that expressly survive termination of this Agreement.

14. Excess Property. If Property conveyed by Palmetto Railways to the Ports Authority is deemed excess and unnecessary for the construction and operation of the NBIF by the Ports Authority, then the Ports Authority and Palmetto Railways shall confer and agree on disposition of the excess property for the benefit of Palmetto Railways. Any transfer or disposition of property is subject to the approval of the State Fiscal Accountability Authority and Joint Bond Review Committee. In the event that no agreement is reached, then the State Fiscal Accountability

Authority and Joint Bond Review Committee will determine the final disposition of the excess property.

15. NBIF Project Termination. Should the NBIF project be terminated, cancelled, or abandoned, then within ninety (90) days of such event the Ports Authority and Palmetto Railways shall confer and jointly agree on the proposed disposition of the Property for submission to and approval by the State Fiscal Accountability Authority and Joint Bond Review Committee. In the event that no agreement is reached, then the State Fiscal Accountability Authority and Joint Bond Review Committee will determine the appropriate and final disposition of the Property.

16. Delivery of Notices. Unless specifically stated otherwise in this Agreement, all notices, demands, consents, approvals, waivers, or other communications (for purposes of this section collectively referred to as "Notices") shall be in writing and delivered to the Ports Authority and Palmetto Railways at the addresses set forth below by one of the following methods:

(a) personal delivery, whereby delivery is deemed to have occurred at the time of delivery;

(b) overnight delivery by a nationally recognized overnight courier company, whereby delivery is deemed to have occurred the Business Day (as hereinafter defined) following deposit with the courier;

(c) registered or certified mail, postage-prepaid, return receipt requested, whereby delivery is deemed to have occurred on the third Business Day (as hereinafter defined) following deposit with the United States Postal Service; or

(d) electronic transmission by email provided that the transmission is completed no later than 5:00 pm on a Business Day (as hereinafter defined) and the original also is sent by personal delivery, overnight delivery, or by mail in the manner previously described, whereby delivery is deemed to have occurred at the end of the Business Day (as hereinafter defined) on which electronic transmission is completed.

{Remainder of page intentionally left blank}

Unless changed in accordance with this Agreement, the addresses for all communications and notices shall be as follows:

PALMETTO RAILWAYS:	South Carolina Department of Commerce, Division of Public Railways DBA Palmetto Railways 540 E. Bay Street Charleston, SC 29403 Attention: Sheri Cooper Email: scooper@palmettorail.com
AGENT:	State of South Carolina c/o Department of Administration 1200 Senate Street, 6th Floor Columbia, SC 29201 Attention: Real Property Services Email: RPS@admin.sc.gov Copy: Chaun Pflug, Esquire The Pflug Law Firm, LLC 211 Scott Street Mt. Pleasant, SC 29464 Email: cpflug@pfluglaw.com
COMMERCE:	South Carolina Department of Commerce 1201 Main Street, Suite 1600 Columbia, SC 29201-3200 Attention: Chris Huffman Email: chuffman@sccommerce.com Copy: South Carolina Department of Commerce 1201 Main Street, Suite 1600 Columbia, SC 29201-3200 Attn: Karen B. Manning, Esquire Email: kmanning@sccommerce.com

PORTS AUTHORITY: South Carolina State Ports Authority
200 Ports Authority Drive
Mt. Pleasant, SC 29464
Attn: Phillip Padgett
Email: ppadgett@scspa.com

Copy:

South Carolina Ports Authority
200 Ports Authority Drive
Mt. Pleasant, SC 29464
Attn: Randolph R. Lowell, Esquire
Email: rlowell@scspa.com

Any party may, by notice given in accordance with this section, designate a different address or person for receipt of all communications or notices. Any notice under this Agreement may be given by the attorneys of the respective parties who are hereby authorized to do so on their behalf.

17. Remedies.

(a) If the Ports Authority shall default in the observance or performance of any of the Ports Authority's obligations under this Agreement and the Transfer does not occur as a result thereof (a "Ports Authority Default"), then Palmetto Railways' sole and exclusive remedy shall be to terminate this Agreement and in such event the parties shall be released from further liability to each other hereunder, except for those obligations and liabilities that are expressly stated to survive termination of this Agreement.

(b) If Palmetto Railways shall default in the observance or performance of any of Palmetto Railways' obligations under this Agreement and the Transfer does not occur as a result thereof (a "Palmetto Railways Default"), then the Ports Authority's sole and exclusive remedy shall be to terminate this Agreement and in such event the parties shall be released from further liability to each other hereunder, except for those obligations and liabilities that are expressly stated to survive termination of this Agreement.

18. Brokers. The Ports Authority and Palmetto Railways each represent and covenant to each other that they dealt with no broker in connection with, nor has any broker had any part in bringing about, this transaction.

19. Governing Law. The laws of the State of South Carolina shall govern the interpretation, validity, performance and enforcement of this Agreement (without reference to choice of law principles).

20. Merger; No Representations. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. This Agreement is entered into after full investigation, no party is relying upon any statement or representation not set forth in this Agreement made by any other party.

21. No Survival. Except as otherwise provided in this Agreement, the terms and conditions of this Agreement shall not survive the Transfer or earlier termination of this Agreement, and no action based thereon shall be commenced after the Transfer Date.

22. Business Days. Whenever any action must be taken (including the giving of Notices) under this Agreement during a certain time period (or by a particular date) that ends or occurs on a day other than a Business Day (as hereinafter defined), then such period (or date) shall be extended until the next succeeding Business Day (as hereinafter defined). As used herein, the term "Business Day" shall mean any day other than a Saturday, a Sunday, or a legal holiday on which national banks are not open for general business in the State of South Carolina.

23. Modifications and Amendments. This Agreement cannot under any circumstance be modified or amended orally, and no agreement shall be effective to waive, change, modify, terminate, or discharge this Agreement, in whole or in part, unless such agreement is in writing and is signed by both Palmetto Railways and the Ports Authority or their respective successors and permitted assigns as applicable.

24. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs or successors and permitted assigns. Ports Authority shall not have the right to assign, transfer, or convey its rights and obligations under this Agreement prior to the Transfer Date.

25. Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect, invalidate, or render unenforceable any other term or provision of this Agreement. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

26. Further Assurances. Each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions of this Agreement and give effect to the transactions contemplated hereby, provided such documents are customarily delivered in real estate transactions in the State of South Carolina and do not impose any material obligations upon any party hereunder except as set forth in this Agreement.

27. Counterparts. This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original for all purposes, but all such counterparts shall together constitute but one and the same instrument.

28. Headings. The captions or paragraph titles contained in this Agreement are for convenience and reference only and shall not be deemed a part of the text of this Agreement.

29. No Waivers. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party providing the waiver. No waiver by either party of any failure or refusal to comply with any obligations under this Agreement shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

30. Waiver of Jury Trial; Consent to Jurisdiction. PALMETTO RAILWAYS AND THE PORTS AUTHORITY HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER ARISING IN TORT OR CONTRACT) BROUGHT BY SUCH PARTY AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT. ANY LITIGATION ARISING HEREUNDER OR RELATED HERETO SHALL BE TRIED BY A COURT OF COMPETENT JURISDICTION IN THE COUNTY WHERE THE PROPERTY IS LOCATED, AND PALMETTO RAILWAYS AND THE PORTS AUTHORITY HEREBY SUBMIT TO THE JURISDICTION OF SUCH COURTS.

31. Time of the Essence. The parties hereto acknowledge and agree that, except as otherwise expressly provided in this Agreement, **TIME IS OF THE ESSENCE** for the performance of all actions required or permitted to be taken under this Agreement.

{Signature Page Follows}

IN WITNESS WHEREOF, Commerce, Palmetto Railways and the Ports Authority have caused this Transfer Agreement to be executed as of the Effective Date.

PALMETTO RAILWAYS:

SOUTH CAROLINA DEPARTMENT OF COMMERCE, DIVISION OF PUBLIC RAILWAYS D/B/A PALMETTO RAILWAYS

By: ____________________________
Name: Patrick McCrory
Its: Chief Executive Officer

PORTS AUTHORITY:

SOUTH CAROLINA STATE PORTS AUTHORITY

By: ____________________________
Name: Barbara Melvin
Its: Chief Executive Officer

S.C. DEPARTMENT OF COMMERCE:

SOUTH CAROLINA DEPARTMENT OF COMMERCE

By: ____________________________
Name: Harry M. Lightsey, III
Its: Secretary

EXHIBIT A

Properties Map

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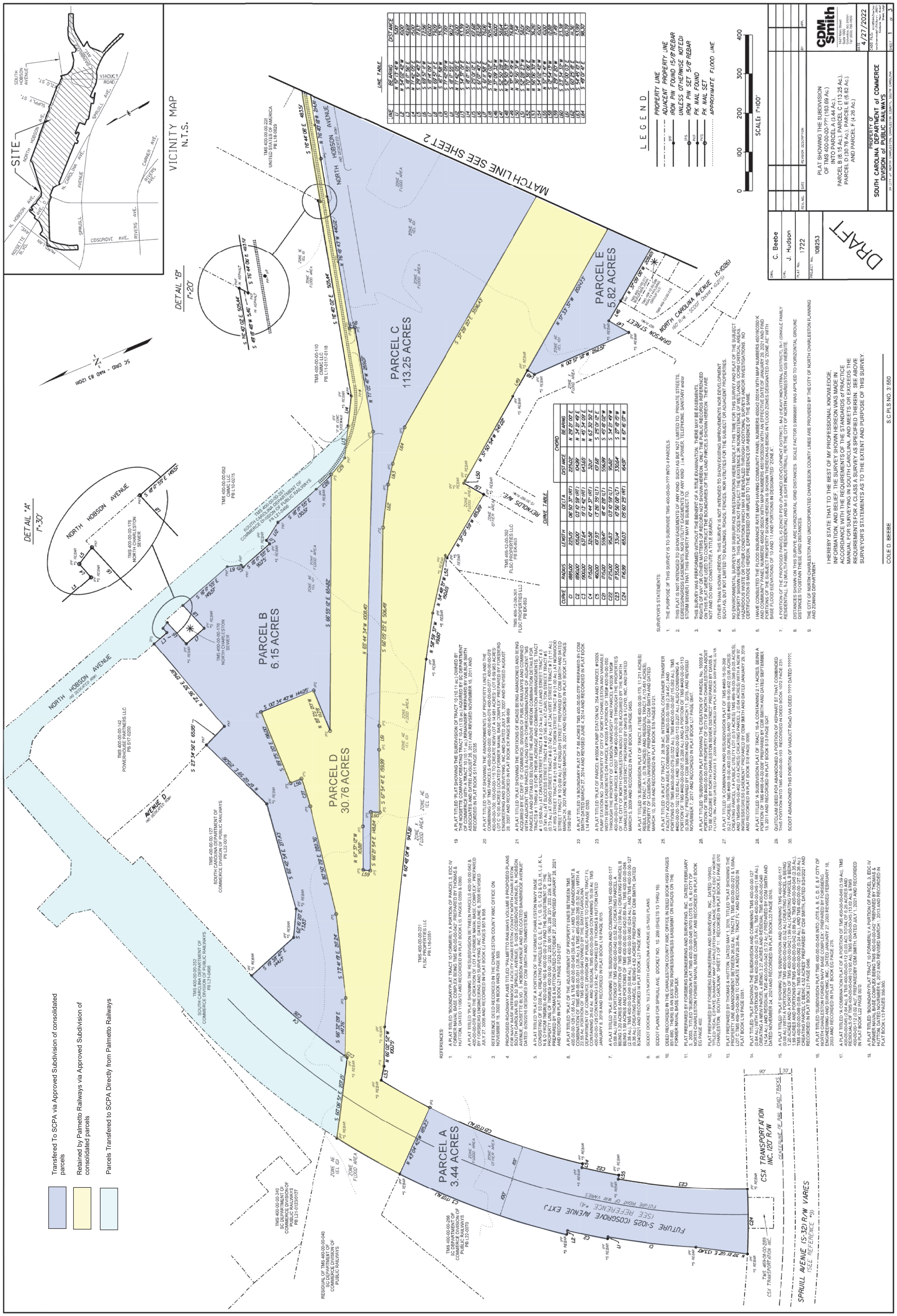
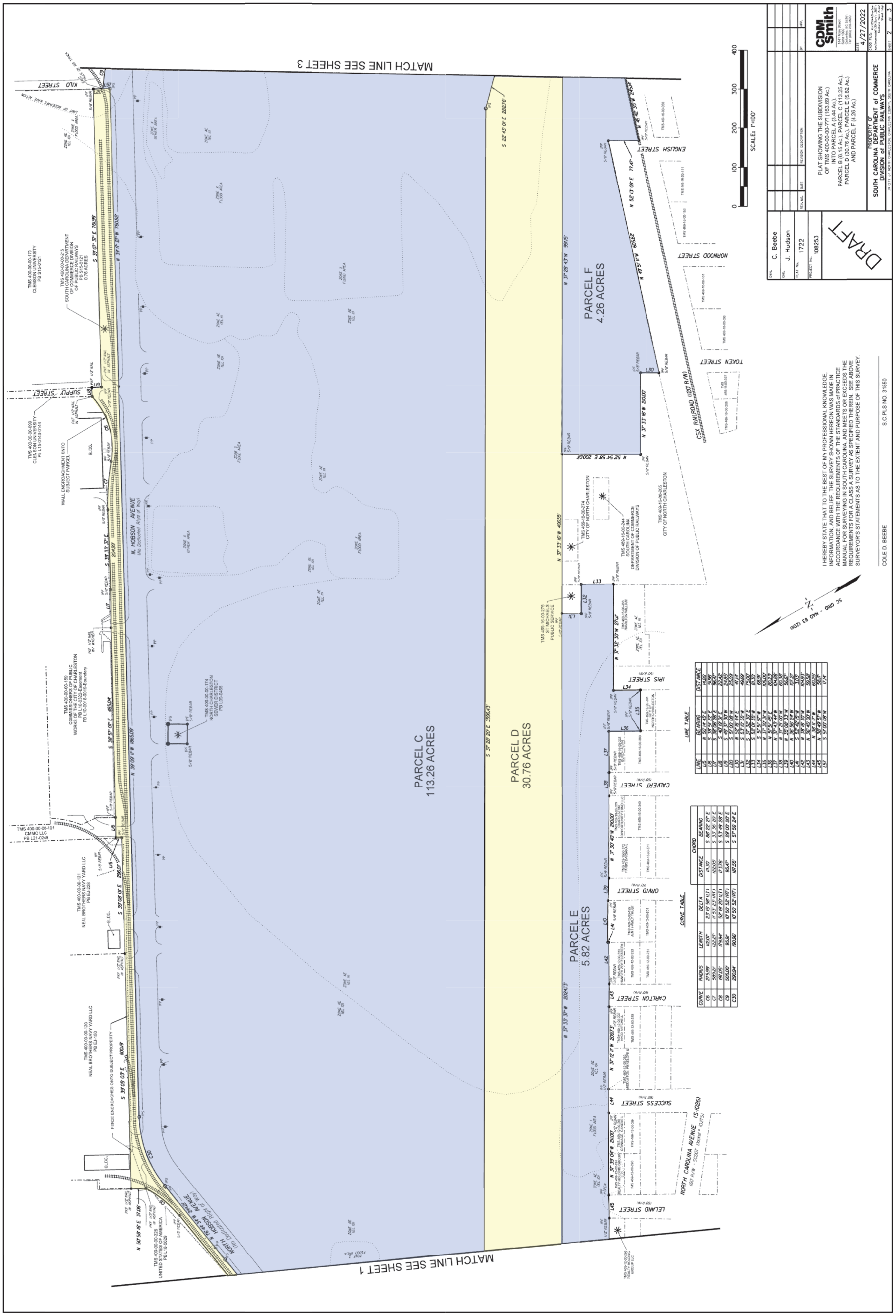
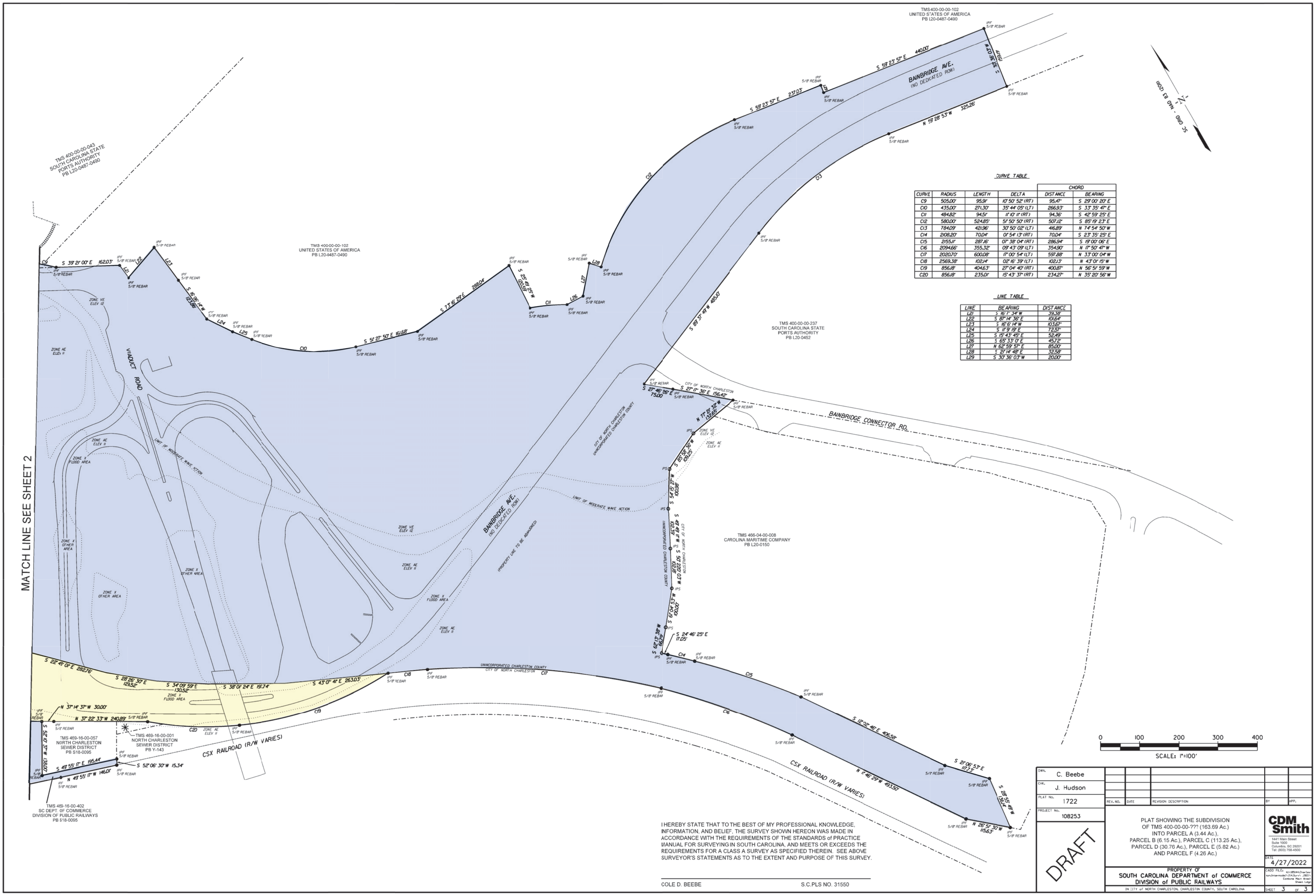

Transfered To SCPA via Approved Subdivision of consolidated parcels
Retained by Palmetto Railways via Approved Subdivision of consolidated parcels
Parcels Transfered to SCPA Directly from Palmetto Railways
PARCEL A 3.44 ACRES
PARCEL B 6.15 ACRES
PARCEL C 113.25 ACRES
PARCEL D 30.76 ACRES
PARCEL E 5.82 ACRES
NORTH HOBSON AVENUE
MATCH LINE SEE SHEET 2
DETAIL "A" 1"=30'
DETAIL "B" 1"=20'
VICINITY MAP
N.T.S.
SITE
LEGEND
DRAFT
4/27/2022
SOUTH CAROLINA DEPARTMENT of COMMERCE
DIVISION of PUBLIC RAILWAYS



MATCH LINE SEE SHEET 3
MATCH LINE SEE SHEET 1
PARCEL C
113.26 ACRES
PARCEL D
30.76 ACRES
PARCEL E
5.82 ACRES
PARCEL F
4.26 ACRES
N. HOBSON AVENUE
NORTH HOBSON AVENUE
KILO STREET
SUPPLY STREET
ENGLISH STREET
NORWOOD STREET
TOKEN STREET
CSX RAILROAD (120' R/W)
IRIS STREET
CALVERT STREET
ORVID STREET
CARLTON STREET
SUCCESS STREET
NORTH CAROLINA AVENUE
LELAND STREET
LINE TABLE
CURVE TABLE
DRAFT
SCALE: 1"=100'
CDM Smith
4/27/2022
PLAT SHOWING THE SUBDIVISION
PROPERTY OF
SOUTH CAROLINA DEPARTMENT of COMMERCE
DIVISION of PUBLIC RAILWAYS
C. Beebe
J. Hudson
1722
108253
COLE D. BEEBE
S C PLS NO. 31550



DWN.	C. Beebe
CHK.	J. Hudson
PLAT No.	1722
PROJECT No.	108253

PLAT SHOWING THE SUBDIVISION OF TMS 400-00-00-??? (163.69 Ac.) INTO PARCEL A (3.44 Ac.), PARCEL B (6.15 Ac.), PARCEL C (113.25 Ac.), PARCEL D (30.76 Ac.), PARCEL E (5.82 Ac.) AND PARCEL F (4.26 Ac.)

PROPERTY OF SOUTH CAROLINA DEPARTMENT of COMMERCE DIVISION of PUBLIC RAILWAYS

IN CITY of NORTH CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA

CDM Smith
1441 Main Street
Suite 1000
Columbia, SC 29201
Tel: (803) 758-4500

DATE 4/27/2022

SHEET 3 OF 3

CURVE TABLE

CURVE	RADIUS	LENGTH	DELTA	CHORD DISTANCE	CHORD BEARING
C9	505.00'	95.91'	10° 50' 52" (RT)	95.47'	S 29° 00' 20" E
C10	435.00'	271.30'	35° 44' 05" (LT)	266.93'	S 33° 35' 47" E
C11	484.82'	94.51'	11° 10' 11" (RT)	94.36'	S 42° 59' 25" E
C12	580.00'	524.85'	51° 50' 50" (RT)	507.12'	S 85° 19' 23" E
C13	784.09'	421.96'	30° 50' 02" (LT)	416.89'	N 74° 54' 50" W
C14	2108.20'	70.04'	01° 54' 13" (RT)	70.04'	S 23° 35' 25" E
C15	2155.11'	287.16'	07° 38' 04" (RT)	286.94'	S 19° 00' 06" E
C16	2094.66'	355.32'	09° 43' 09" (LT)	354.90'	N 17° 50' 47" W
C17	2020.70'	600.08'	17° 00' 54" (LT)	597.88'	N 33° 00' 04" W
C18	2569.38'	102.14'	02° 16' 39" (LT)	102.13'	N 43° 01' 15" W
C19	856.18'	404.63'	27° 04' 40" (RT)	400.87'	N 56° 51' 59" W
C20	856.18'	235.01'	15° 43' 37" (RT)	234.27'	N 35° 20' 56" W

LINE TABLE

LINE	BEARING	DISTANCE
L21	S 16° 7' 34" W	39.38'
L22	S 87° 14' 36" E	101.64'
L23	S 16° 6' 14" W	103.67'
L24	S 11° 9' 19" E	72.57'
L25	S 15° 43' 45" E	52.49'
L26	S 65° 33' 0" E	45.72'
L27	N 62° 59' 57" E	85.00'
L28	S 21° 14' 48" E	32.58'
L29	S 30° 36' 03" W	20.00'

I HEREBY STATE THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS of PRACTICE MANUAL FOR SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS A SURVEY AS SPECIFIED THEREIN. SEE ABOVE SURVEYOR'S STATEMENTS AS TO THE EXTENT AND PURPOSE OF THIS SURVEY.

COLE D. BEEBE S.C.PLS NO. 31550

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Lease
Greenville Technical College to Greenville County
225 South Pleasantburg Drive, Building 603, Greenville

Greenville Technical College requests review of its proposal to lease 60,000 square feet of space at 225 South Pleasantburg Drive, Building 603, Greenville, to Greenville County, South Carolina.

The College responded to a solicitation made by the County and proposes to lease the property to the County at a rate of $11.00 per square foot for the first year, the first 6 months of which the County will not pay rent while renovations are undertaken. The proposed term of the lease is 5 years, with 2 optional 3-year renewal terms.

Rent is subject to increases in accordance with a payment schedule negotiated by the College and the County. Total basic rental income to the College over the initial term is $3,022,860, and over the extended term is $6,595,240. The lease provides that the County will pay as additional rent its prorated share of all building operating costs. No option to purchase the property is included in the lease.

The College states that the rate was determined in consultation with commercial real estate professionals and an appraiser who agreed that the rate is fair and reasonable. The Department of Administration has included with the submission a comparison of rental rates for similar properties in the Greenville area.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. Letter dated July 25, 2022, of Ms. Jacqueline R. DiMaggio, Vice President for Finance, Greenville Technical College.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 23, 2022 **Regular Agenda**

1. **Submitted by:**
   (a) Agency: Department of Administration
   (b) Authorized Official Signature:

Shawn Lavery DeJames

Shawn Lavery DeJames, Assistant Director

2. **Subject:** Greenville Technical College Lease-Out to Greenville County (225 South Pleasantburg Drive, Building 603)

3. **Summary and Background Information:**

Greenville Technical College by and through the Greenville County Commission on Technical Education (the "College") is requesting approval to lease-out 60,000 square feet at 225 South Pleasantburg Drive, Building 603 to Greenville County (the "County").

The College responded to a solicitation and desires to lease-out 60,000 square feet to the County in a triple net lease at a base rent of $11.00 per square foot for the first year. The County will not pay rent during the first six months of the lease term during which time they will perform renovations work. The term of the lease will be five (5) years (the "Initial Term"), beginning on September 1, 2022 and ending on August 31, 2027, with two (2) optional three (3) year renewals (Extended Terms).

Basic Rent for the Initial Term and for each Extended Term is as follows:

INITIAL TERM		**ANNUAL RENT**	**MONTHLY RENT**	**RENT PER SF**
YEAR	1 (Months 1-6)	$0	$0	$0
YEAR	1 (Months 7-12)	$330,000.00	$55,000.00	$11.00
YEAR	2	660,000.00	$55,000.00	$11.00
YEAR	3	$673,200.00	$56,100.00	$11.22
YEAR	4	$673,200.00	$56,100.00	$11.22
YEAR	5	$686,460.00	$57,205.00	$11.44

EXTENDED TERM 1		**ANNUAL RENT**	**MONTHLY RENT**	**RENT PER SF**
YEAR	1	$686,460.00	$57,205.00	$11.44
YEAR	2	$700,190.00	$58,350.00	$11.67
YEAR	3	$714,194.00	$59,516.00	$11.90

EXTENDED TERM 2		**ANNUAL RENT**	**MONTHLY RENT**	**RENT PER SF**
YEAR	1	$728,478.00	$60,706.00	$12.14
YEAR	2	$743,058.00	$61,922.00	$12.38

YEAR	3	$757,920.00	$63,160.00	$12.63

The County shall pay as additional rent its prorate share of all building operating costs. No option to purchase the property is included in the lease-out.

The following chart represents comparable lease rates of similar space in the Greenville area:

Tenant	Location	Rate per SF
Clemson University	1 N. Main Street	$8.00*
SC Vocational Rehabilitation	301 N. Main Street	$20.29 (gross lease)
Vacant	1100 Brookfield Blvd.	$15.00+

* Additionally, tenant pays operating costs which are approximately $7.00/SF.
+ Amount likely excludes operating costs, however, available information did not specify.

4. What is JBRC asked to do? Approve the proposed lease-out for five years and up to two Extended Terms of three years each for 60,000 square feet at 225 South Pleasantburg Drive, Building 603 to Greenville County.

5. What is recommendation of the division of Facilities Management and Property Services? Consider approval of the proposed lease-out for five years and up to two Extended Terms of three years each for 60,000 square feet at 225 South Pleasantburg Drive, Building 603 to Greenville County.

6. List of Supporting Documents:

(a) Letter from Greenville Technical College

Greenville Technical College
P.O. Box 5616 • Greenville, SC 29606-5616
(864) 250-8000 • www.gvltec.edu
Barton Campus • Benson Campus • Brashier Campus
Center for Manufacturing Innovation • Northwest Campus • Truist Culinary and Hospitality Education Center

July 25, 2022

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services 1200 Senate Street, 6th
floor
Columbia, SC 29201

RE: Lease for 225 S. Pleasantburg Road

Dear Ms. Lancaster:

Greenville Technical College (agency) requests approval from the Joint Bond Review Committee and the State Fiscal Accountability Authority to enter into a 5 year lease-out with 2 (two) 3 (three) year options to renew with Greenville County (tenant) for (60,000) square feet of office space at 225 S. Pleasantburg Drive, Greenville, SC. Greenville Technical College vacated this space when it renovated a building on the main campus and moved registration services to that building

Greenville County will be using the space for emergency dispatch services and some evidence storage. None of the evidence will be hazardous and no weapons will be stores in the facility.

The College responded to an RFP offered by Greenville County. After several rounds of negotiations the parties agreed $11 per square foot with the County Covering all utilities. We discussed this rate with several commercial real estate professionals and an appraiser who agreed that the rate is fair and reasonable.

Thank you for your consideration of this request and please let me know if you need any additional information.

Sincerely,

Jacqueline R. DiMaggio
Vice President for Finance

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Lease
South Carolina Department of Health and Human Services
1801 Main Street, Columbia

The South Carolina Department of Health and Human Services requests review of its proposal to continue leasing 141,031 square feet of office space and 7,200 square feet of warehouse and receiving space at 1801 Main Street, Columbia, from Jefferson Square, LLC.[1] The Department has leased space at this location since 1984, and the current lease will expire on June 30, 2023.

The South Carolina Department of Administration conducted a solicitation for 3, 5, and 7 year terms following a determination that other state space was not available. The Department of Administration received 4 responses to the solicitation, 1 of which was deemed non-responsive. The proposal for the selected location was the lowest offer of the responsive proposals, after giving effect to costs of relocation.

The term of the proposed lease is 7 years. Rent for the office space includes all operating expenses and will be $16.75 per square foot for the first 3 years of the term; thereafter, base rent will increase by 1.5% annually for the remainder of the term. The agency is responsible for any increases in operating expenses following the first year of the term, subject to a cap of 2.5%. Rent for the warehouse and receiving space is $5.00 per square foot, and rent for 475 spaces in an adjacent garage is $120,000 annually. Accordingly, total rent and maximum operating expenses over the term will be $18,751,660. This amount is a reduction to the original proposal by $1,790,371 over the term, following negotiations by the Department of Administration on behalf of the agency. No option to purchase the property is included in the lease.

The Department of Administration reports that lease payments will be made from state appropriations, federal funds, revenue from third party liability recoveries, and drug rebate collections; and the Department's submission represents that funding for payments will be sufficient throughout the lease term. The Department of Administration reports that comparable rates for similar commercial space in the area range from $19.00 to $24.00 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. Letter dated July 27, 2022, from Mr. Robert M. Kerr, Director, South Carolina Department of Health and Human Services.

[1] A South Carolina limited liability company in good standing registered with the SC Secretary of State effective September 30, 2013. Corporation Service Company of West Columbia is registered agent. Private Participant Disclosures were included with the submission.

JOINT BOND REVIEW COMMITTEE
AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 23, 2022 **Regular Agenda**

1. **Submitted by:**
   (a) Agency: Department of Administration
   (b) Authorized Official Signature: Ashlie Lancaster
   Ashlie Lancaster, Director

2. **Subject:** SC Department of Health and Human Services Lease at 1801 Main Street in Columbia

3. **Summary and Background Information:**

The SC Department of Health and Human Services ("DHHS") requests approval to continue leasing 141,031 rentable square feet of space and 7,200 rentable square feet of warehouse/receiving space at 1801 Main Street in Columbia from Jefferson Square, LLC ("Landlord"). DHHS's current lease at this location expires on June 30, 2023.

After contacting state agencies to verify no adequate state space was available, the Department of Administration conducted a solicitation for 3-, 5-, and 7-year terms. Four proposals were received. One proposal was deemed non-responsive because the Landlord's offer indicated they would conduct a test fit at no cost to the State and then propose a cost per square foot based on the results of that test fit but when asked to do the test fit, the Landlord declined. Of the three responsive proposals received, the selected location is the lowest offer when accounting for moving costs.

The requested lease term is seven (7) years commencing July 1, 2023. The rental rate for the first three years will be $16.75/SF for office space, which is an annual rent of $2,362,269.25. Thereafter the rental rate will escalate by 1.5% annually. The lease includes all operating expenses with $7.36/SF of the rental rate allocated to operating expenses in year one. At the end of year one and annually thereafter, the agency is responsible for any operating expenses in excess of the year one allocation up to a cap of 2.5%. Additionally, rent for the warehouse/receiving space is $5.00/SF or $36,000 annually and for parking is $120,000 annually for 475 spaces in the adjacent garage. As such, over the 7-year term, the minimum rent and operating expenses to be paid by the agency is $16,895,580.23 and the maximum rent and operating expenses is $18,751,659.82 as shown in the chart below.

Year	Rate	Annual Rent	Op Ex Max	Total Max Office Rent and Op Ex	Annual Warehouse Rent	Annual Parking Rent	Total Annual Max
1	$16.75	$2,362,269.25	$25,949.70	$2,388,218.95	$36,000.00	$120,000.00	$2,544,218.95
2	$16.75	$2,362,269.25	$52,548.15	$2,414,817.40	$36,000.00	$120,000.00	$2,570,817.40
3	$16.75	$2,362,269.25	$79,811.56	$2,442,080.81	$36,000.00	$120,000.00	$2,598,080.81
4	$17.00	$2,397,703.29	$107,756.55	$2,505,459.84	$36,000.00	$120,000.00	$2,661,459.84
5	$17.26	$2,433,668.84	$136,400.17	$2,570,069.01	$36,000.00	$120,000.00	$2,726,069.01
6	$17.52	$2,470,173.87	$165,759.88	$2,635,933.75	$36,000.00	$120,000.00	$2,791,933.75

7	$17.78	$2,507,226.48	$195,853.58	$2,703,080.06	$36,000.00	$120,000.00	$2,859,080.06

The space will meet the state standard of 210 RSF/person with a density of 131 RSF/person. The following chart represents comparable lease rates of similar space in the Columbia area:

Tenant	Location	Rate per SF
Vacant	1320 Main St.	$24.00
Vacant	1441 Main St.	$22.00
Vacant	1122 Lady St.	$19.00

Above rates subject to base rent escalations.

Agency has adequate funds for the lease according to a Budget Approval Form submitted July 27, 2022. Lease payments will be funded through state appropriations, federal funding, and revenue derived from third party liability recoveries and drug rebate collections. No option to purchase the property is included in the lease.

4. **What is the JBRC asked to do?** Approve the proposed seven-year lease by DHHS for 141,031 rentable square feet of space and 7,200 rentable square feet of warehouse/receiving space at 1801 Main Street in Columbia from Jefferson Square, LLC.

5. **What is recommendation of the Division of Facilities Management and Property Services?** Approve the proposed seven-year lease by DHHS for 141,031 rentable square feet of space and 7,200 rentable square feet of warehouse/receiving space at 1801 Main Street in Columbia from Jefferson Square, LLC.

6. **Recommendation of other office (as required)?**

   (a) Authorized Signature: ______________________________

   (b) Office Name: Click or tap here to enter text.

7. **List of Supporting Documents:**
   Letter from Agency

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
Healthy Connections
MEDICAID

Henry McMaster GOVERNOR
Robert M. Kerr DIRECTOR
P.O. Box 8206 > Columbia, SC 29202
www.scdhhs.gov

July 27, 2022

Ms. Ashlie Lancaster, Director
Division of Facilities Management and Real Property Services
South Carolina Department of Administration
1200 Senate Street, Suite 460
Columbia, South Carolina 29201

Dear Ms. Lancaster:

The South Carolina Department of Health and Human Services (SCDHHS) requests approval by the Joint Bond Review Committee (JBRC) and the State Fiscal Accountability Authority (SFAA) at its upcoming meetings, to consider a seven (7) year lease with Amommarc I, LLC & AAC Columbia Limited Partnership, for property located at 1801 Main Street, Columbia, South Carolina 29201.

SCDHHS administers the South Carolina Medicaid program, which provides healthcare coverage for more than one million South Carolinians. SCDHHS has been located in this space under the current lease since July 1, 2013. The current lease expires June 30, 2023.

SCDHHS in coordination with the South Carolina Department of Administration (DOA) initiated a competitive solicitation for available lease space on November 1, 2021, to determine whether other suitable commercial office space alternatives were available, and to obtain the best value for the State. After reviewing the proposals submitted, SCDHHS has determined that the property located at 1801 Main Street in Columbia meets our space requirements and needs. We considered location, minimal upfit and cost of relocation in our decision-making.

The proposed lease is a seven-year term, beginning July 1, 2023, and expiring June 30, 2030. The basic rental rate starts at $16.75/SF, which is an annual rent of $2,362,269.25 for the first three years and increases 1.5% each year thereafter.

Thank you for your assistance in this process and for your consideration of our request. Please let me know if you need any additional information.

Sincerely,

Robert M. Kerr
Director

AGENCY: Coastal Carolina University

SUBJECT: Emergency Procurement

On August 11, 2022, Coastal Carolina University notified Committee staff of its intent to proceed with emergency procurement to address a housing deficit, following two consecutive years in increases in enrollment and retention rates. The University has contracted with a nearby housing provider for living space accommodating 80 students for a 9-month period, and has plans to contract with a nearby hotel to provide additional temporary housing, both of which will provide walking distance University access and standard living amenities. Both facilities will be staffed with resident advisors, and will be subject to security monitoring by the University's Department of Public Safety, the absence of which the University states would create a threat to public health, welfare, or safety, and forms the basis for the emergency declaration.

Agencies are guided in such situations to exercise their best judgment commensurate with the circumstances, and to promptly notify the South Carolina Department of Administration and staff of the Committee as soon as prudent and practicable following the actions taken to address them.

Committee staff acknowledged notification on August 11, 2022, and advised the University that the Committee would be notified of the University's action at the Committee meeting on August 23, 2022.

COMMITTEE ACTION:

Receive as information.

ATTACHMENTS:

1. Letter dated August 11, 2022, of Mr. David A. Frost, Senior Vice President for Finance and Administration and Chief Financial Officer, Coastal Carolina University.
2. Letter dated August 11, 2022, of Committee staff.

COASTAL CAROLINA
UNIVERSITY

Office of Finance
and Administration

843.349.2777
coastal.edu

August 11, 2022

Mr. F. Richard Harmon, Jr.
Director of Research
Joint Bond Review Committee
312 Gressette Building
Columbia, SC 29201

Dear Mr. Harmon:

It is an exciting time at Coastal Carolina University as the campus is preparing for students to return for the fall semester. Fall 2021 boasted our largest freshman class in history, and the University saw an enrollment increase of 3.5%. Fall 2022 is shaping up to be even better! The University's anticipated record enrollment can be attributed to a larger freshman class, which is currently outpacing Fall 2021 by 7.5%, and higher retention rates.

The anticipated record enrollment, coupled with lower-than-typical "summer melt" has made it challenging to assess the need for additional residential housing. CCU has a mandatory on-campus housing requirement policy for both freshmen and sophomore students, and attempts to accommodate upper classmen students who desire to live on-campus. Housing demand, record enrollment, and mandatory housing policy have created a housing deficit. Simply put, the University does not have the available space to meet the housing requests of incoming students.

Pursuant to the authority granted under S.C. Code of Laws Section 11-35-1570, the University has determined that the anticipated housing shortage warrants declaring an emergency procurement to accommodate students who have requested residential housing. Without on-campus housing or University-controlled off-campus housing, freshmen and sophomore students would be forced to seek their own housing arrangements and would lose the University oversight that comes through having resident advisors readily available, access to dining facilities, and the residential area monitoring by the University's Department of Public Safety.

Pursuant to S.C. Code of Regulations Section 19-445.2110, the University finds that the lack of oversight "creates a threat to public health, welfare, or safety". It further finds that the situation creates "an immediate and serious need for...services...that cannot be met through normal procurement methods and the lack of which would seriously threaten...(3) the health or safety of any person." The University therefore determines that the situation meets the definition of an emergency condition.

P.O. Box 261954
Conway, South Carolina
29528-6054

The University has, therefore, contracted with a nearby housing provider within walking distance to campus to provide living quarters for eighty students for a nine-month period during the upcoming academic year. The arrangement will allow the University to manage bed spaces, including staffing, security, and other resources, for surplus students requesting accommodations. The provider will communicate with the University consistently and at all hours, seven days per week and will provide wireless internet connectivity, and standard living amenities including furniture, power, plumbing, access control, and maintenance response. Notice of this emergency procurement contract has been posted to the South Carolina Division of Procurement Services Business Opportunities (SCBO) webpage for the required ten business days.

In addition, the University plans to contract with a nearby hotel to provide a more temporary housing solution, realizing that availability on campus typically opens shortly after the fall semester begins. This provider will also ensure wireless internet connectivity, and standard living amenities including furniture, power, plumbing, access control, and maintenance response. Resident advisors will be on premises, and the University's Department of Public Safety will provide security monitoring.

Horry County is among the top 30 fastest growing counties in the nation and the fastest in South Carolina. Therefore, it comes as no surprise that students are drawn to our area and our beautiful campus. Demand for area housing has driven prices in the rental market high and availability low. CCU is fortunate to be able to contract with housing providers close to campus to afford students the college experience they desire while also providing them with nearby campus amenities, on-site resident advisors and security monitoring.

Feel free to contact me if you have questions, and please advise if you need further information.

Sincerely,

David A. Frost, CPA
Senior Vice President for Finance and Administration and
Chief Financial Officer

Capital Improvements
Joint Bond Review Committee

J. GARY SIMRILL
HOUSE OF REPRESENTATIVES
VICE CHAIRMAN

F. RICHARD HARMON, JR.
DIRECTOR OF RESEARCH
SFAA LIAISON
803-212-6682

JESSA WIGINGTON
ADMINISTRATIVE ASSISTANT
803-212-6677
FAX: 803-212-6690

August 11, 2022

Mr. David A. Frost
Senior Vice President for Finance Administration
Chief Financial Officer
Coastal Carolina University
Post Office Box 261954
Conway, South Carolina 29528

Dear Mr. Frost:

Coastal Carolina University has provided notice of its intent to proceed with emergency procurement to address a housing deficit, following two consecutive years of increases in enrollment and retention rates. The University has contracted with a nearby housing provider for living space accommodating eighty students for a nine-month period, and has plans to contract with a nearby hotel to provide additional temporary housing, both of which will provide walking distance university access and standard living amenities. Both facilities will be staffed with resident advisors, and will be subject to security monitoring by the University's Department of Public Safety. You have further stated that without on-campus housing or University-controlled off-campus housing, freshman and sophomore students would be forced to seek their own housing arrangements, thereby losing University oversight, access to dining facilities, and residential monitoring. The University has determined that lack of this oversight and monitoring would create a threat to public health, welfare, or safety, which forms the basis for the emergency declaration.

Agencies are guided in such situations to exercise their best judgment commensurate with the circumstances, and to promptly notify the South Carolina Department of Administration and staff of the Committee as soon as prudent and practicable following the actions taken to address them. We hereby acknowledge notification of this emergency procurement and the University's intent to take immediate action pursuant to this guidance. The Committee will be notified of the University's action at its meeting on August 23, 2022.

Very truly yours,

F. Richard Harmon, Jr.
Director of Research, SFAA Liaison

c: Mrs. Marcia S. Adams
Executive Director
South Carolina Department of Administration

AGENCY: Department of Administration
Capital Budget Office

SUBJECT: Permanent Improvement Project Proposals

The Department of Administration has submitted 33 proposals for Permanent Improvement Projects on behalf of agencies, summarized as follows:

	Items	Existing Budget	Proposed Budget Change	Estimated Total Project Cost
Higher Education				
H09 - The Citadel	1	-	38,250	2,550,000
H12 - Clemson University	2	600,000	44,850,000	75,000,000
H15 - College of Charleston	1	5,500,000	500,000	6,000,000
Higher Education Total	4	6,100,000	45,388,250	83,550,000
Agencies				
E24 - Office of the Adjutant General	8	5,160,344	3,358,789	9,973,546
H73 - Vocational Rehabilitation Department	4	-	60,000	2,161,000
J12 - Department of Mental Health	1	-	364,125	24,275,000
K05 - Department of Public Safety	1	500,000	299,815	799,815
L12 - Governor's School for Agriculture at John De La	1	11,498	877,711	889,209
N04 - Department of Corrections	5	2,278,140	8,183,086	10,445,886
N12 - Department of Juvenile Justice	1	7,094	492,033	499,127
P24 - Department of Natural Resources	4	40,000	2,865,000	22,815,000
P28 - Department of Parks, Recreation & Tourism	1	600,000	350,000	950,000
R36 - Department of Labor, Licensing & Regulation	1	285,400	61,087	346,487
R60 - Department of Employment & Workforce	1	722,073	612,918	1,334,991
U12 - Department of Transportation	1	-	4,350	290,000
Agencies Total	29	9,604,549	17,528,914	74,780,061
Grand Total	33	15,704,549	62,917,164	158,330,061

COMMITTEE ACTION:

Review and make recommendation of proposed permanent improvement projects for consideration by the State Fiscal Accountability Authority or Department of Administration, as applicable.

ATTACHMENTS:

1. Department of Administration, Capital Budget Office, Agenda Item Worksheet - Summary 1-2023 covering the period April 30, 2022, through June 30, 2022.

1. Project: The Citadel
H09.9624: Fire Pump and Water Tank Replacement

Request: Establish Phase I Pre-Design Budget to construct a new fire pump and fire water storage tank for the campus.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 2 in FY22 (estimated at $2,550,000)
CHE Approval: Pending CHE Board Approval on 8/5/22
Supporting Details: Pages 1-10

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Project				38,250	38,250
All Sources				38,250	38,250

Summary of Work: The project will construct a new 200,000-gallon water storage tank and a new pump house to house a new fire pump that meets the necessary flow criteria. Once complete, the existing water tank, water tower, and pump house will be demolished.

Rationale: The existing firewater tank and elevated water tower are in poor condition. Based on a tank inspection completed in November 2020, The Citadel initiated a study for an in-house project to replace the tank. The study was finalized in February 2022 and indicated a new tank was needed and that the existing fire pump no longer has capacity to meet current codes for necessary fire water flow for the campus.

Facility Characteristics: The Citadel utilizes a central fire pump and water storage system to provide fire protection coverage to the buildings on campus. The existing water tank was constructed in 1953 (69 years old. The pump house was constructed in 1965 (57 years old) and was renovated in 2001 (21 years old) when the fire pump was replaced. The facility will provide fire protection for 22 campus buildings and coverage for other areas of campus with 13 fire hydrants. The buildings served are used by 3,300 students and over 1,000 faculty and staff, as well as visitors to The Citadel campus.

Financial Impact: The project will be funded from Institution Capital Project Funds (uncommitted balance $12.9 million at June 16, 2022). Revenue to this fund is from all Excess Debt Service fund transferred as of June 30th each year. The project is not expected to result in any change in annual operating expenditures. A portion of tuition is designated for capital improvements, currently $1,000 per student per semester for in-state and $1,755 per student per semester for out-of-state and has not increased from academic years 2017-2018.

Full Project Estimate: $2,550,000 (internal) funded by Institutional Capital Project Funds.

2. Project: Clemson University
H12.9963: Chiller Plants Expansions and Upgrades

Request: Establish Phase I Pre-Design Budget to expand and upgrade the three existing district chilled water facilities.

Included in CPIP: Yes – 2021 CPIP Priority 2 of 5 in FY23 (estimated at $30,000,000)
CHE Approval: Pending CHE Board Approval on 8/5/22
Supporting Details: Pages 11-20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Maintenance & Stewardship				450,000	450,000
All Sources				450,000	450,000

Summary of Work: This project will include expanding the existing chilled water plants with underground utility distribution piping upgrades, replacing more than 5,400 refrigeration tons of aging centrifugal chiller capacity that will be phased out in the campus Central Energy Facility, and adding 3,600 refrigeration tons of capacity for future buildings and future chiller plant building space and thermal energy storage for cost effective operations and anticipated campus building growth. Portions of the project will involve major thermal distribution piping upgrades for heating and cooling, high efficiency plant pumping and the potential use of high efficiency ground source geothermal heat pump systems.

Rationale: Per the university, new campus buildings being planned will exceed available cooling system production and distribution capabilities by 2025. The aging central energy facility will be phased out over the next ten years. For energy efficient district cooling production to keep pace, the proposed expansions and upgrades to the district chilled water plants serving main campus academic, athletic, housing and other facilities are required to serve future campus growth and chiller plant equipment replacement needs for the next 25 years.

Facility Characteristics: The West Energy Plant is 11,923 square feet and was constructed in 2016 (6 years old). The South Chiller Plant is 10,548 square feet and was constructed in 2008 (14) years old). The East Chiller Plant is 8,780 square feet and was constructed in 1985 (37 years old). The district chilled water plants will impact approximately 26,400 students, 5,500 faculty and staff, and numerous visitors.

Financial Impact: This request will be funded from Maintenance & Stewardship Funds (uncommitted balance $28.1 million at June 13, 2022). Revenue to the fund is generated from tuition, matriculation, and other debt retirement and plant transfers revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approval qualified use. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently $1,005 per student per semester, and has increased from $738 to $1,005 for the academic years 2014-2015 to 2021-2022.

Full Project Estimate: $30,000,000 (internal) funded by State Institution Bonds.

3. Project: Clemson University
H12.9954: Green Tiger I Guaranteed Energy Savings Project

Request: Establish Phase II Full Construction Budget to implement a guaranteed energy savings project for work on buildings on Clemson area campuses.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 8 in FY23 (estimated at $45,000,000)
CHE Approval: Pending CHE Board Approval on 8/5/22
Phase I Approval: December 2021 (estimated at $49,000,000) (SFAA)
Supporting Details: Pages 21-32

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Maintenance & Stewardship	600,000		600,000	2,100,000	2,700,000
Other, Master Lease Program				40,300,000	40,300,000
Other, Energy Provider Rebates				2,000,000	2,000,000
All Sources	600,000		600,000	44,400,000	45,000,000

Summary of Work: Phase I approval entailed the selection of Johnson Controls, Inc. (JCI), as the University's Guaranteed Energy Savings Project Contractor to study the university's 108 buildings and determine the recommended scope of work that will maximize the university's opportunity to save on utilities and address maintenance and repair needs for end-of-life systems. That study identified approximately $65 million of potential improvements, which Clemson prioritized and refined into the proposed $45 million project budget. The work will include upgrading lighting, making HVAC improvements and equipment replacements, improving water conservation, and making exterior building envelope improvements in campus buildings.

Rationale: The university seeks to significantly reduce utility and maintenance expenses while addressing aging building infrastructure needs, reliability, Clemson's sustainability goals and long-term utility operating costs.

Facility Characteristics: The Clemson Education and General (E&G), Dining and Housing facilities include 99 buildings that total more than 5,500,000 square feet and were constructed between 1893 (129 years old) and 2016 (6 years old). The project will benefit the entire Clemson University community, which has approximately 28,000 students, 5,500 faculty/staff, and other key stakeholders including parents, potential students, visitors, vendors, and clients.

Financial Impact: The project will be funded from Master Lease Program Funds, Maintenance and Stewardship Funds (uncommitted balance $28.1 million at June 13, 2022), and Energy Provider Rebates (uncommitted balance $2,000,000 at June 21, 2022). The Master Lease Program from the State Treasurer's Office, pursuant to SC Code § 48-52-670 and SC Code § 11-35-1530. The establishment and maintenance of the State Treasurer's Office Master Lease Program is authorized through Section 1-1-1020, SC Code of Laws. The Program provides cost-effective financing arrangements to South Carolina's state agencies, colleges, and universities for the purpose of acquiring equipment needed to effectively improve and execute services on behalf of the State. The Program provides accepted applicants with financial assistance in obtaining office, telecommunications, medical, data processing, and energy conservation equipment as well as related software. Revenue to the Maintenance & Stewardship Fund is generated from tuition, matriculation and other debt retirement and plant transfers revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use. The project is expected to result in a decrease of $3,085,637 (year 1), $3,147,350 (year 2), and $3,210,297 (year 3), in annual operating expenses. It is anticipated that this project will realize a net energy savings of $103,147,779 million over a 25-year period, which is the complete mechanical/electrical lifecycle. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $1,005 per student per semester, and has increased from $924 in 2017-2018 to $1,005 in 2021-2022.

Full Project Estimate: $45,000,000 (internal) funded by Maintenance and Stewardship, Energy Provider Rebates, and Master Lease Program Funds. Contract execution is expected in October 2022 and completion of construction in January 2025.

4. Project: College of Charleston
H15.9671: Silcox PE and Health Center Envelope Repair and First Floor Renovation

Request: Increase Phase II Full Construction Budget to cover unanticipated structural repairs to complete exterior renovations to correct envelope deficiencies and an interior renovation of the 1st floor.

Included in CPIP: Yes – 2022 CPIP Priority 10 of 10 in FY23 (estimated at $6,000,000)
Phase I Approval: February 2020 (estimated at $5,500,000) (SFAA)
Phase II Approval: October 2021 (estimated at $5,500,000) (SFAA)
CHE Approval: Pending CHE Board Approval on 8/5/22
Supporting Details: Pages 33-42

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project	137,500	5,362,500	5,500,000	466,822	5,966,822
Other, FY14 Lottery (transfer from H15-9653)				16,589	16,589
Other, College (transfer from H15-9653)				16,589	16,589
All Sources	137,500	5,362,500	5,500,000	500,000	6,000,000

Summary of Work: The project was established to make exterior renovations to correct envelope deficiencies and an interior renovation of the 1st floor (18,059 gross square feet) to convert a storage closet to an ADA compliant gender-neutral restroom, replace classroom technology and furnishings, improve emergency egress, and better utilize existing space. Roof area to be repaired/replaced is approximately 18,850 gross square feet. The facility has two types of existing roofs. There is a main gabled roof that consists of slate shingles and the adjacent low slow roofs are modified bitumen roofing. The building falls under the City of Charleston Board of Architectural Review jurisdiction which requires roof material to be replaced in kind. However, after additional structural revisions the roof will require truss repairs, as well as bracing parapets to the trusses and framing edges of the roof accordingly. This stiffening of the roof structure, plus reducing the roof weight (by using a lighter shingling material) will improve seismic performance. It was determined that entire roof needed to be stripped, and therefore a lighter overall system- changing the decking, a substitute slate product with significantly less weight, and additional bracing of the roof trusses back the parapet was preferred. The new roof will come with a 20-year warranty. Exterior surface area to be repaired/replaced is approximately 29,500 gross square feet.

Rationale: A structural report indicated the roof decking was further damaged than indicated in previous building studies. No significant exterior renovations have occurred on this facility since construction. The last interior renovation was in 1995 (27 years ago). The building materials reflect the time of construction & labor-intensive installations - stucco over masonry, wood sash windows with divided glass, metal roof trusses with wood decking, some exterior ironwork, and a slate roof. Per the college, the building is approaching a state of disrepair. Wood windows have reached the end of their life cycle. Stucco is failing at rusting lintels, displays stains & cracks. The roof decking shows deflection & signs of water infiltration. The moisture intrusion is creating indoor air quality issues, requiring the College to find alternate spaces for some classes & student activities.

Facility Characteristics: The Silcox Physical Education & Health Center is a 48,904 gross square foot building constructed in 1939 (83 years old). The building houses a mix of classrooms, one indoor sports space, health science labs, and academic offices for the Department of Health and Human Performance. The first floor contains four classrooms serving up to 500 students per weekday, three student study lounges, three faculty offices, seven health science labs and two changing/locker rooms.

Financial Impact: This project will be funded from Capital Improvement Project Funds (uncommitted balance $38.65 million at June 22, 2022), FY14 Lottery Funds (uncommitted balance $16,589 at June 7, 2022), and College Funds (uncommitted balance $16,589 at June 7, 2022). Revenues to Capital Improvement Project Fund is generated by the Capital Improvement Fee that exceed current annual debt service related to bonds. The project is expected to result in a decrease of $7,340 (year 1), $7,634 (year 2), and $7,939 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $906 per student per semester, and has increased from $781 in 2014-2015 to 2022-2023.

Full Project Estimate: $6,000,000 (internal) funded by Capital Improvement Project, FY14 Lottery, and College Funds. Construction completion is anticipated in August 2023.

Other: The additional structural repairs are estimated at $817,000, but scopes and budgets have been trimmed in other categories (particularly interior renovations) to compensate. The project contingency was increased by $440,000 to 13% of total project cost as a safeguard against escalation in the current construction market. The aforementioned reductions in scope may be restored if the increased contingency is not fully utilized.

5. Project: Office of the Adjutant General
E24.9838: UTES CHP OP Line Units Replacement

Request: Establish Phase I Pre-Design Budget to replace the existing Controlled Humidity Preservation (CHP) Operational Preservation (OP) Line Systems located at the SC Army National Guard's Unit Training Equipment Site at the McCrady Training Center on Fort Jackson.

Included in CPIP: Yes – 2022 CPIP Priority 16 of 24 in FY23 (estimated at $693,982)
CHE Approval: N/A
Supporting Details: Pages 43-50

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau				10,568	10,568
All Sources				10,568	10,568

Summary of Work: The project will replace SATS ADU-300-40 units on OP lines 1 thru 10, and the Munters ADU-300 on OP line 11, with an IAT 300RE unit. The ADU-600 units on OP lines 12 thru 15 will be replaced with IAT 600RE units. Unit replacement includes new controls for timed operation (no networking) and new air distribution ducting to replace the old PVC with metal duct on lines 4 thru 10. All flex hoses and CARS will be replaced.

Rationale: The equipment is used to preserve Federally Owned Armored Vehicles (Tanks, Artillery, IFVs, etc.) located at the Unit Training Site by reducing the humidity inside them to reduce corrosion. This suspends the vehicles from the standard maintenance cycle, therefore reducing the number of mechanic man-hours required. The CHP OP Line Systems have reached the end of their life cycle, and repair parts are becoming unavailable.

Facility Characteristics: The existing CHP OP Line Systems were installed in 2002 (20 years old). The OP Line Systems are located on concrete parking pads outside the UTES Building.

Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance $3.5 million at June 24, 2022). Revenue to the fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in an increase of $29,389 (year 1), $30,859 (year 2), and $32,402 (year 3), in annual operating expenses.

Full Project Estimate: $693,982 (internal) funded by National Guard Bureau Funds.

6. Project: Office of the Adjutant General
E24.9839: Wellford Readiness Center: Military Vehicle Expansion and New POV Parking

Request: Establish Phase I Pre-Design Budget to convert existing Privately Owned Vehicle parking to Military Vehicle Parking.

Included in CPIP: Yes – 2022 CPIP Priority 18 of 24 in FY23 (estimated at $782,845)
CHE Approval: N/A
Supporting Details: Pages 51-60

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				2,936	2,936
Federal, National Guard Bureau				8,809	8,809
All Sources				11,745	11,745

Summary of Work: The project will convert existing privately owned vehicle parking to military vehicle parking, to include new fencing and gates. Two new asphalt paved parking areas will be constructed (approximately 100 spaces), to make up for the lost parking.

Rationale: The 174th EN CO/WY1EAA lacks adequate Armory Unit Organizational Parking, which is equipment owned and maintained by the SC Army National Guard, and Non-Organizational Parking, which are vehicles owned and operated by soldiers of the SC Army National Guard or visitor/general public to the Armory. In an effort to resolve this problem, the SCARNG CFMO analyzed various options and determined that constructing a new Non-Organizational Parking Lot and converting the existing Non-Organizational Parking Lot into Armory Unit Organizational Parking was the best option. It was determined that constructing new Armory Unit Organizational Parking as a capital improvement to the existing Armory Unit Organizational Parking would be cost prohibitive. The terrain in this area is steep which would require extensive fill and Readiness Center's septic tank drain field is located in this area. The extensive fill and relocation of the drain field would increase the project scope threefold. Based the CFMO for SC's calculations, the assigned unit (174 EN CO/WY1EAA) is authorized 3749 SY of non-org parking surfaced. (119 PAX x 35 SY x .90% = 3749 SY). Constructing the 3700 SY of Non-Organizational Parking Lot will meet the needs of the assigned unit.

Facility Characteristics: The Wellford Readiness Center and associated parking were constructed in 1978 (44 years old). The facility houses 174 Engineer Company staff. There are 119 soldiers assigned to the facility.

Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance $3.5 million at June 24, 2022) and Appropriated State (uncommitted balance $1.25 million at June 24, 2022) Revenue to the National Guard Bureau Fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $782,845 (internal) funded by National Guard Bureau and Appropriated State Funds.

7. Project: Office of the Adjutant General
E24.9832: Heavy Duty Asphalt Construction

Request: Establish Phase II Full Construction Budget to demolish, excavate, and install compacted gravel and heavy-duty asphalt in the approach area to the shop building and the access road to the shop.

Included in CPIP: Yes – 2022 CPIP Priority 14 of 24 in FY23 (estimated at $335,970)
Phase I Approval: October 2021 (estimated at $318,611) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 61-70

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	4,870		4,870	331,100	335,970
All Sources	4,870		4,870	331,100	335,970

Summary of Work: This project will demolish, excavate, and install approximately 1,485 square yard of compacted gravel and heavy-duty asphalt in the approach area to the shop building and the access road to the shop. The replacement with heavy-duty asphalt will improve site drainage and provide an access road and pad that will hold-up to the weight of large military vehicles that are repaired and maintained at the shop.

Rationale: The asphalt paving is original to the construction of the field maintenance shop. Over the years and due to heavy vehicle usage, the existing asphalt has deteriorated, is causing drainage issues, and needs replacement.

Facility Characteristics: The proposed area for demolition and placement of new heavy-duty asphalt is approximately 1,485 square yards and the existing access area and road was constructed in 1965 (57 years old). The Rock Hill FMS 5 is a field maintenance facility that provides maintenance and repair services to SCANG military vehicles for facilities and units located in the Rock Hill area of South Carolina. There are 11 full time soldiers assigned to the facility.

Financial Impact: The project will be funded from Federal, National Guard Bureau Funds (uncommitted balance $3.5 million at June 24, 2022). Revenue to the fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $335,970 (internal) funded by National Guard Bureau Funds. Contract execution is expected in October 2022 and completion of construction in March 2023.

8. Project: Office of the Adjutant General
E24.9836: Army Combat Fitness Test Training Facility (McCrady Training Center)

Request: Establish Phase II Full Budget to construct an artificial turf surface on a concrete sub-base for training of soldiers.

Included in CPIP: Yes – 2022 CPIP Priority 15 of 24 in FY23 (estimated at $479,471)
Phase I Approval: January 2022 (estimated at $665,000) (JBRC)
CHE Approval: N/A
Support Details: Pages 71-80

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	12,500		12,500	466,971	479,471
All Sources	12,500		12,500	466,971	479,471

Summary of Work: The new training facility (artificial turf athletic field), is to be located at McCrady Training Center in Eastover, as a majority of soldiers conduct their annual training at this location. This facility will provide a fixed location, accessible to all units for training purposes and to complete their annual testing.

Rationale: The US Army is in the process of implementing new fitness requirements, as defined by the Army Combat Fitness Test.

Facility Characteristics: The field will be 40 x 40 meters in size, which is approximately 18,000 square feet. National Guard Bureau soldiers going through classes at the 218th Regional Training Institute and soldiers completing yearly annual training at McCrady Training Center will utilize this facility. The SC Army National Guard maintains an annual strength of approximately 80,000 soldiers.

Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance $3.5 million at June 24, 2022). Revenue to the fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in an increase of $1,000 (years 1 thru 3), in annual operating expenses.

Full Project Estimate: $479,471 (internal) funded by National Guard Bureau Funds. Contract execution is expected in October 2022 and completion of construction in April 2023.

9. Project: Office of the Adjutant General
E24.9797: Runway Improvements

Request: Change Project Name, Revise Scope and increase Phase II Full Construction Budget to begin the design of part 2 and part 3 of the remaining runway.

Included in CPIP: Yes – 2022 CPIP Priority 12 of 24 in FY23 (estimated at $4,556,987)
Phase I Approval: January 2017 (estimated at $214,000) (JBRC Staff)
Phase II Approval: August 2017 (estimated at $214,000) (JBRC Staff)
Phase II Increase Approval: July 2019 (estimated at $485,630) (JBRC)
Phase II Increase Approval: August 2021 (estimated at $671,288) (JBRC)
Phase II Increase Approval: January 2022 (estimated at $1,581,744) (SFAA)
Phase II Increase Approval: June 2022 (estimated at $1,992,987) (SFAA)
CHE Approval: N/A
Supporting Details: Pages 81-90

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	22,916	1,970,071	1,992,987	264,000	2,256,987
All Sources	22,916	1,970,071	1,992,987	264,000	2,256,987

Summary of Work: Part 1 of the project, which included milling and asphalt paving 1,000 linear feet of the 75-foot-wide runway, has been completed. This request will begin design for Part 2 and Part 3 of the remaining runway with each part approximately 1,000 linear feet in length and 75 feet wide. Design services will also include replacement of the electrical lighting along both parts of the runway. The initial project was established and funded specifically to evaluate and repair cracks along centerline of Runway 05-23, 18-inches on both side of the centerline, in addition to repairs to a portion of the taxiway located next to the main runway utilized by the SC Air National Guard. An evaluation by the SC Air National Guard has shown significant damage from the taxiway to the main runway. The runway is approximately 3,420 linear feet long.

Rationale: The existing asphalt runway has severe cracking and minor displacement due to the original construction of the 8- inch concrete base in the 1960's and the application of overlayed asphalt in the 1980's. The cracking results in the creation of foreign objects or debris, such as rocks, gravel, broken asphalt, etc. that can severely damage aircraft engines and the rotary wing blades. These repairs are needed to reduce foreign object debris being drawn into the aircraft engines. An evaluation of Runway 05-23 indicates severe cracking of the concrete along the centerline of the runway for approximately 18-inches, on both sides. As the centerline of the runway receives most of the impact by both fixed-wing and rotary aircraft, this area of the runway needs to be repaired to prevent the dislodging of broken materials and possible damage to aircraft.

Facility Characteristics: The runway is approximately 3,420 linear feet and is over 50 years old. Over 300 aviation personnel utilize the runway.

Financial Impact:	The project will be funded from National Guard Bureau Funds (uncommitted balance $3.5 million at June 24, 2022). Revenue to the fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is not expected to result in any change in annual operating expenditures.
Full Project Estimate:	$2,256,987 (internal) funded by National Guard Bureau Funds. Contract execution for this phase of the project is expected in September 2023 and completion of construction in June 2024.

10. Project: Office of the Adjutant General
E24.9811: Training Sites TT Enlisted Barracks Replacement

Request: Increase the Phase II budget for this annualized project to cover the design and estimated construction of a 32-man barracks (#3511), at McCrady Training Site.

Included in CPIP: Yes – 2022 CPIP Priority 7 of 24 in FY22 (estimated at $6,843,732)
Phase I Approval: May 2018 (estimated at $1,404,000) (SFAA)
Phase II Approval: March 2019 (estimated at $1,414,416) (SFAA)
Phase II Increase Approval: June 2020 (estimated at $2,077,624) (SFAA)
Phase II Increase Approval: January 2022 (estimated at $2,500,732) (SFAA)
CHE Approval: N/A
Supporting Details: Pages 91-116

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	88,000	2,412,732	2,500,732	1,400,000	3,900,732
All Sources	88,000	2,412,732	2,500,732	1,400,000	3,900,732

Summary of Work: This annualized project will demolish existing WWII Era barracks and construct replacement Transient Training Enlisted, (TT ENL) Barracks at two Army National Guard Training Sites; McCrady Training Center (MTC) and Clarks Hill Training Site (CHTS). At this time the construction phase of this project will be annualized with one barrack from McCrady Training Center (#3511), and one barrack from Clarks Hill Training Site (#4422) being demolished and replaced, on alternating years. The Clarks Hill Training Site will include five (5) new 16-man barracks, and the McCrady Training site will include five (5) new 32-man barracks. Each barracks building will be of permanent construction with a finished interior, including mechanical, electrical, and plumbing, (MEP) systems, a latrine with showers, urinals, toilets, sinks and washer/dryer connections. A slopped roof system is proposed for the barracks design, as the attic area will be utilized to house the air handler and duct work associated with HVAC system. A standing seam metal roof system will be installed as it follows the design standard of the SC Army National Guard utilized in the construction of new barracks. This project has been submitted to the Office of State Engineer for review, and they have approved the design selection of the standing seam metal roof. The roof will come with a minimum 20-year material and workmanship warranty. Installation of utilities and the extensions of utilities to the nearest service lines are also included. The Clarks Hill barrack (#4422) has been designed and bids have also been received. This request will cover the construction of Clarks Hill Training Site (#4422). Additionally, $400K is being added to the project to cover increased costs due to inflation to complete the construction of the McCrady Training Site barrack (#3511).

Rationale: The barracks to be replaced are no longer sufficient for the housing of soldiers; the structures are not insulated properly; the roofs are cost prohibitive to repair; no latrine; single pane windows; and old/energy inefficient light fixtures. Due to their age and condition, the existing barracks no longer support the SCARNG's mission and need to be replaced to current codes and standards.

Facility Characteristics:	Each of the five (5) new 32-man barracks buildings at McCrady Training Center will be approximately 2,400 to 4,600 square feet. Each of the five (5) new 16-man barracks buildings at Clarks Hill Training Site will be approximately 2,400 square feet. Approximately 300 Army National Guard soldiers use these facilities.
Financial Impact:	The project will be funded from National Guard Bureau Funds (uncommitted balance \$3.5 million at June 24, 2022). Revenue to this fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in a decrease of \$7,000 (years 1 thru 3) in annual operating expenses.
Full Project Estimate:	\$3,900,732 (internal) funded by National Guard Bureau Funds. Construction completion is anticipated in September 2022 for McCrady Training Site (#3511). Contract execution is expected in September 2022 with construction completion in May 2023 for Clarks Hill Training Site (#4422). The total estimated cost to construct the five (5) 16-man barracks and the five (5) 32-man barracks is \$13,943,732.
Other:	The current McCrady Training Center includes five (5) buildings that total 14,805 square feet and the current Clarks Hill Training Site includes five (5) buildings that total is 3,840 square feet.

11. Project: Office of the Adjutant General
E24.9826: Statewide Readiness Center Stand-By Emergency Generators

Request: Increase Phase II Full Construction Budget to design and install a previously purchased generator for the Anderson Readiness Center.

Included in CPIP: Yes – 2022 CPIP Priority 10 of 24 in FY23 (estimated at $790,700)
Phase I Approval: October 2020 (estimated at $443,840) (JBRC)
Phase II Approval: May 2021 (estimated at $376,844) (JBRC)
Phase II Increase Approval: April 2022 (estimated at $457,600) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 117-124

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating	1,664	112,736	114,400	41,637	156,037
Federal, National Guard Bureau	4,994	338,206	343,200	124,913	468,113
All Sources	6,658	450,942	457,600	166,550	624,150

Summary of Work: The project was established to construct and install stand-by generators with automatic transfer switches at the Georgetown, Marion, Mullins, Orangeburg, Walterboro, and Dillion Readiness Centers. The work at each readiness center includes the generator, concrete pad, etc. This increase will cover the development of design drawings for installation of a previously purchased generator and automatic transfer switch for the Anderson Readiness Center. Purchase orders and contracts were issued in early May for both the Georgetown and Mullins locations for design and construction. To date, the below-grade conduit and concrete pads for the generators have been installed. In late May the contractor advised that the lead time on the generators was approximately 6 - 9 months.

Rationale: The construction of the stand-by generators ensure continuous operations for the assigned units in the event commercial power is interrupted due to attacks on the power grid or during natural disasters. This project will contribute to energy security for the SC Army National Guard.

Facility Characteristics: The Anderson Readiness Center is 83,093 square feet and was constructed in 2001 (21 years old). This readiness center supports approximately 342 soldiers for unit HHB 2-263 ADA BN. The Georgetown Readiness Center is 23,924 square feet and was constructed in 1982 (40 years old). The Mullins Readiness Center is 29,520 square feet and was constructed in 1987 (34 years old). The Georgetown and Mullins Readiness Centers house approximately 15 full time staff members that provide support for over 220 soldiers. The Georgetown Readiness Center supports HHB 1-178th FA, and Mullins Readiness Center supports Company C 1-118th INF.

Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance $1.25 million at June 24, 2022) and Federal National Guard Bureau Funds (uncommitted balance $3.5 million at June 24, 2022). Revenue to the fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in an increase of $500 (years 1 thru 3) in annual operating expenses.

Full Project Estimate: $624,150 (internal) funded by Appropriated State and National Guard Bureau Funds for this phase of the project. The total estimated cost to complete all 6 readiness centers is $3,036,360. However, these amounts and details are subject to change. Construction completion for the Mullins and Georgetown Readiness Centers is expected in January 2023. Contract execution is expected in March 2023 with construction completion in October 2023 for the Anderson Readiness Center.

12. Project: Office of the Adjutant General
E24.9830: Bachelors Officer Quarter's Showers (Buildings 3850, 3852, 3870, 3872)

Request: Increase Phase II Full Construction Budget to cover increased costs to renovate existing showers at McCrady Training Site.

Included in CPIP: Yes – 2022 CPIP Priority 32 of 24 in FY23 (estimated at $899,409)
Phase I Approval: January 2021 (estimated at $319,649) (JBRC)
Phase II Approval: September 2021 (estimated at $191,655) (JBRC Staff)
CHE Approval: N/A
Supporting Details: Pages 125-134

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	9,592	182,063	191,655	707,755	899,409
All Sources	9,592	182,063	191,655	707,755	899,409

Summary of Work: The scope of work includes the demolition of existing walls, waste lines, and existing bathroom fixtures and the installation of new walls, supply lines, drain lines, shower, toilet, fixtures and tile flooring along with any necessary electrical work. Originally, the project included shower upgrades in one of the buildings, but the additional funds will allow for shower upgrades in all four buildings.

Rationale: The existing fixtures and finishes are failing and require replacement. These updates will bring the bathroom areas into ADA and code compliance. These facilities are over 30 years old and have not received any renovations to the building interiors, since construction.

Facility Characteristics: There are four buildings (3850, 3852, 3870 and 3872), each 4,267 square feet, and with 350 square foot bathrooms, that were all constructed in 1990 (32 years old). These four buildings serve as the Bachelor Officers Quarters for approximately 150 soldiers each month.

Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance $.5 million at June 24, 2022). Revenue to the fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in a decrease of $400 (year 1), and $350 (years 2 and 3) in annual operating expenses.

Full Project Estimate: $899,409 (internal) funded by National Guard Bureau Funds. Contract execution is expected in October 2022 with construction completion in May 2023.

Other: The SCARNG Command Staff has decided to shift priorities to the field units and training areas to better assist with troop care and increase morale throughout all state-wide units. Due this Command Staff decision, renovations to Buildings 3850, 3852, 3870, 3872 have been identified as an area of improvement to an existing structure that will meet this priority.

13. Project: Vocational Rehabilitation Department
H73.9620: Beaufort VR Center Reroofing

Request: Establish Phase I Pre-Design Budget to re-roof the Beaufort VR Center building.

Included in CPIP: Yes – 2021 CPIP Priority 5 of 6 in FY22 (estimated at $569,000)
CHE Approval: N/A
Supporting Details: Pages 135-144

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY17 Capital Reserve (43)				15,000	15,000
All Sources				15,000	15,000

Summary of Work: The project will remove and replace the approximately 25,200 square foot of existing built-up roof and then apply a new roofing system. The project may require removal and disposal of asbestos containing roofing and flashing materials. The new roof will come with a 20-year material and workmanship warranty.

Rationale: The existing roof is a ten-year roof system and past its life expectancy. Numerous leaks have been repaired to the roof; however, the size of the leaks and frequency of the leaks are increasing.

Facility Characteristics: The Vocational Rehabilitation Center was constructed in 1988 (34 years old) and includes a 25,200 square foot roof that is original to the building. The facility is utilized by 20 staff and 20 to 25 consumers.

Financial Impact: This request will be funded from FY17 Capital Reserve Funds (uncommitted balance $103,000 at June 27, 2022). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $569,000 (internal) funded by $103,000 in FY17 Capital Reserve, $377,800 in FY22 Grant, and $88,200 in Deferred Maintenance Reserve Funds.

Other: The Phase I amount exceeds 1.5% of the internal estimated cost of the project because of extensive field work to include: measurements and assessments of existing conditions of HVAC mechanical unit curbs, flashings, roof drains, fascia and soffits. Existing material testing is also required to test the roofing systems and flashings for asbestos. The field work and material testing will help determine the estimated construction cost.

14. Project: Vocational Rehabilitation Department
H73.9621: Greenwood VR Center Reroofing

Request: Establish Phase I Pre-Design Budget to re-roof the Greenwood VR Center building.

Included in CPIP: Yes – 2021 CPIP Priority 4 of 6 in FY22 (estimated at $599,000)
CHE Approval: N/A
Supporting Details: Pages 145-154

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY17 Capital Reserve (44)				15,000	15,000
All Sources				15,000	15,000

Summary of Work: The project will remove and replace the approximately 26,700 square foot of existing built-up roof and then apply a new roofing system. The project may require removal and disposal of asbestos containing roofing and flashing materials. The new roof will come with a 20-year material and workmanship warranty.

Rationale: The existing roof is a ten-year roof system and past its life expectancy. Numerous leaks have been repaired to the roof; however, the size of the leaks and frequency of the leaks are increasing.

Facility Characteristics: The Vocational Rehabilitation Center was constructed in 1984 (38 years old) and includes a 26,700 square foot roof that is original to the building. The facility is utilized by 28 staff and 20 to 25 consumers.

Financial Impact: This request will be funded from FY17 Capital Reserve Funds (uncommitted balance $108,000 at June 27, 2022). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $599,000 (internal) funded by FY17 Capital Reserve, $108,000 in FY17 Capital Reserve, $397,550 in FY22 Grant, and $93,450 in Deferred Maintenance Reserve Funds.

Other: The Phase I amount exceeds 1.5% of the internal estimated cost of the project because of extensive field work to include: measurements and assessments of existing conditions of HVAC mechanical unit curbs, flashings, roof drains, fascia and soffits. Existing material testing is also required to test the roofing systems and flashings for asbestos. The field work and material testing will help determine the estimated construction cost.

15. Project: Vocational Rehabilitation Department
H73.9622: Camden VR Center Reroofing

Request: Establish Phase I Pre-Design Budget to re-roof the Camden VR Center building.

Included in CPIP: Yes – 2021 CPIP Priority 2 of 6 in FY22 (estimated at $460,000)
CHE Approval: N/A
Supporting Details: Pages 155-164

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Proviso (118.16 (46) (b)				3,195	3,195
Federal, Vocational Rehabilitation Services Grant				11,805	11,805
All Sources				15,000	15,000

Summary of Work: The project will remove and replace the approximately 19,800 square foot of existing built-up roof and then apply a new roofing system. The project may require removal and disposal of asbestos containing roofing and flashing materials. The new roof will come with a 20-year material and workmanship warranty.

Rationale: The existing roof is a ten-year roof system and past its life expectancy. Numerous leaks have been repaired to the roof; however, the size of the leaks and frequency of the leaks are increasing.

Facility Characteristics: The Vocational Rehabilitation Center was constructed in 1990 (32 years old) and includes a 19,800 square foot roof that is original to the building. The facility is utilized by 19 staff and 15 to 20 consumers.

Financial Impact: The project will be funded from FY20 Appropriated State Funds (uncommitted balance $97,980 at June 27, 2022) and Vocational Rehabilitation Services Grant Funds (uncommitted balance $58.58 million at June 27, 2022). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $460,000 (internal) funded by FY20 Appropriated State, and Vocational Rehabilitation Services Grant Funds.

Other: The Phase I amount exceeds 1.5% of the internal estimated cost of the project because of extensive field work to include: measurements and assessments of existing conditions of HVAC mechanical unit curbs, flashings, roof drains, fascia and soffits. Existing material testing is also required to test the roofing systems and flashings for asbestos. The field work and material testing will help determine the estimated construction cost.

16. Project: Vocational Rehabilitation Department
H73.9623: Orangeburg VR Center Reroofing

Request: Establish Phase I Pre-Design Budget to re-roof the Orangeburg VR Center building.

Included in CPIP: Yes – 2021 CPIP Priority 2 of 6 in FY22 (estimated at $533,000)
CHE Approval: N/A
Supporting Details: Pages 165-174

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Proviso (118.16 (46) (b)				3,195	3,195
Federal, Vocational Rehabilitation Services Grant				11,805	11,805
All Sources				15,000	15,000

Summary of Work: The project will remove and replace the approximately 23,400 square foot of existing built-up roof and then apply a new roofing system. The project may require removal and disposal of asbestos containing roofing and flashing materials. The new roof will come with a 20-year material and workmanship warranty.

Rationale: The existing roof is a ten-year roof system and past its life expectancy. Numerous leaks have been repaired to the roof; however, the size of the leaks and frequency of the leaks are increasing.

Facility Characteristics: The Vocational Rehabilitation Center was constructed in 1975 (47 years old) and includes a 23,400 square foot roof that was installed in 1987 (35 years old). The facility is utilized by 25 staff and 20 to 25 consumers.

Financial Impact: The project will be funded from FY20 Appropriated State Funds (uncommitted balance $113,529 at June 27, 2022) and Vocational Rehabilitation Services Grant Funds (uncommitted balance $58.58 million at June 27, 2022). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $533,000 (internal) funded by FY20 Appropriated State and Vocational Rehabilitation Services Grant Funds.

Other: The Phase I amount exceeds 1.5% of the internal estimated cost of the project because of extensive field work to include: measurements and assessments of existing conditions of HVAC mechanical unit curbs, flashings, roof drains, fascia and soffits. Existing material testing is also required to test the roofing systems and flashings for asbestos. The field work and material testing will help determine the estimated construction cost.

17. Project: Department of Mental Health
J12.9830: CFSH Psychiatric Residential Treatment Facility Building Construction

Request: Establish Phase I Pre-Design Budget to construct a new Psychiatric Residential Treatment Facility on the Crafts Farrow State Hospital Campus

Included in CPIP: Yes – 2022 CPIP Priority 16 of 45 in FY23 (estimated at $19,275,000)
CHE Approval: N/A
Supporting Details: Pages 175-184

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance				289,125	289,125
All Sources				289,125	289,125

Summary of Work: The project will construct an approximately 50,000 square foot 32+ bed facility. The building shall include up to 32 bedrooms with attached bathrooms, communal living space, classrooms, food prep and dining, treatment rooms, inside and outside activity areas, laundry, staff office space, lobby, security, storage and mechanical and electrical space.

Rationale: The new building will be primarily designed to safely and securely house juveniles committed to DJJ who have been determined to have a mental illness requiring transfer to the Department of Mental Health for treatment, and whose needs require a period of treatment in a psychiatric residential treatment facility, but whose needs cannot be met in an available private facility.

Facility Characteristics: The new facility will be approximately 50,000 square feet and located on the Crafts Farrow State Hospital Campus. The facility will house up to 40 mental health patients and 150 staff.

Financial Impact: This request will be funded from Capital Improvement & Maintenance Funds (uncommitted balance $15.2 million at April 25, 2022). Revenue to the Capital Improvement & Maintenance Fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in an increase of $2,940,000 (year 1), $5,880,000 (year 2), and $6,056,400 (year 3), in annual operating expenses.

Full Project Estimate: $19,275,000 (internal) funded by Capital Improvement & Maintenance Funds and FY23 Department of Juvenile Justice Appropriated State (nonrecurring) Funds.

18. Project: Department of Public Safety
K05.9616: DPS Supply Warehouse HVAC Renovation

Request: Increase Phase II Full Construction Budget due to increased construction costs to replace the existing HVAC system at the Supply Warehouse on Shop Road.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 3 in FY23 (estimated at $799,815)
Phase I Approval: August 2021 (estimated at $500,000) (JBRC)
Phase II Approval: December 2021 (estimated at $500,000) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 185-194

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, DPS Building	7,500	492,500	500,000	299,815	799,815
All Sources	7,500	492,500	500,000	299,815	799,815

Summary of Work: The project will replace the existing air handlers, condensing units, ductwork and boiler systems with a new and efficient code compliant system, including associated controls, ductwork and piping.

Rationale: The building has a central dividing wall creating two equal size areas with separate HVAC systems serving each side. One side contains the DPS Supply Warehouse and Support Services offices, and the other side contains Central Evidence storage and offices for the Radio Shop and the Acert team. Major components of the aging HVAC system are original to the building and have had multiple failures. Boilers and air handling units are in non-code compliant mezzanine areas. Per the agency, the existing ductwork has fiberglass lining, which could create an air quality issue. Although the HVAC components have been well maintained, repairs are difficult and costly.

Facility Characteristics: The building was constructed in 1988 (34 years old). The majority of the HVAC piping and ductwork is original to the building, as well as two of the air handling units. The remainder of the system varies in age from 7 to 21 years old. The building houses approximately 70 DPS Support Services, Central Evidence, ACERT and Radio Technician employees.

Financial Impact: The project will be funded from the DPS Building Fund (uncommitted balance $4.1 million at June 23, 2022). Revenue to this fund is generated by the late fee penalty on vehicle registrations. This money is collected by the Department of Motor Vehicles and transferred to DPS. The project is expected to result in a decrease of $9,870 (years 1 thru 3), in annual operating expenses.

Full Project Estimate: $799,815 (internal) funded by the DPS Building Fund. Contract execution is expected in October 2022 with construction completion in March 2023.

19. Project: SC Governor's School for Agriculture at John De La Howe
L12.9523: JDLH Residence Halls Renovation

Request: Establish Phase II Full Construction Budget to renovate six residential structures that will provide additional student/staff housing.

Included in CPIP: Yes – 2021 CPIP 3 of 5 in FY25 (estimated at $530,000)
Phase I Approval: December 2021 (estimated at $889,209) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 195-210

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State (operating)	11,498		11,498	877,711	889,209
All Sources	11,498		11,498	877,711	889,209

Summary of Work: The project will make renovations on each residential hall that include plumbing, electrical, roofing, and flooring where needed. Additionally, the interior will be painted, and keyless entry and security cameras will be installed on the exterior. The existing shingle roof will be replaced with a shingle roof. The new roof will come with a 20-year material and workmanship warranty.

Rationale: The residence halls have not been in use for more than 7 years and have deferred maintenance that needs to be addressed for the safety of housing students as well as allowing the utilization of 14,119 square feet for housing needs of students. The renovations will allow JDLH to accept additional students in the next school year.

Facility Characteristics: There are six residence halls located on the campus of the SC Governor's School for Agriculture at John De La Howe. Hessie Morrah Residence Hall is 4,784 square feet and was constructed in 1967 (55 years old). Hester Residence Hall is 4,784 square feet and was constructed in 1967 (55 years old). Charleston Residence Hall is 4,551 square feet and was constructed in 1939 (83 years old). Staff House 17 is 1,257 square feet and was constructed in 1968 (54 years old). Staff House 3 is 1,664 square feet and was constructed in 1950 (72 years old). Staff House 8 is 2,124 square feet and was constructed in 1980 (42 years old). These facilities are used for staff and student housing. Approximately 40 students/faculty will occupy the facilities during the school year. Additionally, the residence halls may be used during the summer to host agriculture camps.

Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance $2.8 million at June 21, 2022). The project is expected to result in an increase of $75,550 (years 1 thru 3), in annual operating expenses.

Full Project Estimate: $889,209 (internal) funded by Appropriated State Funds. Contract execution is expected in October 2022 with construction completion in March 2023.

20. Project: Department of Corrections
N04.9784: Statewide - Replace Fence Intrusion Detection Systems

Request: Establish Phase I Pre-Design Budget to replace the fence intrusion detection systems at five correctional institutions across the state.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 10 in FY23 (estimated at $1,022,723)
CHE Approval: N/A
Supporting Details: Pages 211-218

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward				15,340	15,340
All Sources				15,340	15,340

Summary of Work: The project will replace the fence intrusion detection systems at Lee, Evans, Perry, Kirkland, and Tyger River Correctional Institutions. The fence intrusion detection systems are used to alert the institution's security personnel of an attempted escape. Any attempt to scale or cut the perimeter fence will set off an alarm in the control room showing where the event is occurring. This allows security to respond to the exact location quickly. Per the agency, the intrusion detection systems are an integral part of the layered security inside the state's correctional institutions.

Rationale: The current fence intrusion detection systems are obsolete and spare parts are no longer available. Currently the agency is having components rebuilt as needed but as they continue to age it has become harder to find vendors who will repair these components.

Facility Characteristics: The Lee, Evans, Perry, Kirkland, and Tyger River Correctional Institutions have intrusion detection systems that were installed between 1982 (40 years old) and 1993 (29 years old) but are of the same design and manufacturer. These 5 institutions across the state house 5,406 inmates.

Financial Impact: The project will be funded from FY22 Carryforward Funds (uncommitted balance $47.96 million on June 15, 2022). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $1,022,723 (internal) funded by FY22 Carryforward Funds.

21. Project: Department of Corrections
N04.9782: Manning CI – Laundry Roof Replacement

Request: Change Source of Funds and Establish Phase II Full Construction Budget to replace the roof on the Central Laundry Building at Manning Correctional Institution.

Included in CPIP: Yes – 2022 CPIP Priority 4 of 10 in FY23 (estimated at $1,275,000)
Phase I Approval: January 2022 (estimated at $750,000) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 219-230

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward				525,000	525,000
Other, Canteen Revenue	11,250		11,250	738,750	750,000
All Sources	11,250		11,250	1,263,750	1,275,000

Summary of Work: The project scope will replace the three-ply built-up roofing system on the laundry building with a thermoplastic roofing membrane (PVC & TPO) system. The new roof will come with a minimum 20-year material and workmanship warranty.

Rationale: This roof has met its life expectancy and is in poor condition.

Facility Characteristics: The laundry building is 27,250 square feet and was constructed in 1961 (61 years old). The laundry building roof was installed in 2001 (21 years old). The building houses the inmate laundry for Manning Correctional Institution which houses 266 inmates.

Financial Impact: The project will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance $47.96 million at June 15, 2022), and Canteen Funds (uncommitted balance $6.7 million at July 10, 2022). Revenue to the Canteen Fund is derived wholly from the canteen operations within the Department of Corrections on behalf of the inmate population, which may be retained and expended by the department for the continuation of the operation of said canteens and the welfare of the inmate population or, at the discretion of the Director, used to supplement costs of operations. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $1,275,000 (internal) funded by FY22 Carryforward and Canteen Revenue Funds. Contract execution is expected in December 2022 with construction completion in June 2025.

22. Project: Department of Corrections
N04.9783: Wateree CI – Replace Maintenance Building

Request: Establish Phase II Full Construction Budget to replace the maintenance building at Wateree Correctional Institution.

Included in CPIP: Yes – 2022 CPIP Priority 3 of 10 in FY23 (estimated at $1,750,093)
Phase I Approval: January 2022 (estimated at $970,000) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 231-240

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY21 Carryforward	14,550		14,550		14,550
Appropriated State, FY22 Carryforward				1,735,543	1,735,543
All Sources	14,550		14,550	1,735,543	1,750,093

Summary of Work: The project scope will construct a 40-foot by 80-foot pre-engineered metal building to replace the existing maintenance building.

Rationale: The existing maintenance building has extensive disintegration of the wood trusses which is causing the weight of the roof to shift to interior walls not designed to be load bearing.

Facility Characteristics: The existing maintenance building is a 30-foot by 90-foot block building with wood framed interior walls and wood trusses and was constructed in approximately 1941 (81 years old). The building was originally a dorm for correctional officers and was repurposed into a maintenance shop. The new maintenance building will be a 40-foot by 80-foot, 3,200 square foot pre-engineered metal building. The building will house the maintenance staff, tools, and maintenance supplies for the institution. The maintenance building supports the institution which currently houses 396 inmates.

Financial Impact: This request will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance $47.96 million at June 15, 2022). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $1,750,093 (internal) funded by FY21 & FY22 Carryforward Funds. Contract execution is expected in January 2023 with construction completion in August 2025.

23. Project: Department of Corrections
N04.9768: Kirkland CI – Remodel Storage Space into Housing Unit

Request: Revise Scope and Increase Phase II Full Construction Budget to add a new roofing system for the entire building and to demolish and backfill a loading dock, as well as to cover increased construction costs to remodel a portion of the building "D" at Kirkland CI to a Housing Unit.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 10 in FY23 (estimated at $5,398,070)
Phase I Approval: June 2020 (estimated at $1,000,000) (SFAA)
Phase II Approval: September 2021 (estimated at $1,500,000) (SFAA)
CHE Approval: N/A
Supporting Details: Pages 241-250

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY21 Carryforward		500,000	500,000		500,000
Appropriated State, FY22 Carryforward				3,898,070	3,878,070
Other, Canteen	15,000	985,000	1,000,000		1,000,000
All Sources	15,000		1,500,000	3,898,070	5,398,070

Summary of Work: This project will now include the removal of the existing three-ply built-up roofing system and replace with a single ply PVC roofing system. The new roof will come with a minimum 20-year material and workmanship warranty. Also, a loading dock will be demolished and back filled. The project was established to convert approximately 10,446 square feet, which is the portion of the building used for storage space, into a Housing Unit. Portions of this building were remodeled into a housing unit in 2000. Currently Kirkland CI houses R&E, the State's MSU and special needs inmates which puts bed space at a premium.

Rationale: The Housing Unit will provide space for Kirkland CI's inmate cadre to be moved from the Special Needs Unit to a separate unit freeing up bed space for additional special needs inmates.

Facility Characteristics: The "D" Building is 51,700 square feet and was constructed in 1973 (49 years old). The 10,446 square feet of remodeled space will house 100 inmates and 1 staff.

Financial Impact: This request will be funded from FY22 Carryforward Funds (uncommitted balance $47.96 million at June 15, 2022). The project is expected to result in an increase of $25,302 (years 1 thru 3), in annual operating expenses.

Full Project Estimate: $5,398,070 (internal) funded by FY21 & FY22 Carryforward, and Canteen Funds. Contract execution is expected in December 2022 with construction completion in December 2024.

24. Project: Department of Corrections
N04.9772: Broad River Complex – Add Security Fence

Request: Revise Scope and Increase Phase II Full Construction Budget to allow for the addition of a turnaround lane.

Included in CPIP: Yes – 2022 CPIP Priority 2 of 10 in FY23 (estimated at $1,000,000)
Phase I Approval: March 2021 (estimated at $737,000) (JBRC)
Phase II Approval: June 2021 (estimated at $737,000) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 251-258

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Carryforward	11,055	725,945	737,000		737,000
Appropriated State, FY22 Carryforward				263,000	263,000
All Sources	11,055	725,945	737,000	263,000	1,000,000

Summary of Work: The project was established to add security fencing to the front of the SCDC's Broad River Complex. The fence will be an ornamental steel fence approximately 2,150 linear feet long with 4 vehicle gates and one keypad protected pedestrian gate. This request will allow for the addition of a turnaround lane for when the main gates on Bert Friday Road are closed to allow cars to be redirected without the need to back-up, additional cameras to monitor the gates to allow remote screening and cover the increases in construct costs for labor and material.

Rationale: The fence will prevent unauthorized access to all SCDC's facilities within the Broad River Complex from the Broad River Road area. The new fence will prevent individuals from walking up to the Headquarters building without first having passed through a security screening and also allow the gate house to close access on Bert Friday Road in the event of an emergency.

Facility Characteristics: The Broad River Complex includes 4 correctional institutions and all of the South Carolina Department of Corrections support buildings. The front gate averages approximately 1,700 SCDC staff plus 189 Well Path Staff per day. This number does not include visitors for inmate visitation. Due to COVID visitation has been curtailed but will be resumed as soon as circumstances allow. Recruiting has 32 staff that will pass through a different gate included in this project.

Financial Impact: This request will be funded from FY22 Carryforward Funds (uncommitted balance $47.96 million at June 15, 2022). The project is expected to result in an increase of $600 (years 1 thru 3) in annual operating expenses.

Full Project Estimate: $1,000,000 (internal) funded by FY20 & FY22 Carryforward Funds. Construction completion is anticipated in December 2024.

25. Project: Department of Juvenile Justice
N12.9616: Birchwood High School HVAC Replacement.

Request: Change Source of Funds and Establish Phase II Full Construction Budget to replace HVAC units at Birchwood High School.

Included in CPIP: Yes – 2021 CPIP Priority 4 of 9 in FY22 (estimated at $460,000)
Phase I Approval: March 2022 (estimated at $472,876) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 259-298

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, ESSER II	7,094		7,094	453,029	460,123
Other, Operating Revenue				39,004	39,004
All Sources	7,094		7,094	492,033	499,127

Summary of Work: This project will replace the heating, ventilation, and air conditioner system for the Birchwood High School academic building.

Rationale: The agency currently has over 250 heating and air conditioning units that operate on R22 freon. R22 freon ceased production in 2020.

Facility Characteristics: Birchwood High School is approximately 20,836 square feet and was constructed in 1985 (37 years old). The Birchwood campus is currently used by the Division of Education & Workforce Development. This division is responsible for the education of the youth and the campus is used as a high school. The school is utilized by approximately 40 staff that include teachers, social workers, and security officers, and serves approximately 71 students/youth.

Financial Impact: The project will be funded from Elementary and Secondary School Emergency Relief (ESSER) Funds (uncommitted balance $460,123 at May 23, 2022) and Operating Revenue Funds (uncommitted balance $610,921 at May 23, 2022). Revenue to the ESSER fund is received from the American Rescue Plan Act that was signed into law. These funds are provided to state educational agencies and school districts to help safely reopen and sustain the safe operation of schools and address the impact of the coronavirus pandemic on the nation’s students. Revenue to the Operating Revenue fund is received from bounced checks, recycled goods reimbursement, redirected child support payments, tax refund credits, Proviso 67.5 reimbursement of prior year expenditures, and misc. revenue. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $499,127 (internal) funded by ESSER II and Operating Revenue Funds. Contract execution is expected in September 2022 with construction completion in March 2023.

26. Project: Department of Natural Resources
P24.6050: Horry – Waccamaw River HP Land Acquisition (Willowbend)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of approximately 350 acres of land in Horry County.

Included in CPIP: Yes – 2022 CPIP Priority 15 of 46 in FY23 (estimated at $930,000)
CHE Approval: N/A
Supporting Details: Pages 299-314

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Heritage Land Trust				20,000	20,000
All Sources				20,000	20,000

Rationale: The acquisition of the property will protect additional habitat beside DNR's Waccamaw River Heritage Preserve/Wildlife Management Area and connect two DNR parcels on the south side of the river. If it is acquired, the property will be managed as part of the Waccamaw River Heritage Preserve/WMA. It will be open for outdoor recreational activities.

Characteristics: The property is located on the east side of SC Highway 9 adjoining the Waccamaw River in the Longs Community and adjoins DNR land on the east and west sides. Most of the tract contains bottomland hardwood with areas of mixed upland pine. The property provides habitat for bear, deer, turkey, small game, wading birds, amphibians, and waterfowl. Three oxbow lakes are found on the property, along with large cypress trees that provide roosting for bats and nesting sites for wood ducks.

Financial Impact: The property is offered by Willowbend, LLC of Myrtle Beach, SC for $910,000. The due diligence activities will be funded from Heritage Land Trust Funds (uncommitted balance $30.48 million at June 20, 2022). Revenue to this fund is authorized by SC Code 51-17-115 and provides for the department to use Heritage Land Trust Funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. The project is expected to result in an increase of $75,000 (year 1), $50,000 (year 2) and $25,000 (year 3), in annual operating expenses.

Full Project Estimate: $930,000 (internal) funded by Heritage Land Trust Funds.

27. Project: Department of Natural Resources
P24.6060: Jasper-Slater Sandhills Heritage Preserve/WMA Land Acquisition (OSI)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of approximately 3,507 acres of land in Jasper County.

Included in CPIP: Yes – 2022 CPIP Priority 16 of 46 in FY23 (estimated at $19,020,000)
CHE Approval: N/A
Supporting Details: Pages 315-332

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, Forest Legacy Grant				20,000	20,000
All Sources				20,000	20,000

Rationale: The property has been identified as the highest priority for protection of aquatic species and drinking water in the Port Royal Watershed. Acquisition of the site will provide opportunities for bobwhite quail restoration, recruitment of red-cockaded woodpeckers and expansion of current gopher tortoise population. If it is acquired, the property will be established as a Heritage Preserve and placed into the Wildlife Management Area program. It will be open for outdoor recreational activities.

Characteristics: The property is located approximately 8 miles north of Ridgeland, west of Interstate 95. It adjoins the south side of the Tullifinny River, and the Coosawhatchie River bisects the tract. The property contains 5 miles of river frontage, 11 miles of tributaries and 8 isolated wetlands. It's comprised of forested uplands, bottomland hardwoods, fields, open areas, and an internal road system. A hunting lodge, two pole sheds and a small storage shed are also located on the property. Approximately 68 priority plant and animal species are known or expected on the site, including two that are federally endangered, one that is federally threatened, and three that are federally at-risk species.

Financial Impact: The property is offered by Open Space Institute Land Trust, Inc. of New York, NY for $19,000,000. The due diligence activities will be funded from US Forest Service Forest Legacy Administrative Grant Funds (uncommitted balance $27.1 million at June 20, 2022). Revenue to this fund is authorized by the Cooperative Forestry Assistance Act of 1978 as amended by the 1990 Farm Bill Section 1217 of Title XII of the Food, Agriculture, Conservation and Trade Act of 1990. The purpose of the program is to protect environmentally important forest areas that are threatened by conversion to non-forest uses. Participating states may apply for and receive federal administrative grant funds to carry out the Forest Legacy Program in the state, including real estate transaction costs incurred by or at the request of the state. The project is expected to result in an increase of $250,000 (year 1), $200,000 (year 2) and $100,000 (year 3), in annual operating expenses.

Full Project Estimate: $19,020,000 (internal) funded by US Forest Service Forest Legacy Administrative Grant, Heritage Land Trust, SC Conservation Bank Grant, Fish & Wildlife Protection (Timber), Fish & Wildlife Protection (Deer License Revenue), and The Nature Conservancy Funds.

28. Project: Department of Natural Resources
P24.6039: Edgefield-Horse Creek Heritage Preserve Land Acquisition (Neely)

Request: Establish Final Land Acquisition to purchase 86.71 acres of land in Edgefield County.

Included in CPIP: Yes – 2022 CPIP Priority 7 of 46 in FY23 (estimated at $420,000)
Phase I Approval: June 2021 (estimated at $453,550) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 333-350

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Heritage Land Trust	20,000		20,000	400,000	420,000
All Sources	20,000		20,000	400,000	420,000

Rationale: The tract would afford protection to approximately 700 feet of Horse Creek on nearly 900 feet of another stream. Acquisition will also provide additional protection to the historically significant alkaline glaze stoneware Baynam Site(38ED0221) as well as other cultural and natural resource on the adjoining HP. After the property is acquired, it will be dedicated as a heritage preserve, placed into the corpus of the SC Heritage Trust, and managed as part of Horse Creek HP. It will be open to the public for outdoor recreational and educational activities.

Characteristics: The property is approximately 86.71 acres of land in southeastern Edgefield County, approximately 2.5 miles southeast of Trenton. The northern side of the tract adjoins Horse Creek Heritage Preserve. The site consists of pine and hardwood areas that provide habitat for deer, turkey, and small game species. No structures are located on the land.

Financial Impact: The property is offered by Michael and Rebecca Neely of Frenchtown, Montana for $400,000. The acquisition will be funded from Heritage Land Trust Funds (uncommitted balance $30.48 million at June 20, 2022). Revenue to this fund is authorized by SC Code 51-17-115 and provides for the department to use Heritage Land Trust Funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. The project is expected to result in an increase of $4,000 (year 1), and $1,000 (years 2 and 3), in annual operating expenses. An appraisal was completed in August 2021 and valued the property at $460,000. A Phase I Environmental Site Assessment was completed in December 2021 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment is not required since no buildings are located on the property. Letters of support have been received from the County of Edgefield and The School District of Edgefield County, authorizing the property to be removed from the tax rolls.

29. Project: Department of Natural Resources
P24.6056: Lexington - Congaree Creek Heritage Preserve Land Acquisition (OSI-Taylor Tract)

Request: Establish Final Land Acquisition to purchase 126.9 acres of land in eastern Lexington County.

Included in CPIP: Yes – 2021 CPIP Priority 2 of 11 in FY24 (estimated at $7,020,000)
Phase I Approval: April 2022 (estimated at $3,520,000) (SFAA)
CHE Approval: N/A
Supporting Details: Pages 351-366

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Heritage Land Trust	20,000		20,000	2,425,000	2,445,000
All Sources	20,000		20,000	2,425,000	2,445,000

Rationale: The acquisition of the property will protect additional significant cultural resources adjoining SCDNR's Congaree Creek Heritage Preserve. Acquisition of this property would expand Congaree Creek Heritage Preserve from 641 acres to 767.9 acres and allow for greater public access in the form of walking trails and canoeing opportunities. After the land is acquired, it will be managed as part of the Congaree Creek Heritage Preserve.

Characteristics: The property is located on the east side of Charleston Highway (Hwy 321) between Six Mile Creek and Congaree Creek and adjoins DNR's Congaree Creek Heritage Preserve on the west and northeast sides. The land contains hardwood bottom wetlands and an upland sandhill long leaf pine ecosystem. The property also contains both prehistoric and historic period archaeological sites significant to the midlands. The unique proximity to a population center will provide the public with an opportunity to observe and participate in the archaeological work on the property.

Financial Impact: The property is offered by Open Space Institute Land Trust, Inc. of New York, NY for $2,425,000. The acquisition will be funded from Heritage Land Trust Funds (uncommitted balance $30.48 million at June 20, 2022). Revenue to this fund is authorized by SC Code 51-17-115 and provides for the department to use Heritage Land Trust Funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. The project is expected to result in an increase of $2,000 (year 1), in annual operating expenses. An appraisal was completed in June 2022 and valued the property at $3,425,000. A Phase I Environmental Site Assessment was completed in January 2022 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment is not required since no buildings are located on the property. Letters of support are also not required since the property is currently owned by a non-profit organization and is therefore not included on the tax rolls.

Full Project Estimate: $2,445,000 (internal) funded by Heritage Land Trust Funds.

30. Project: Department of Parks, Recreation & Tourism
P28.9783: Calhoun Falls Campground Utilities Upgrade

Request: Increase Phase II Construction Budget to cover increased costs of fuel and construction labor and supplies to make repairs to the aged infrastructure in the campground to include electric, water, and sewer.

Included in CPIP: Yes – 2022 CPIP Priority 29 of 29 in FY23 (estimated at $950,000)
Phase I Approval: January 2020 (estimated at $600,000) (Admin)
Phase II Approval: July 2020 (estimated at $600,000) (Admin)
CHE Approval: N/A
Supporting Details: Pages 367-374

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, FY20 Proviso 49.18 (Medal Of Honor)	9,000	591,000	600,000		600,000
Other, Park Revenue				350,000	350,000
All Sources	9,000	591,000	600,000	350,000	950,000

Summary of Work: The project was established to repair aged infrastructure in the campground to include electric, water, and sewer. This includes all electric lines replaced and upgraded to 50-amp service, new campsite pedestals for campsite renters to plug into, and the replacement of all water lines and site spigots. Some roads will be repaired as a result of the project as well.

Rationale: The project upgrades will modernize the utilities and will improve safety and reliability of the electrical service. This increase is needed due to bids received exceeding the initial budget due to increasing costs of fuel and construction labor and supplies.

Facility Characteristics: The infrastructure is aged and outdated. Currently, the campground only has 20- and 30-amp service while modern campers are now using 50-amp service. The campground receives an estimated 55,000 visitors (campers) per year.

Financial Impact: This request will be funded with Park Revenue Funds (uncommitted balance $4.4 million at June 24, 2022). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $950,000 (internal) funded by Medal Of Honor Funds and Park Revenue Funds. Contract execution is expected in September 2022 with construction completion in May 2023.

31. Project: Department of Labor, Licensing & Regulation
R36.9512: Asphalt Resurface and Parking Lot Expansion

Request: Increase Phase II Full Construction Budget to cover unforeseen repairs for paving and parking lot resurfacing to increase available parking and to repair existing asphalt lots on the state-owned property at the Monticello Road location.

Included in CPIP: Yes – 2022 CPIP Priority 3 of 3 in FY22 (estimated at $346,487)
Phase I Approval: October 2019 (estimated at $135,000) (JBRC Staff)
Phase II Approval: August 2020 (estimated at $170,972) (JBRC Staff)
Phase II Increase Approval: August 2021 (estimated at $285,400) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 375-382

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Operating	2,025	283,375	285,400	61,087	346,487
All Sources	2,025	283,375	285,400	61,087	346,487

Summary of Work: The work includes repairing 2” milling and resurfacing with 2” surface type C asphalt and sealing of the main campus parking lot which has developed cracks and has been previously resealed on multiple occasions. The project will also create an additional parking lot with 24 parking stalls for the Urban Search and Rescue Team Headquarters (Building #22). All parking lots will also be striped at the completion of the work.

Rationale: Upon milling 1.5” of existing asphalt and proof rolling these areas, 8 locations (approximately 1,037.56 square yards were identified for subsurface repair by Terracon. This requires removal of damaged base materials and replace with 4” stone and 4” of asphalt. Resurfacing is needed to the existing lot due to its condition and additional parking is needed for the classroom building (Building #22), which includes three classrooms used on a weekly basis and additional parking is needed to accommodate student vehicles.

Facility Characteristics: The parking lot to be repaired and resealed in 9,200 square yards. The additional parking lot to be created will be 1,200 square foot. Approximately 10,000 of SC’s firefighters and other first responders receive training at the Fire Academy annually. The original parking lot was constructed in 1993 (29 years old). The new parking lot expansion is currently an unimproved stone/gravel parking area.

Financial Impact: The project will be funded from Operating Funds (uncommitted balance $15.5 million at June 30, 2022). Revenue to the fund is derived primarily from the tax on fire insurers. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $346,487 (internal) funded by Operating Funds. Construction completion is anticipated in August 2022.

32. Project: Department of Employment and Workforce
R60.9535: Parking Lot Overlay - SC Works Midlands Building - Lot #2

Request: Increase Phase II Full Construction Budget to cover increased construction costs to re-pave parking lot #2 of the Midlands SC Work Center.

Included in CPIP: Yes - 2022 CPIP Priority 2 of 3 in FY2023 (estimated at $1,334,991)
Phase I Approval: March 2021 (estimated at $722,073) (JBRC)
Phase II Approval: August 2021 (estimated at $722,073) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 383-390

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Contingency Assessment	8,000	714,073	722,073	612,918	1,334,991
All Sources	8,000	714,073	722,073	612,918	1,334,991

Summary of Work: The project includes demolition, a retaining wall, sidewalk, repaving, wheel stops, pavement marking and signage, traffic control, sediment and erosion controls, and landscaping and stabilization. The asphalt pavement surfaces will be replaced with an asphalt overlay. Isolated areas exhibiting failure or extreme fatigue will be removed and replaced with full depts pavement patches. A 2” overlay of hot mix asphalt pavement will be applied following the application of pavement patch repairs. New wheel stops will be installed on all parking spaces along the parking lot borders. Upon completion of paving, the parking spaces should be remarked, providing a total of seven (7) ADA spaces.

Rationale: The increase is due to current bid market and higher material and labor costs. Cracks, potholes and pavement patches are present in multiple locations. The parking lot contains trip hazards, and it is recommended that it be completed removed and replaced.

Facility Characteristics: Parking Lot #2 included in this project is 107,000 gross square feet and is adjacent to the Midlands SC Works building which is 23,917 square feet and was constructed in 1984 (38 years old). The parking lot is utilized by Workforce & Economic Development and Unemployment Insurance staff, which include 45 full time employees that use it on a daily basis.

Financial Impact: The project will be funded from Contingency Assessment Funds (uncommitted balance $80.68 million at May 31, 2022). Revenue received is the contingency assessment portion of the tax and is accounted for in the special revenue fund which is primarily to fund the administrative costs and employment services, whereas the employment tax is used to fund unemployment compensation benefits in the proprietary fund. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $1,334,991 (internal) funded by Contingency Assessment Funds. Contract execution is expected in October 2022 with construction completion in March 2023.

33. Project: Department of Transportation
U12.9751: Anderson County Salt Shed Construction

Request: Establish Phase I Pre-Design Budget to construct a steel and fabric storage building in Anderson County.

Included in CPIP: Yes – 2021 CPIP Priority 8 of 15 in FY22 (estimated at $290,000)
CHE Approval: N/A
Supporting Details: Pages 391-400

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, State Highway				4,350	4,350
All Sources				4,350	4,350

Summary of Work: The project will construct a steel and fabric storage building for storing salt to use for application on the bridges and roads both before and during ice/snow events. The structure will have a concrete slab with wood interior push walls.

Rationale: Salt is necessary to prevent ice/snow from freezing on the roadway during inclement weather. SCDOT stores approximately three days of salt in each county.

Facility Characteristics: The current salt shed was constructed in 1941 (81 years old). The new salt shed will be 2,400 square feet and store 500 tons of salt. SCDOT Anderson Maintenance staff will utilize this salt shed for snow and ice operations.

Financial Impact: The project will be funded from Other, State Highway Funds (uncommitted balance $459.67 million at June 30, 2022). Revenue to this fund is generated from motor fuel user fee tax collections.

Full Project Estimate: $290,000 (internal) funded by State Highway Funds.

AGENCY: South Carolina Office of Adjutant General

SUBJECT: Emergency Procurement

On August 5, 2022, the South Carolina Office of Adjutant General notified Committee staff of its intent to proceed with emergency procurement on 5 federally funded permanent improvement projects, incidental to a potential loss of funding that will expire at the federal fiscal year ending September 30, 2022. Federal funding was received in June 2022, and the Office made prompt submissions for requisite state approvals to assign this funding to these 5 projects; however, the Office has considerable concerns that this funding could be imperiled by the timing of remaining state actions necessary to meet federal requirements for expenditure. The projects support among other things readiness of the South Carolina Army National Guard, safety in training, soldier life safety, and proper maintenance of critical equipment.

Agencies are guided in such situations to exercise their best judgment commensurate with the circumstances, and to promptly notify the South Carolina Department of Administration and staff of the Committee as soon as prudent and practicable following the actions taken to address them.

Committee staff acknowledged notification on August 8, 2022, and advised the Office that the Committee would be notified of the Office's action at the Committee meeting on August 23, 2022, at which time formal review of the permanent improvement projects also would be undertaken.

COMMITTEE ACTION:

Receive as information.

ATTACHMENTS:

1. Letter dated August 5, 2022, of Major General R. Van McCarty, The Adjutant General, and Lieutenant Colonel Dwight M. Hanks, Construction and Facilities Management Officer, South Carolina Office of Adjutant General.
2. Letter dated August 8, 2022, of Committee staff.

The State of South Carolina
Military Department

R. VAN MCCARTY
MAJOR GENERAL
THE ADJUTANT GENERAL

OFFICE OF THE ADJUTANT GENERAL
1 NATIONAL GUARD ROAD
COLUMBIA, S.C. 29201-4752

05 August 20022

Rick Harmon
Joint Bond Review Committee
312 Gressette Building
Columbia, South Carolina 29201

Marcia S. Adams
Executive Director
South Carolina Department of Administration
Columbia, South Carolina 29201

Dear Director Harmon and Director Adams,

The Office of the Adjutant General is requesting authorization from the Department of Administration and the Joint Bond Review Committee (JBRC) to proceed with emergency procurement on five federally funded projects due to the risk of loss of over $2.8 million dollars in federal funds at the end of the federal fiscal year 2022.

The five projects require no state fund match and are all on federal property.

1. Project #9797 McEntire runway replacement, parts 2&3 (Design only)
2. Project #9811 TT Enlisted Barracks, PHII
3. Project # 9830 BOQ Showers, PHII
4. Project # 9836 ACFT (MTC), PHII
5. CHP Lines

All are previously planned projects. Federal funding was received mid-June 2022 which allowed for the Construction and Facilities Maintenance Office to begin execution of the projects. The funding received will expire at the end of the Federal fiscal year 2022. It cannot be carried forward into Federal fiscal year 2023. Due to the timelines required for submittals, reviews, solicitation, and awarding of these projects it is necessary to begin execution as soon as possible to meet end of Federal fiscal year deadlines and mitigate the risk of South Carolina and the Office of the Adjutant General losing these federal funds.

These projects will support the readiness of the South Carolina Army National Guard with modern facilities that improve safety in training, Soldier life support, and the proper maintenance of multi-million-dollar pieces of equipment. Specifically, by constructing a new barracks, designing runway improvements, performing latrine modernization, constructing a physical fitness field, and installing new dehumidify lines supporting storage of M1A1 tanks and other equipment. These projects have been submitted to the Capital Budgeting Office for JBRC review during the 23 August 2022 meeting. Failure to execute these projects with the currently available funds will strain future projects and budgets of the South Carolina Army National Guard.

We appreciate your help in this time sensitive matter.

Dwight M Hanks
LTC, SCARNG
CFMO

R. VAN MCCARTY
Major General, SCNG
The Adjutant General

Capital Improvements
Joint Bond Review Committee

F. RICHARD HARMON, JR.
DIRECTOR OF RESEARCH
SFAA LIAISON
803-212-6682

JESSA WIGINGTON
ADMINISTRATIVE ASSISTANT
803-212-6677
FAX: 803-212-6690

August 8, 2022

Major General R. Van McCarty
The Adjutant General
1 National Guard Road
Columbia, South Carolina 29201

Dear General McCarty:

The South Carolina Office of Adjutant General has provided notice of its intent to proceed with emergency procurement on five federally funded projects, incidental to a potential loss of funding that will expire at the federal fiscal year ending September 30, 2022. These projects have been timely submitted to the Committee, the South Carolina Department of Administration, and the State Fiscal Accountability Authority for review, comment, and approval, as applicable, at the Committee meeting on August 23, 2022, and the Authority meeting on August 30, 2022. Federal funding was received by the Office in June 2022 with submissions promptly made for requisite approvals, but the Office has considerable concerns that the federal funding could be imperiled by the timing of remaining state actions necessary to meet federal requirements for expenditure. You have further stated that these projects support among other things readiness of the South Carolina Army National Guard, safety in training, soldier life safety, and proper maintenance of critical equipment.

Agencies are guided in such situations to exercise their best judgment commensurate with the circumstances, and to promptly notify the Capital Budget Office of the South Carolina Department of Administration and staff of the Committee as soon as prudent and practicable following the actions taken to address them. We hereby acknowledge notification of this emergency procurement and the Department's intent to take immediate action pursuant to this guidance. The Committee will be notified of the agency's action at its meeting on August 23, 2022, at which time formal review of the permanent improvement projects also will be undertaken.

Very truly yours,

F. Richard Harmon, Jr.
Director of Research, SFAA Liaison

c: Mrs. Marcia S. Adams
Executive Director
South Carolina Department of Administration

AGENCY: South Carolina Department of Juvenile Justice

SUBJECT: Certain Exemptions Permitted by Proviso 67.15 of the Fiscal Year 2022-23 Appropriations Act

Proviso 67.15 of the Fiscal Year 2022-23 Appropriations Act provides among other things that the South Carolina Department of Juvenile Justice is authorized to carry forward and expend general and certain other funds for agency operating and capital needs, which include physical plant maintenance and upgrades, and projects included in the agency's Fiscal Year 2021-22 Comprehensive Permanent Improvement Plan. The agency must submit a plan regarding use of the funds to among others the Chairmen of the Senate Finance and House Ways and Means Committees prior to making expenditures pursuant to this provision.

On August 5, 2022, the Department advised Committee staff that bids received in connection with Security Upgrades for its Maple, Holly, Poplar, and Cypress Units located on the Broad River Road Complex had exceeded the project budget, due in part to supply chain disruptions and other inflationary increases. By letter dated August 11, 2022, the Department further advised that these improvements are part of a comprehensive plan to make permanent improvements urgently needed to support critical life-safety measures needed for the protection of juvenile residents and employees of these facilities, and commitments made to the United States Department of Justice to address them.

The Department requested guidance from Committee staff as to the appropriateness of utilizing the accommodations made by the General Assembly pursuant to this proviso in addressing these critical needs. By letter dated August 11, 2022, Committee staff responded that the actions proposed by the Department appear to be consistent with the intent of the proviso, provided the Department complies with its notification and review requirements. Committee staff further advised that the Department's proposed use of the proviso to facilitate implementation of this and other similarly critical projects would be presented to the Committee as information at its meeting on August 23, 2022.

COMMITTEE ACTION:

Receive as information.

ATTACHMENTS:

1. Letter dated August 11, 2022, of Ms. L. Eden Hendrick, Executive Director, South Carolina Department of Juvenile Justice.
2. Letter dated August 11, 2022, of Committee staff.

L. Eden Hendrick
Executive Director

P.O. Box 21069
Columbia, SC 29221-1069
djj.sc.gov

Henry McMaster
Governor

August 11, 2022

F. Richard Harmon, Jr.
Director of Research of Joint Bond Review Committee
312 Gressette Building
Columbia, SC 29201

Dear Mr. Harmon

In July, the SCDJJ was informed that the bids received in connection with the Security Upgrades for the 4 Residential Units, Project Number: N12-9611-SG, on the Broad River Road Campus (BRRC) exceeded the project budget due to supply chain issues and inflation. Completion of this project is necessary for compliance with the Settlement Agreement entered into in April 2022 between SCDJJ and United States Department of Justice. This project is part of a comprehensive capital improvement plan to address the conditions of SCDJJ's facilities that pose an immediate threat to the health and safety of youth and staff.

BRRC is over 250 acres with approximately 47 buildings, with the majority built in the 1970's. SCDJJ also maintains over 90 acres on Shivers Road, also located off Broad River Road and 45 buildings in that location. Those buildings range in age from the early 1900's to early 2000's. Due to the natural deterioration, neglect, constant use, and damage by youth, SCDJJ's grounds and buildings need long overdue renovations. SCDJJ is constantly having to reprioritize its capital projects to meet the safety and security needs of youth and staff. Furthermore, these conditions contribute to low employee morale and difficulty in recruitment and retention, which impacts health and safety.

The General Assembly graciously adopted Budget Proviso 67.15 to allow SCDJJ the flexibility to use carry forward, general and other funds, to meet the numerous needs of the agency. SCDJJ is requesting guidance from the Joint Bond Review Committee Staff on the appropriate steps to use the funds authorized by Proviso 67.15 to cover the overages in the Security Upgrades project and to use such funds for the capital improvement projects necessary to lessen the immediate threats to health, safety and welfare of the youth and staff.

Our first request and most critical need is to increase our budget for Project Number: N12-9611-SG from the previously approved amount of $2,946,000 to $5,500,000. This would support our current and only bid received at this time in the amount of $4,757,700; this will enable us to begin this work immediately. The difference between the current bid and our budget request is to support any supply costs hurdles we may incur during the project term. We will make every effort to minimize these costs as the project progresses by applying intensive oversight with periodic reporting and executive working sessions. Being able to utilize Proviso 67.15 as mentioned above supports our ability to fund this budget increase request and accelerate our ability to begin the work on this project to make these facilities safer for our youth and staff.

Our secondary and ongoing request for the remainder of Fiscal Year 2022-2023 is to gain your support in authority to expedite all remaining capital project projects under the legislative authority of Proviso 67.15 to begin working on the projects before obtaining JBRC approval. We also plan to work SCFAA and Office of State Engineers to follow the Emergency Procurements for specific capital projects directly related to reducing the immediate threat to the health and safety of our youth and staff.

We will be finalizing our overall capital project planning documents, which will include our planning for carry forward and other funds usage by project as required by Proviso 67.15. This will be provided to the appropriate committees before August 23, 2022.

We appreciate your consideration for our budget increase request, to immediately progress on project N12-9611-SG, along with our ability to utilize Proviso 67.15 to quickly minimize the overall threat to the health and safety of youth and staff.

If you have any additional questions, please do not hesitate to contact me.

Sincerely,

L. Eden H. Hendrick

L. Eden Hendrick, Executive Director
SC Dept. of Juvenile Justice

Capital Improvements
Joint Bond Review Committee

HARVEY S. PEELER, JR.
SENATE
CHAIRMAN

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August 11, 2022

Ms. L. Eden Hendrick
Executive Director
South Carolina Department of Juvenile Justice
Post Office Box 21069
Columbia, South Carolina 29221

Dear Ms. Hendrick:

The South Carolina Department of Juvenile Justice has requested guidance as to the appropriateness of utilizing the accommodations made by the General Assembly pursuant to Proviso 67.15 of the Fiscal Year 2022-23 Appropriations Act in addressing an immediate critical need prompted by bids received in connection with an existing permanent improvement project established to undertake security upgrades for the Department's Maple, Holly, Poplar, and Cypress Units located on the Broad River Road Complex.

On August 5, 2022, the Department advised Committee staff that bids received for the project exceeded the project budget, due in part to supply chain disruptions and other inflationary increases, and seeks to re-bid the project as expediently as possible. By letter dated August 11, 2022, you have reinforced the urgency of the project, in that it addresses conditions of the Department's facilities that pose an immediate threat to the health and safety of youth and staff, and promotes compliance with the Settlement Agreement entered into in April 2022 between the Department and the United States Department of Justice.

Proviso 67.15 states that:

> Notwithstanding any provision of state law, for Fiscal Year 2022-23, the Department of Juvenile Justice is authorized to carry forward and expend for agency operating and/or capital needs any General Fund balances and any cash or fund balances from the following sources: Law Enforcement Funding; Traffic Education Program App; Juvenile Detention Services; Joint Children's Committee; Court Fines-Detention Services; Dedicated Court Fines; funds provided to the department in Fiscal Year 2021-22 for security fencing for Maple, Cypress, and Poplar and the fire alarm upgrade for the Birchwood Campus; and funds provided to the department in Fiscal Year 2019-20 for payment of overtime. For purposes of this provision, agency operating and/or capital needs includes the following items:

Ms. L. Eden Hendrick
Executive Director
South Carolina Department of Juvenile Justice
August 11, 2022
Page 2

> (1) Staffing / Personnel Funding Needs; (2) Youth Services Training and Community Programs; (3) Technology Server Management and Application Modernization; <u>(4) Physical Plant Maintenance and Upgrades; (5) Projects on Fiscal Year 2021-22 Comprehensive Permanent Improvement Plan</u>; and (6) SMI Youth Facility. The department shall submit a plan regarding the use of these funds to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the Chairman of the Corrections and Penology Committee, and the Chairman of the House Judiciary Committee. This plan shall be submitted for review before the expenditure of any of these funds.

The underscored language of the proviso reflected above appears to support the urgent actions the Department proposes to undertake to address the specific circumstances you describe, and also appears to support expedient implementation of other similarly critical projects, provided the Department is presently or will be in compliance with the requirement to submit the Department's planned use of the funds for review prior to making any expenditures. We also encourage the Department to coordinate appropriate documentation and other requirements for establishment and management of the project budget with the Executive Budget Office of the South Carolina Department of Administration.

We appreciate prompt notification of the circumstances and your plans to address them. The Committee will be notified of the agency's action and this guidance at its next meeting on August 23, 2022.

Very truly yours,

F. Richard Harmon, Jr.
Director of Research, SFAA Liaison

c: Mrs. Marcia S. Adams
Executive Director
South Carolina Department of Administration

Mr. Brian J. Gaines
Director
Executive Budget Office

AGENCY: South Carolina Department of Commerce

SUBJECT: Proposed Expenditure from the Strategic Economic Development Fund Pursuant to Proviso 50.23 of the Fiscal Year 2022-23 Appropriations Act

Proviso 50.23 of the Fiscal Year 2022-23 Appropriations Act establishes within the South Carolina Department of Commerce the Strategic Economic Development Fund for the purpose of funding projects that are essential to the State's ongoing and future economic development success. Proviso 118.19(46)(b) of the Fiscal Year 2022-23 Appropriations Act made provision for a $100 million appropriation to the Fund. The Secretary of Commerce must identify and recommend potential projects for review and comment by the Joint Bond Review Committee before any funds may be awarded or expended.

By letter dated July 27, 2022, Secretary of Commerce Lightsey requests review and comment by the Committee of the Department's proposal to fund the relocation of the existing Airport Surveillance Radar facility from the state-owned Boeing expansion property in the vicinity of the Charleston International Airport to a location owned or controlled by the Charleston Aviation Authority. The Department identified the relocation of the existing facility as a strategic initiative because of the project's statewide impact and years' long approval process with the Federal Aviation Administration, and to support readiness for the next Boeing expansion. The cost of the relocation is $20 million.

If review of the Committee is favorable, there will remain in the Fund a balance of $80 million available for funding other strategic infrastructure initiatives.

COMMITTEE ACTION:

Review and comment on the proposed award and expenditure from the Strategic Economic Development Fund.

ATTACHMENTS:

1. Letter dated July 27, 2022, of Mr. Harry M. Lightsey, III, Secretary, South Carolina Department of Commerce.
2. Strategic Economic Development Infrastructure Grant Program Application for the project, submitted by the Charleston County Aviation Authority.

Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

July 27, 2022

The Honorable Harvey S. Peeler, Jr.
Chairman, Joint Bond Review Committee
105 Gressette Building
Columbia, SC 29201

Dear Chairman Peeler:

The purpose of this letter is to request review and comment by the Joint Bond Review Committee at the August 23, 2022 meeting of a proposal by the Department of Commerce to fund the relocation of the existing Airport Surveillance Radar (ASR) facility from the state-owned Boeing expansion property in the vicinity of the Charleston International Airport to a location owned or controlled by the Charleston County Aviation Authority (CCAA). The cost of the relocation is $20 million.

As you know, our discussions with legislative leadership regarding funding of strategic economic development infrastructure initiatives resulted in the establishment, pursuant to Proviso 50.23, of the Strategic Economic Development Fund at the Department of Commerce to which the South Carolina General Assembly appropriated $100 million "for the purpose of funding projects that are essential to the State's ongoing and future economic development success." In discussing the need for the funding, we identified the relocation of the existing ASR facility because of the project's statewide impact, years' long approval process with the Federal Aviation Administration, and the desire to ensure that South Carolina will be ready for the next Boeing expansion.

Attached please find the Strategic Economic Development Infrastructure Grant Program Application submitted by CCAA. Not only will this project enable our state to be ready for Boeing's next expansion, but the project also will update the technology that maintains the safety of air traffic in and out of the Charleston International Airport, which is a hub for international tourism and, increasingly, for international business. Accordingly, relocating and updating the ASR facility is essential to South Carolina's ongoing and future success in supporting the expansion and location of industry in our state.

Sincerely,

Harry M. Lightsey III

HML/km/vw
Attachment

Cc: Rick Harmon, Director of Research, Joint Bond Review Committee

1201 Main Street, Suite 1600, Columbia, SC 29201
Tel: (803) 737-0400 • Fax: (803) 737-0418 • www.sccommerce.com

SOUTH CAROLINA DEPARTMENT OF COMMERCE

Strategic Economic Development Infrastructure Grant Program Application

Project Name:	AIRPORT SURVEILLANCE RADAR RELOCATION
Amt of Funds Requested:	$20,000,000
County:	CHARLESTON
Organization:	CHARLESTON COUNTY AVIATION AUTHORITY
Project Contact:	HERNAN E. PENA, JR.
Project Contact Title:	DEPUTY EXECUTIVE DIRECTOR & COO
Address:	5500 INTERNATIONAL BLVD #101
	NORTH CHARLESTON, SC 29418-6911
Telephone:	843-767-7000
Email:	HPENA@IFLYCHS.COM

Section I: Grant Project Information

I. **Project Description**:

a. Attach a detailed description of the proposed project.

b. Include visuals that illustrate the location of the property.

II. **Need for Project**: Attach a narrative describing why the project needs to be undertaken. Identify the problem(s)/need(s), how this project will resolve these, and the expected benefit(s). Quantify where possible. Explain why Strategic Economic Development Infrastructure funds are needed for the project and how the project is essential to the State's ongoing and future economic development success.

III. **Project Cost & Schedule**: Provide a detailed estimate of the project cost and schedule. Include sources of funding for all elements of the project.

All of the above information is required for the application to be processed.

Section II: Financial Information

Funding Partners	Contribution Amount	Percent of Project
SOUTH CAROLINA DEPARTMENT OF COMMERCE	$20,000,000	100%
Amount of Grant Funds Requested	**$20,000,000**	**100%**
Project Total	$20,000,000	100%

Section III: Applicant Assurances

The information provided in this application is correct to the best of the applicant's knowledge.

The applicant understands that if a grant award agreement is executed between the applicant and the South Carolina Department of Commerce, the Grantee will be required to ensure that required reporting and appropriate procedures for procurement, contracting and fiscal accountability will be followed in the administration of the grant and the expenditure of monies.

The applicant understands that the South Carolina Department of Commerce will recommend potential projects for review and comment to the Joint Bond Review Committee and no funds from the Strategic Economic Development Infrastructure Fund may be awarded or expended prior to this review and comment.

07/25/2022

Signature

Date

Charleston International Airport - ASR-9 Relocation

Section 1: Grant Project Information

I. Project Description

The project includes design, permitting, procurement, and construction for the relocation of the existing ASR-9 System at Charleston International Airport in North Charleston, South Carolina. The ASR (Airport Surveillance Radar) is used to monitor and track aircraft and weather.

To identify the location of the future ASR site, the Federal Aviation Authority (FAA) conducted a siting analysis evaluating 19 potential locations. The results of the first review reduced this to three candidates. To further analyze these, the FAA reviewed their operational, construction, and environmental suitability as the prospective ASR-9 sites. Site No. 9 was selected by the FAA in December 2019 as the preferred location. This was selected based on site access, location of existing utilities, cost, constructability, and airspace route coverage.

Site No. 9 is located on Joint Base Charleston near Cusabee Trail in North Charleston, South Carolina. The site is approximately 200 ft x 200 ft at an elevation of about 40 ft above mean sea level. The project will include construction of an 87 ft tower, site grading, new access road, 13,000 LF of new fiber duct bank and 22,000 LF of cable. The duct back and cable will be installed from the new ASR site to the existing air traffic control tower and terminal radar approach control facility. The existing ASR equipment will be relocated to the new site. Temporary ASR (TSAR) equipment will be provided by the FAA and installed as a leapfrog asset to provide radar coverage during the ASR equipment relocation. The existing ASR tower site will be demoed at the completion of the commissioning.

The Charleston County Aviation Authority (CCAA) will procure design and construction services for the ASR relocation project. CCAA has entered into an agreement with the FAA to provide design and construction administration support for the proposed project. This includes but is not limited to; providing site-specific facility reference drawings, technical assistance, review of design drawings, provide a new engine generator and an environmental remote monitoring system, coordination of lease modifications, will provide a resident engineer and project engineer during construction, review of construction submittals, furnish and install fiber optic telecommunications equipment, installation of electronics equipment for the TSAR and ASR relocation, and commissioning flight checks.

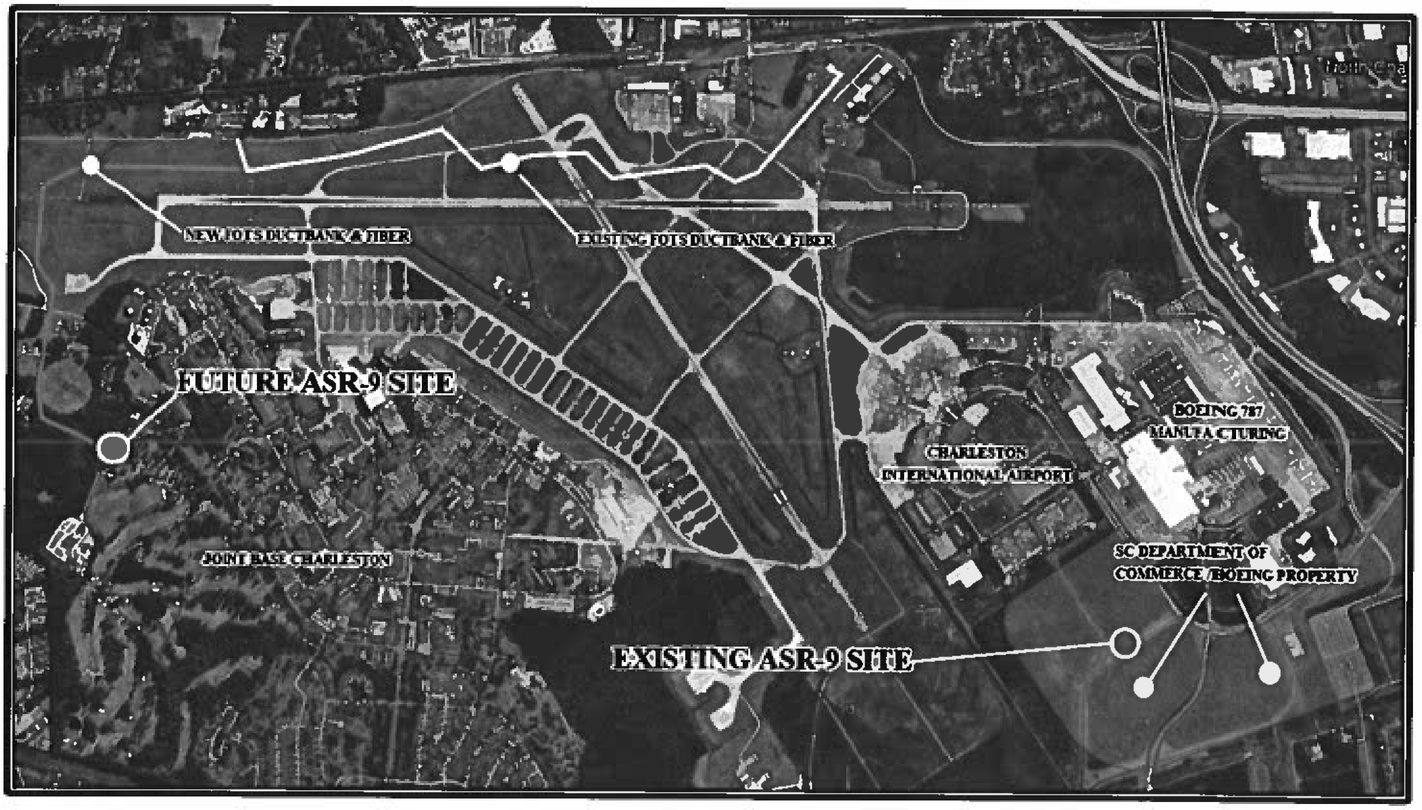

Figure 1. Project Site

II. Need for Project

The current location of the existing ASR-9 is located on South Carolina Department of Commerce / Boeing property. The current location of the radar impacts approximately 162 acres of land and renders such areas unusable as shown in figure 2 below. Boeing has consolidated all 787 production at its North Charleston facility and North Charleston is a potential site for Boeing's projected new aircraft line (replacing the former 757).

The relocation of the radar is imperative to the future growth of Boeing, which has a direct economic impact on the state. Without the relocation, Boeing cannot expand. Boeing's proposed new line is anticipated to have an economic impact of more than $3 billion.

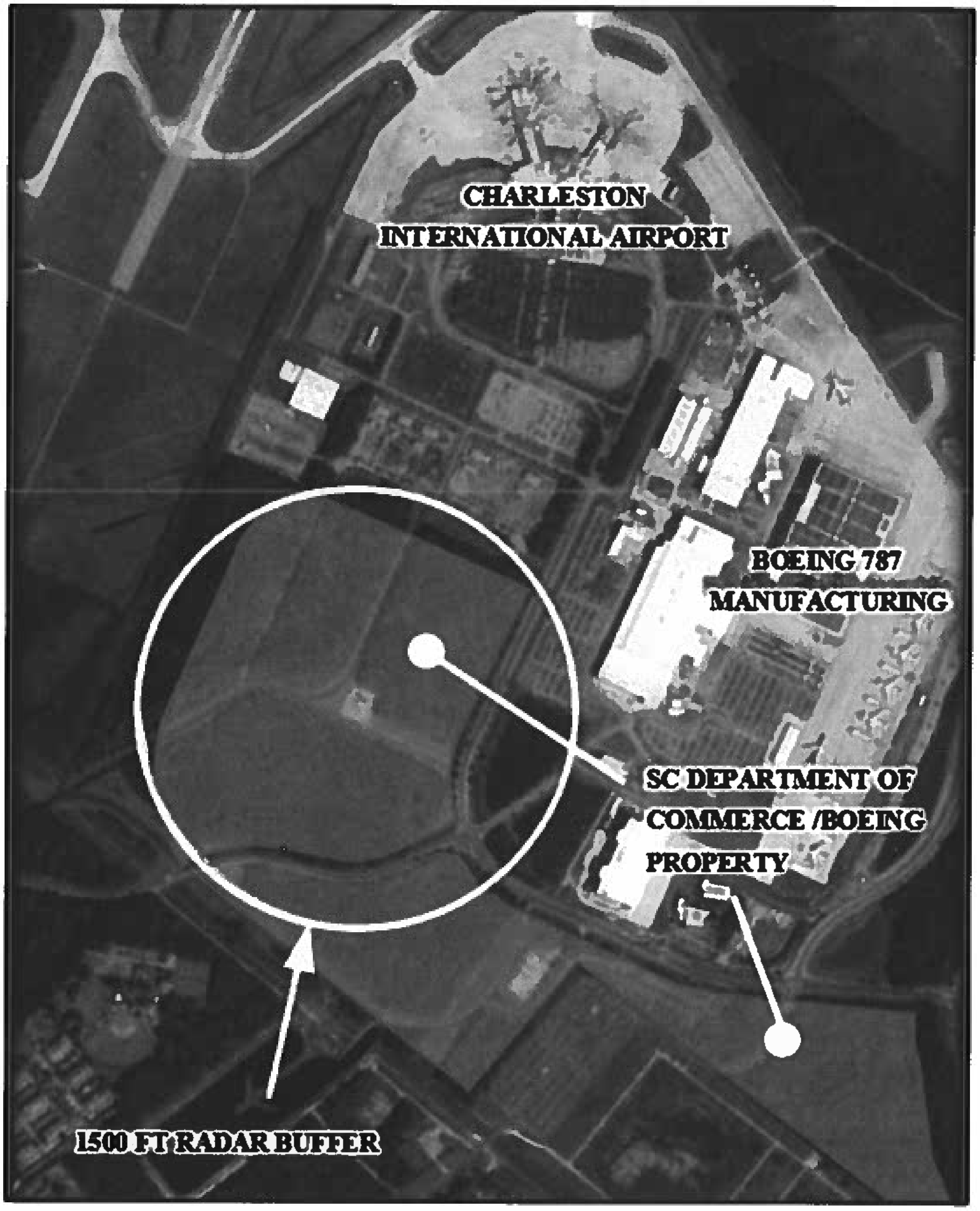

Figure 2. 1,500 FT Radar Buffer

III. Project Cost & Schedule

The design contract was executed on July 22, 2022. We anticipate the design and permitting to take about 16 months. Followed by a construction procurement (RFQ/RFB) duration of about five months. Construction is anticipated to be completed in second quarter of 2025 followed by commissioning.

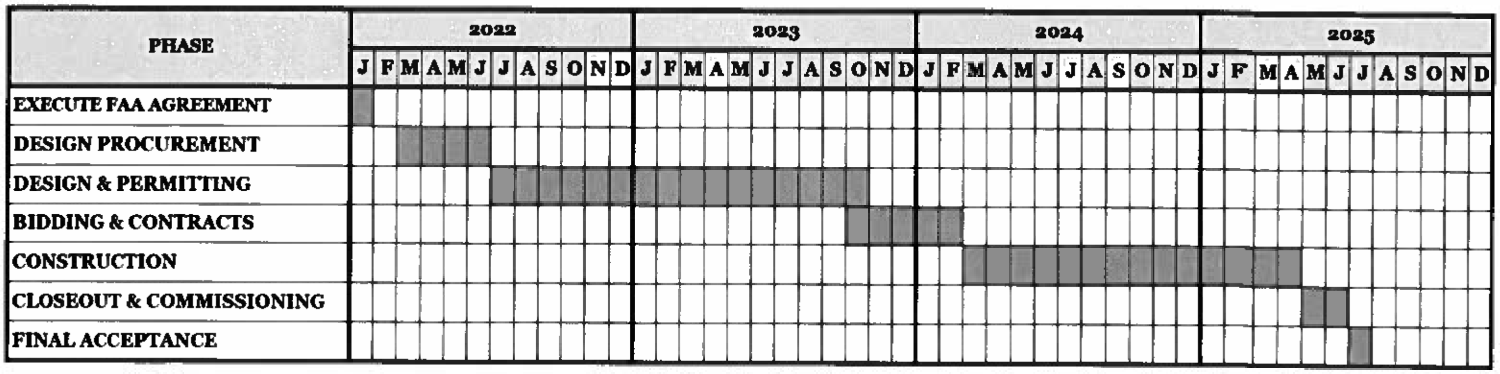

Figure 3. Project Schedule

The total project cost is anticipated to be about $20,000,000 and will be fully funded by the South Carolina Department of Commerce.

FAA Reimbursable Agreement	$3,100,000
Design & Permitting	$2,000,000
Construction & Construction Administration	$14,900,000
Total	$20,000,000

More detailed construction estimates will be provided as design progresses.

AGENCY: South Carolina Department of Administration
Executive Budget Office

SUBJECT: Proposed Process for Release of Savannah River Site
Litigation Settlement Funds

Proviso 118.19(72) of the Fiscal Year 2022-23 Appropriations Act provides for certain expenditures from proceeds of the Savannah River Site Litigation, and Proviso 118.19(72.1) requires written requests for funding that must be reported to the Committee and the legislative delegations prior to disbursement of the funds to county recipients, as follows:

> Counties in which projects identified in [Proviso 118.19] item (72) are located must submit a written request for funds appropriated in the county to the Executive Budget Office. Funds in this item may be released to fund an eligible project at the direction of the Executive Budget Office, upon the Executive Budget Office's receipt of a written request from the receiving county. Prior to disbursal, the Executive Budget Office shall report each request for disbursement to the Joint Bond Review Committee and the legislative delegation representing the county.

Appropriations to Counties and certain state institutions subject to these provisions total $367,631,035, summarized as follows:

County	Number of Projects	Amount
Aiken	16	$ 146,350,000
Allendale	4	27,000,000
Bamberg	2	9,000,000
Barnwell	4	110,000,000
Colleton	1	1,387,932
Edgefield	3	19,700,000
Hampton	1	3,137,931
Lexington	5	11,900,000
Orangeburg	4	6,155,172
Statewide (State Institutions)	4	33,000,000

The Executive Budget Office has proposed a process for uniform collection of project information from the counties receiving these funds to meet the written request requirements of the proviso, facilitate data collection, and promote uniform reporting to the Committee and the legislative delegations to whom these reports must be made prior to the release of this funding.

The Executive Budget Office proposes use of existing policies and procedures for permanent improvement project submissions for statewide projects.

Written requests received by the Executive Budget Office will be reported as received from the counties for consideration at the next meeting of the Committee following receipt of the submission.

COMMITTEE ACTION:

Review the process proposed by the Executive Budget Office for release of Savannah River Site Litigation Settlement Funds, and provide comment as appropriate.

ATTACHMENTS:

1. Savannah River Site Litigation Settlement Fund Request Form.
2. List of Projects by County.

Savannah River Site Litigation Settlement Fund Request Form

This form is designed to collect the information required by South Carolina to make allocations of funds authorized in the FY 2022-23 Appropriations Act from the Savannah River Site Litigation Settlement Fund. This form and supporting documentation should be submitted to the Executive Budget Office.

Contribution Information		
Request Amount	**County Where Project Located**	**Project Title**

Organization Information	
Entity Name	
Address	
City/State/Zip	
Website	
Tax ID#	
Entity Type	

Organization Contact Information	
Contact Name	
Position/Title	
Telephone	
Email	

PROJECT DESCRIPTION AND JUSTIFICATION Explain and justify the project, include what it is, why it is needed, and any alternatives considered.

ESTIMATES OF TOTAL PROJECT COSTS		
Expenditure Category	**Budget**	**Explanation**
Grand Total	**$0.00**	

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS RESULTING FROM THE PROJECT			
Category	**Amount**	**Recurs**	**Explanation**
Grand Total	**$0.00**		

Discuss how maintenance of this facility construction/renovation/acquisition will be addressed and funded.

ADDITIONAL PROJECT INFORMATION	
Provide the total square footage of the building to be renovated or constructed (if applicable).	
Provide the current age of the building(s) to be renovated or replaced.	
Provide the total acreage and/or square footage of the land and/or building to be acquired (if applicable).	
Provide the projected date (month and year) for execution of the construction contract.	
Provide the projected date (month and year) for completion of construction.	
Provide an estimate of the numbers of students, faculty, staff, and clients that are expected to utilize the space.	

Organization Signature

Organization Signature

Title

Printed Name

Date

FOR DEPARTMENT USE ONLY

JBRC Meeting Date		**JBRC Comment**	

Department Approval

Date

Last updated: August 2022

	Allocated Amount
Aiken	**$146,350,000**
Aiken County Public School District - New Career and Technology Center and district-wide technology upgrades	$30,000,000
Aiken County United Way Building/Infrastructure	$250,000
Aiken Generational Park	$1,200,000
Aiken Railroad Facilities Renovation and Completion	$900,000
Aiken Rural Health Services Building	$6,000,000
Children's Place Incorporated/Multi-County Therapeutic Child Care Infrastructure	$500,000
Cyber Initiative infrastructure investment to complement Fort Gordon Army Cyber Command and Georgia Cyber Command	$15,000,000
Fox Creek Athletic Complex	$500,000
Highway 19 Corridor Business/Economic Development Improvements (New Ellenton) and Downtown Water/Sewer Infrastructure (Wagener, Jackson, Burnettetown, and Salley)	$6,000,000
Improvements to Sage Mill Industrial Park to include water and sewer upgrades	$5,000,000
Industrial Park Project in eastern Aiken County (land and infrastructure)	$10,000,000
North Augusta Regional Solid Waste Transfer Station	$2,000,000
North Augusta/Aiken County New Savannah Bluff Lock and Dam	$20,000,000
Off-site Infrastructure Improvements for SRS/National Lab, including the Aiken Technology/Innovation Center	$20,000,000
Redevelopment and Economic Development in Downtown and Aiken's Northside Toward I-20	$25,000,000
Water line along Highway 39 from Wagener to Monetta with two elevated storage tanks and three pump stations	$4,000,000
Allendale	**$27,000,000**
Allendale County Law Enforcement Agency Consolidation and Upgrades	$2,500,000
Allendale County - Purchase, Permitting, and Development of Potential Industrial Property Site	$5,000,000
Allendale County - Renovate C.V. Bing High School to Consolidate Law Enforcement and Other Town and County Facilities	$4,500,000
Allendale School District - Capital Improvements to Allendale High School and other district buildings	$15,000,000
Bamberg	**$9,000,000**
Bamberg County - Cross Rhodes Industrial Park Speculative Building	$4,000,000
Bamberg County Consolidated Schools - Schools Facilities Bond Reduction	$5,000,000
Barnwell	**$110,000,000**
Barnwell Multipurpose Building	$2,000,000
Blackville Multipurpose Space	$2,000,000
Construction of Consolidated High School and Career Center and K-8 School for Williston and Blackville	$105,000,000
Williston City Park Multipurpose Building	$1,000,000
Colleton	**$1,387,932**
Colleton County - New Speculative Industrial Shell Building and Engineering	$1,387,932
Edgefield	**$19,700,000**
Bettis Academy Prepatory School Renovation and Construction	$1,200,000
Edgefield County Law Enforcement Center	$18,000,000
Edgefield County School District - Workforce Development Training and Equipment	$500,000
Hampton	**$3,137,931**
Hampton County - Purchase property adjacent to Southern Carolina Industrial Park	$3,137,931
Lexington	**$11,900,000**
Batesburg-Leesville Industrial Park - Construction of Speculative Building on Parcel #1	$2,100,000
Batesburg-Leesville Industrial Park - Site Preparation for Parcel #1	$1,250,000
Chapin Business and Technology Park at Brighton - Site Preparation for Parcel #10	$1,250,000
Saxe Gotha Industrial Park - Phase III Roadway and Water Expansion	$4,800,000
Saxe Gotha Industrial Park - Site Preparation for Parcel #9	$2,500,000

Orangeburg	**$6,155,172**
Orangeburg County - Hidden Valley Road/Essex Road Sewer	$655,172
Orangeburg County - Holly Hill Services Center Renovation	$1,000,000
Orangeburg County - Property Acquisition	$500,000
Western End Industrial Speculative Building	$4,000,000
Statewide	**$33,000,000**
(H290) USC Aiken - National Guard Dreamport Facility	$10,000,000
(H590) Aiken Technical College - Nursing School Facility	$11,500,000
(H590) Aiken Technical College - Welding Lab	$1,500,000
(H590) Piedmont Technical College - Center for Advanced Manufacturing	$10,000,000
Grand Total	**$367,631,035**

AGENCY: South Carolina Department of Health and Environmental Control
Medical University of South Carolina

SUBJECT: COVID-19 Allocations, Expenditures and Status
Pursuant to Act 135 of 2020

Responsive to the provisions of Act 135 of 2020 and expressions of interest by the committee in prior meetings, the South Carolina Department of Health and Environmental Control has submitted updated reports incorporating the status of activities and expenditures made in connection with the COVID-19 pandemic response.

The Medical University of South Carolina has previously reported that all funds allocated to the University pursuant to the Act have been expended.

Representatives of the Department and the Medical University will be available to respond to member questions.

COMMITTEE ACTION:

Review and comment in accordance with the provisions of Act 135 of 2020.

ATTACHMENTS:

1. Report of the South Carolina Department of Health and Environmental Control dated as of July 31, 2022.

Healthy People. Healthy Communities.

Edward D. Simmer, MD, MPH, DFAPA
Director

August 1, 2022

Dear Chairman Peeler and Honorable Members of the Joint Bond Review Committee:

At the South Carolina Department of Health and Environmental Control (DHEC), **our number one priority for the COVID-19 pandemic response has been and continues to be to save lives**. This includes working with our partners across all levels to mitigate and control COVID-19 by providing:

- readily available, free, rapid antigen testing
- widely available, equitable access to safe, effective, and free vaccines;
- ensuring availability of evidence-based treatments; and
- timely, accurate, and evidence-based information about the disease and effective, evidence-based prevention and treatment measures.

Since our last written update to the Joint Bond Review Committee on May 31, 2022, an additional **153,261 COVID-19 vaccine doses (24,377 first, 18,849 completed, 35,688 1st Boosters, 74,347 2nd Boosters)** have been administered to eligible South Carolina residents. **Of eligible South Carolina residents ages 5 and older, 64.0 percent** have received at least one dose of COVID-19 vaccine, **55.7 percent** have completed vaccination, and **25.1 percent** of those who completed vaccination have also received a booster dose.

New Vaccine Approvals

Following the last Committee report, vaccines have been approved for **children 6 months to 5 years of age**. Since becoming available in July 2022, **4,606 South Carolinians ages 6 months to 5 years** have received at least one dose. Communications have been sent to our COVID-19 vaccine providers and DHEC's own standing orders have been changed to reflect this new additional vaccine for this age group. While these milestones are encouraging, we remain vigilant to the possible emergence of new, impactful variants and changing trends.

On July 19, 2022, CDC's Advisory Committee on Immunization Practices (ACIP) recommended use of the **Novavax COVID-19 vaccine**. The Novavax COVID-19 vaccine is administered as a two-dose primary series, with the doses given 3 weeks apart. DHEC received **51,100 doses** in our initial allocation. Because of the limited number of doses available for distribution, not all providers will carry the Novavax COVID-19 vaccine.

DHEC continues pursuing multiple strategies to ensure that all South Carolinians who are eligible, regardless of income, geography, or mobility, can be vaccinated. This includes offering COVID-19 vaccines **at all full-service DHEC health departments**, as well as utilizing contracted vendors to provide mobile vaccination events and vaccinate homebound individuals.

Omicron Variant of SARS-CoV-2, the Virus That Causes COVID-19

Data available as of July 23, 2022, shows a 7-day case rate of 317.6/100k as we are currently in our **17th week of increasing reported cases**. Available data for the week ending July 23, 2022 shows 16,570 reported cases, which is a **13.3 percent increase in reported cases** from the week prior and a **76.2 percent increase** over the previous update.

With most testing now being performed at home, which is not reportable, we recognize the above is likely a significant underestimate of the actual number of cases in the state. DHEC has recently assumed responsibility for wastewater testing in South Carolina which has been shown to give a good estimate of overall disease burden. This testing is being performed by our Public Health and Environmental Laboratory. This data will be used to inform our response efforts and will be included in future reports to the JBRC.

S.C. Department of Health and Environmental Control
2600 Bull Street, Columbia, SC 29201 (803) 898-3432 www.scdhec.gov

Omicron continues to be the most prevalent strain of COVID-19 circulating in the United States, representing virtually **100%** of all COVID-19 variants reported at both the National and State levels. BA.4 and BA.5 subvariants made up slightly less than 95% of sequenced samples in the week ending July 23, 2022, up from about 90% the week before. The gain was solely due to BA.5, which rose from 75.9% to 81.9% of samples. BA.4 declined slightly from 14.2% to 12.9% of samples. Both are **more transmissible** than earlier Omicron subvariants, and both subvariants have mutations linked to escape from immune protection from earlier infection and vaccines. As overall US cases continue a slow but steady rise, there has been an increase in infections in children, the American Academy of Pediatrics said in its weekly update on July 21, 2022. Nearly 92,000 pediatric infections were reported for the week ending Jul 21, up from nearly 75,000 the week before.

Measures of severity (hospitalizations and deaths) and hospital burden continue to be the key measures to focus upon, as we continue to live with COVID-19. As of the week ending July 23, 2022, the daily average of COVID-19 positive patients hospitalized was **512**, which is a **12.8 percent increase** compared to the previous week. Additionally, **77** COVID-19 positive patients were in the ICU (**37.9 percent decrease**) and **23** COVID-19 patients were on ventilators across the state (**51.9 percent increase**) compared to one week prior. Reported deaths have thankfully shown a recent decrease, with **9** deaths reported for the week ending July 23, 2022, which is **74.3 percent lower** than the previous week and a **55.0 percent decrease** compared to the week of the previous update. Deaths tend to be a lagging indicator, however, so unfortunately, there may be an increase in deaths over the next few weeks given the current increasing trend in hospitalization.

A continued focus on measures of severity (hospitalizations and deaths) is also demonstrated at the National level with the Centers for Disease Control and Prevention (CDC) COVID-19 Community Levels graphic, which provides indicators of the impact COVID-19 is having in our communities. This tool looks at three metrics to assess the impact of COVID-19 at the County level:

· New COVID-19 cases per 100,000 population in the past 7 days,

· New COVID-19 admissions per 100,000 population (7-day total), and

· Percent of staffed inpatient beds occupied by COVID-19 patients (7-day total).

The COVID-19 Community Level is determined by the higher of the new admissions and inpatient beds metrics, based on the current level of new cases per 100,000 population in the past 7 days, and classified as either “Low”, “Medium” or “High”. This graphic is updated weekly in the late afternoon or evening on Thursdays, based upon information provided by State and Federal data systems.

The most recent weekly report (released July 28, 2022) classifies South Carolina counties as follows:

- **Four (4)** counties are classified as “**Low**”,
- **Five (5)** counties are classified as “**Medium**”, and
- **Thirty-seven (37)** counties are classified as “**High**”.

Both individual/household prevention behavior (i.e., mask use, testing when appropriate) and community-level prevention strategies (healthcare surge support, enhanced prevention measures in high-risk congregate settings) are recommended based upon the county-level classification.

Testing

DHEC continues to prioritize distribution of COVID-19 at-home rapid antigen tests to individuals and organizations throughout South Carolina. As of June 30, 2022, DHEC has ceased all free, public PCR testing at Health Departments. A prime driver of these changes is the increased availability and reliability of rapid, at-home antigen tests, making them now the most effective testing tool to reduce the spread of COVID-19 and help people make informed decisions about whether they should isolate to prevent further spread of the virus. This is due to the speed and accuracy of rapid antigen tests which allows individuals to test anytime and anywhere, obtain a result in 15 minutes instead of one to two days, and immediately isolate if sick to prevent the potential spread of the virus. Our testing and logistics teams continue distributing these tests to DHEC Health Departments and a variety of other partners including long-term care facilities, detention facilities, first responder agencies, schools, rural health clinics, federally qualified health centers, and other state agencies. In total, DHEC has distributed **2,595,899** rapid antigen tests in South Carolina, and has another **3,040,479** available to continue meeting South Carolina's testing needs. In addition, DHEC is preparing for the potential of future COVID-19 variants and case surges by establishing emergency contracts with laboratories able to process large volumes of COVID-19 tests, should the need ever arise.

Schools and Childcare Centers

DHEC strongly recommends that schools and childcare centers utilize CDC guidance on school safety related to COVID-19, consistent with its approach to COVID-19 as an endemic condition and its approach to other communicable diseases in schools. The updated 2022-23 School and Childcare Exclusion List is now available, providing the requirements for isolation of those infected with COVID-19. COVID-19 close contact quarantine has been removed as a requirement from the Exclusion List, but DHEC continues to recommend schools and facilities follow CDC guidance. DHEC Covid-19 Outbreak Guidance in the school and childcare setting is available for utilization when an outbreak has been identified in a shared setting of more than five persons (i.e., a classroom, sports team, etc.).

From the period of June 1, 2022, to July 29, 2022, eighteen COVID-19 outbreaks have been reported from schools/childcare facilities (two schools, sixteen childcare facilities). Of these eighteen reported outbreaks, thirteen were reported from the Midlands, four from the Pee Dee and one from the Upstate. Apart from the Exclusion List and Outbreak Guidance, DHEC does not plan to require specific procedures or protocols for the 2022-2023 school year. However, DHEC will continue to perform surveillance related to COVID-19 and will re-evaluate its guidance if there becomes a public health benefit to doing so.

DHEC is continuing to provide access to federally-funded COVID-19 tests to all South Carolina schools and encourages schools to utilize the testing options available to them as a preventive measure for disease spread and as preparation for potential outbreaks that may occur. Since our last update, DHEC has distributed an additional **124,360 at-home rapid antigen tests** to public school districts and charter schools to support these efforts. Reimbursement for school-based testing is now available to charter schools and districts through a grant agreement with DHEC through July 31, 2023. In addition, DHEC collected and submitted requests for at-home rapid antigen tests to the CDC through the Epidemiology and Laboratory Capacity for Prevention and Control of Infectious Diseases (ELC) cooperative agreement to support testing for K-12 aged children in private schools and other congregate settings serving K-12 aged children during the summer. Since our last update, requests for **13,936 rapid antigen tests** were submitted and fulfilled by the ELC cooperative agreement through the program's end date June 21, 2022.

COVID-19 Therapeutics

Currently, Bebtelovimab and the EVUSHELD pre-exposure monoclonal antibody therapy for immunocompromised patients are the only monoclonal antibody products available for ordering in the United States. The previously available sotrovimab, REGEN-COV, and bamlanivimab/etesevimab combination are not effective against the Omicron variant, and thus their authorizations for use were revoked.

On July 6, 2022, the U.S. Food and Drug Administration revised the Emergency Use Authorization for Paxlovid to authorize **state-licensed pharmacists** to prescribe Paxlovid to eligible patients, with certain limitations to ensure appropriate patient assessment and prescribing of Paxlovid.

There is currently ample availability of Evusheld and Paxlovid in the state and additional courses of treatment are available from the federal distribution system to meet demand, and all orders are being fulfilled. The weekly threshold allocation for Bebtelovimab has **decreased** and supply has not satisfied demand in the state of South Carolina. Provider usage, on hand inventory, and provider reporting quality are being factored into the allocation determinations for this in-demand therapeutic.

DHEC remains committed to working with members of our Legislature and our many other private and public partners to provide timely, accurate, and evidence-based information so that our state, community leaders and all South Carolinians can take the necessary actions to continue to minimize the negative impacts of COVID-19 in the state.

Attached includes a summary of DHEC expenditures on COVID-19 as of July 31, 2022. We appreciate the ongoing support of the Committee for these efforts and look forward to answering any additional questions the Committee may have.

Sincerely,

Edward Simmer, MD, MPH, DFAPA
Director, South Carolina Department of Health and Environmental Control

Interim Report on Expenditures of COVID-19 Funds
as of 07/31/2022

Interim Report of Expenditures on COVID-19 Funds
Summary as of 07/31/2022

Expenditure Category		Expended through 07/31/22*
Testing	$	408,437,091
Contact Tracing	$	39,177,836
Personal Protective Equipment (PPE) & Medical Supplies	$	13,802,048
Personnel	$	153,493,500
Education Campaign	$	18,118,320
Quarantine	$	930,177
Transport & Storage	$	3,198,138
Technology, Staff Support, Cleaning & Other; Grant-Specific	$	43,493,448
Vaccination Efforts	$	95,960,159
TOTAL		**$776,610,717**

**Reflects actual expenditures on all designated COVID-19 funds through date listed. These are initial reporting numbers and are subject to change until the fiscal year has been finalized.*

Interim Report on Expenditures of COVID-19 Funds
as of 07/31/2022

COVID-19 General Funds

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
COVID Response Fund (Act 116)	31050000/Not Relevant	n/a	$ 45,000,000	$ 29,039,605	$ 15,960,395	Funds provided by the General Assembly necessary for the health, safety and welfare of the public in response to the COVID-19 pandemic
COVID Contingency Fund (Act 2)	31060000/Not Relevant	n/a	$ 63,000,000	$ 40,867,267	$ 22,132,733	Funds provided by the General Assembly necessary for the health, safety and welfare of the public in response to the COVID-19 pandemic
SCCARES Act Coronavirus Relief Funds	51C10000/J0401CARES20	12/30/2020	$ 109,498,067	$ 109,498,067	$ 0	Supports ongoing testing in the state. Of the $115M* awarded as part of the SCCARES program, $15M was spent by other entities to enhance testing. DHEC has submitted invoices for the remaining CRF balance.
DHEC Internal Accounting Fund - S400	34720003/J0403S400000	NA	$ -	$ 5,711,608	$ (5,711,608)	Internal fund used to support response costs. These costs are awaiting reimbursement
SCDHEC's Public Health Crisis Response Grant	51C30000/J0401H120V19	3/15/2023	$ 8,926,133	$ 8,636,208	$ 289,925	Funds to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities
CK19-1904 Epidemiology and Laboratory Capacity (ELC): CARES	51C10016/J0401U000V19	7/31/2024	$ 9,917,925	$ 4,630,438	$ 5,287,487	Supports contact tracing, surveillance, testing, monitoring capacity, vulnerable populations
CK19-1904 Epidemiology and Laboratory Capacity (ELC): Enhancing Detection	51C40000/J0401U000X19	7/31/2024	$ 118,690,218	$ 105,564,648	$ 13,125,570	Develop, purchase, administer, process, and analyze COVID-19 tests, conduct surveillance, trace contacts, and related activities. Recipients will establish a robust testing plan that ensures adequate testing is made available.
Enhancing Detection Expansion	51C60001/J0401U000W01	7/31/2024	$ 296,351,652	$ 188,926,836	$ 107,424,816	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology and health information systems in order to maximize the public health impact of available resources.

COVID-19 General Funds

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
Standard FEMA Reimbursement	55110007/J0401D449222	N/A	TBD	$ 97,944,806	TBD	Non-Expedited FEMA Reimbursement for Testing and other general COVID related charges, provisionally approved by SCEMD
Expedited FEMA Reimbursement	55110007/J0401D449221	N/A	TBD	$ 71,066,975	TBD	Expedited FEMA Reimbursement for testing and vaccine related charges, provisionally approved by SCEMD
Total COVID-19 General Funds			**$ 651,383,995**	**$ 661,886,458**	**$ 158,509,317**	

COVID-19 Immunizations Funds

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
Imm and Vaccines for Children (VFC)	51C10027/J0401F340V01	7/5/2021	$ 2,366,553	$ 2,366,553	$ -	To plan for and implement COVID-19 vaccination services and increase access to vaccination for VFC-eligible children throughout the
Enhanced Influenza: Immunization & Vaccines	51C10027/J0401F340Z09	7/5/2021	$ 1,656,384	$ 1,656,384	$ -	Supports staffing, communication campaigns, pandemic preparedness and mass vaccinations; also focuses on enhancing influenza coverage and enrolling additional vaccinators
COVID Vaccine Supplemental	51C10027/J0401F340T01	6/30/2022	$ 1,656,384	$ 1,656,384	$ -	Supplemental funds to support staff and necessary supplies to cover needs to support mass vaccination efforts
Immunizations Supplemental	51C60001/J0401F340U01	6/30/2024	$ 46,523,022	$ 33,899,342	$ 12,623,680	Support vaccine administration, supplies, monitor vaccination activities
Vaccine Confidence Strategy	51C70001/J0401F340Y01	6/30/2024	$ 3,779,996	$ 3,779,996	$ -	Develop and implement a vaccine confidence strategy for COVID-19 and routine immunization
Vaccination Supplemental Rural Outreach	51C60001/J0401F340W01	6/30/2024	$ 20,004,900	$ 6,155,012	$ 13,849,888	Funding equity and prioritizing populations disproportionately effected by COVID-19
COVID-19 Vaccine Supplemental:Improving Access Cycle 4	51C70001/J0401F340X01	6/30/2024	$ 27,182,140	$ 6,184,351	$ 20,997,789	Funding equity and prioritizing populations disproportionately affected by COVID-19
Vaccine Reserve Account (VRA)	31070000/Not Relevant	N/A	$ 100,000,000	$ 22,329,969	$ 77,670,031	Supports Vaccine Reimbursement program passed by the legislature allowing for reimbursement of Vaccine costs for Hospitals and Other Providers per Act 2 of 2021
FEMA Reimbursement to VRA	55110007/J0401D449221	N/A	TBD	$ (15,915,636)	TBD	Expedited FEMA Reimbursement for testing and vaccine related charges. Included here to demonstrate actual spend on VRA.
Total COVID-19 Immunization Funds			**$ 203,169,379**	**$ 62,112,356**	**$ 125,141,387**	

COVID-19 Task Specific Funds

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
ELC Reopening Schools	51C70002/J0401U000X01	7/31/2023	$ 155,076,741	$ 28,113,088	$ 126,963,653	Funds support efforts to reopen schools safely. Used to support staffing, purchase of test kits, and contracting of turnkey testing to be performed in schools.
Crisis CoAg Public Health Workforce Development	51C70016/J0401F170Z00	6/30/2023	$ 31,112,843	$ 3,513,767	$ 27,599,076	Funds training and hiring of staff/contractors needed to establish, expand and sustain a PH workforce. 25% of funds must go to schools for health staff.
SC Iniative to Address Health Disparities- Base	51C60001/J0401H840000	5/31/2023	$ 27,236,763	$ 3,449,896	$ 23,786,867	Expand existing and/or develop new mitigation and prevention resources and services to reduce COVID-19 related disparities among populations at higher risk and that are underserved.
SC Iniative to Address Health Disparities- Rural	51C60001/J0401H850000	5/31/2023	$ 6,843,827	$ 643,710	$ 6,200,117	Expand existing and/or develop new mitigation and prevention resources and services to reduce COVID-19 related disparities among populations at higher risk and that are underserved.
Disease Intervention	51C70017/J0401F490Z00	12/31/2023	$ 2,779,711	$ 37,729	$ 2,741,982	Expand hiring of Disease Intervention Specialist to strengthen capacity to mitigate the spread of COVID-19 and other infections.
Yr 2 Disease Intervention Specialist Workforce	51C70017/J0401F490Z01	12/31/2022	$ 2,779,711	$ 287,543	$ 2,492,168	Funds to hire, expand, train, sustain and support Disease Intervention Specialists to strengthen capacity to mitigate spread of COVID-19 and other infections.
FFCRA 2020 WIC Supplemental-Food	51C20004/J0401K200000	9/30/2021	$ 4,737,161	$ 4,737,161	$ -	Funds to be used to support an increase in Women, Infants, and Children food supplement program services as a result of COVID-19.
WIC Admin Supplemental	51C20004/J0401K250000	9/30/2021	$ 2,284,041	$ 2,284,041	$ -	Funds to be used to support an increase in services as a result of COVID-19 Funds must be used prior to initial non-COVID funding.
WIC Cash Value Vouchers	51C70005/J0401K400000	9/30/2021	$ 6,063,678	$ 3,089,409	$ 2,974,269	Temporarily increases allowable cash value voucher/benefits for fruit and vegetable purchases

COVID-19 Task Specific Funds (cont.)

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
CPRSA Hospital Preparedness Partners (HPP) COVID-19 Supplement	51C30000/J0401F170Y19	6/30/2024	$ 628,506	$ 473,016	$ 155,490	Supports healthcare coalitions
CARES Hospital Preparedness Partners (HPP) COVID-19 Supplement	51C10014/J0401F170X19	6/30/2024	$ 1,687,823	$ 958,879	$ 728,944	Funds used to support healthcare coalitions with COVID19 response activities. MUSC, the state's Special Pathogen Center, to receive $175,455.
Epi & Lab Capacity (ELC): Infection Prevention & Control Training	51C30000/J0401U000Y19	7/31/2024	$ 1,144,102	$ 426,435	$ 717,667	Supports Project Firstline, CDC's national training collaborative for healthcare infection prevention and control
ELC: HIS COVID	51C10016/J0401U100F00	7/31/2024	$ 109,580	$ 103,436	$ 6,144	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology and health information systems in order to maximize the public health impact of available resources.
ELC: HIS COVID	51C10016/J0401U100F01	7/31/2023	$ 109,580	$ 3,633	$ 105,947	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology and health information systems in order to maximize the public health
ELC: Infants W/Congenital Exposure	51C10016/J0401U100J00	7/31/2024	$ 184,586	$ 93	$ 184,493	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology and health information systems in order to maximize the public health impact of available resources.
ELC : NIOSH	51C10016/J0401U100H00	7/31/2023	$ 46,490	$ 37,266	$ 9,224	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology and health information systems in order to maximize the public health impact of available resources.
ELC : NIOSH	51C10016/J0401U100H01	7/31/2023	$ 46,490	$ 1,161	$ 45,329	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology and health information systems in order to maximize the public health impact of available resources.

Interim Report on Expenditures of COVID-19 Funds
as of 07/31/2022

COVID-19 Task Specific Funds (cont.)

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
Wastewater Surveillance	51C10016/J0401U000Y01	8/31/2022	$ 300,000	$ 38,123	$ 261,877	Investigate the relationship between SARS-nCoV-2 detection in sewage systems and new clusters of human cases.
Travelers Health	51C40000/J0401U000V01	7/31/2024	$ 200,000	$ 116,375	$ 83,625	Enhance practices related to the management of traveler-related data,
ELC : Data Modernization	51C10016/J0401U100K00	7/31/2024	$ 3,118,254	$ 162,546	$ 2,955,708	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology
AMD Sequencing & Analytics	51C70002/J0401U100A00	7/31/2024	$ 3,728,600	$ 723,354	$ 3,005,246	Support sequencing and analytic capacity building in microbial genomics and bioinformatics as well as to further the development of
ELC Advanced Molecular Detection	51C40000/J0401U000T01	7/31/2024	$ 235,000	$ 228,299	$ 6,701	To support COVID-19 Advanced Molecular Detection Technologies
PHL Preparedness	51C40000/J0401U000U01	7/31/2024	$ 515,000	$ 457,619	$ 57,381	Strengthen's state public health lab preparedness and response
Rape Prevention and Education	51C30000/J0401F720V19	1/31/2022	$ 53,158	$ 51,301	$ 1,857	Provide sexual violence prevention virtual resources to rape crisis centers, schools and agencies across the state. Extension requested
Ryan White HIV/AIDS Program Part B COVID-19 Response	51C10007/J0401F520V19	3/31/2022	$ 1,074,938	$ 1,001,503	$ 73,435	To prevent, prepare for, and respond to COVID-19, as needs evolve for clients of Ryan White HIV/AIDS program recipients.
Housing Opportunities for Persons with AIDS (HOPWA)	51C10008/J0401F020V19	6/7/2023	$ 337,889	$ 167,981	$ 169,908	Supports housing opportunities for people diagnosed with AIDS
Building Resilient and Inclusive Communities	51C10029/J0401G690000	12/31/2022	$ 300,000	$ 299,221	$ 779	Partnerships with organizations supporting the emotional and social needs of older adults particularly those living in long-term care facilities.
Medicare Survey & Certification	51C10022/J0401F260X19	9/30/2023	$ 794,140	$ 794,140	$ -	Backlog of recertifications, focused infection control surveys, complaints related to infection control violations, and revisit surveys to provide greater oversight of health care facilities

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COVID-19 Task Specific Funds (cont.)

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
Medicare Survey & Certification	51C10022/J0401F260X20	9/30/2023	$ 208,316	$ 208,316	$ -	Backlog of recertifications, focused infection control surveys, complaints related to infection control violations, and revisit surveys to provide greater oversight of health care facilities
MIS-C ELC#4	51C10016/J0401U000Z01	7/31/2024	$ 100,000	$ 31,685	$ 68,315	For communication of MIS-C surveillance requirements to healthcare providers, data collection on each potential case, analysis of this data and provision of findings to CDC
Strengthening HAI & AR (SHARP)	51C70002/J0401U100Q00	7/31/2024	$ 5,914,501	$ 169,295	$ 5,745,206	Funds to provide support for healthcare infection prevention and control activities and epidemiologic surveillance related activities to
ELC-Detection & Mitigation #2	51C70002/J0401U100P00	7/31/2024	$ 1,124,400	$ 1,882	$ 1,122,518	Funding to support COVID-19 testing and mitigation in homeless service sites, encampments, and other congregate settings.
Total COVID-19 Task Specific Funds			**$ 260,875,829**	**$ 52,611,903**	**$ 208,263,926**	

AGENCY: South Carolina State Fiscal Accountability Authority

SUBJECT: Proposed Ceiling Allocation Plan for Calendar Year 2022 Pursuant to Act 202 of 2022

Among other things, Act 202 of 2022 amended the provisions of Article 3 of Chapter 11, Title 1 of the 1976 Code, which provides for the Allocation of State Ceiling on Issuance of Private Activity Bonds, and requires that the State Fiscal Accountability Authority publish a State Ceiling Allocation Plan, subject to review and comment by the Committee.

In compliance with these statutory requirements, the State Authority submitted for consideration by the Committee at its meeting on June 21, 2022, a draft State Ceiling Allocation Plan for Calendar Year 2022, which among other things:

- Assigned percentages to private activity bond purposes permitted by the Internal Revenue Code, subject to certain limitations;
- Provided for periodic allocations equally divided among the periods during the year in which allocations are to be made;
- Established competitive criteria, including a scoring and ranking process among requests, to achieve highest value and greatest public benefit;
- Provided for allocation of the private activity bond limit for all issuing authorities in response to authorized requests; and
- Provided for limitations on amounts assigned to authorized requests; all in accordance with the Act.

The provisions of the draft Plan for 2022 were proposed to apply to allocations of state ceiling beginning January 1, 2022. In addition to the foregoing, the draft Plan for 2022 established policies and procedures for the submission of authorized requests, and provided for special procedures during the first year of implementation.

The Committee determined that the draft Plan for 2022 as presented complied with the provisions of the Act, subject to finalizing certain matters requiring further review by the Committee, and consideration by the Authority of a recommendation that submissions for multi-family housing projects requesting state ceiling must be made only through the State Housing Authority. The Committee reserved final comment until the Plan was finalized, and recommended that the Authority make no allocations of Calendar Year 2022 state ceiling pursuant to the Plan for 2022 until the Committee had made further review and provided comment on the final version thereof.

At its meeting on June 28, 2022, the State Authority approved the Plan for 2022, contingent on future approval of competitive criteria required by Act 202, which have now been incorporated into the final version of the Plan for 2022.

The State Authority now seeks review of and comment by the Committee on the final version of the Plan for 2022. The final version has received comprehensive review and comment from Authority and Committee staff, the South Carolina State Housing Finance and Development

Authority, and the South Carolina Department of Commerce; and has been distributed to members of the State Authority and their respective staffs. The State Authority is expected to consider adoption of the proposed final version of the Plan for 2022 at its meeting scheduled on August 30, 2022.

COMMITTEE ACTION:

Review and comment on the proposed final State Ceiling Allocation Plan for Calendar Year 2022 in accordance with the provisions of Act 202 of 2022.

ATTACHMENTS:

1. Letter dated August 12, 2022, of Mr. Grant Gillespie, Executive Director, South Carolina State Fiscal Accountability Authority.
2. 2022 South Carolina State Ceiling Allocation Plan.
3. Letter dated June 21, 2022, of F. Richard Harmon, Jr., Research Director for the Committee.

SFAA
State Fiscal Accountability Authority

OFFICE OF THE EXECUTIVE DIRECTOR
GRANT GILLESPIE
EXECUTIVE DIRECTOR
(803) 734-8018
GGILLESPIE@SFAA.SC.GOV

August 12, 2022

F. Richard Harmon, Jr.
Director of Research
Joint Bond Review Committee
312 Gressette Building
Columbia, SC 29201

RE: South Carolina State Ceiling Allocation Plan – 2022

Dear Mr. Harmon:

Section 1-11-520(A) of the SC Code of Laws requires that the State Fiscal Accountability Authority publish a State Ceiling Allocation Plan, subject to review and comment by the Joint Bond Review Committee. The Joint Bond Review Committee reviewed and provided comment on the 2022 State Ceiling Allocation Plan ("the Plan") at its meeting on June 21, 2022. The Plan has now been revised in response to the Committee's comments and includes the competitive criteria to be incorporated into the Plan.

In compliance with the above statutory requirement, and after consultation with Authority members I have enclosed a proposed final 2022 State Ceiling Allocation Plan for the Committee's review and comment. Please submit this to the Committee for its consideration at its meeting scheduled for August 23, 2022.

Should you have any questions or concerns do not hesitate to contact me.

Sincerely,

Grant Gillespie

2022 South Carolina State Ceiling Allocation Plan

SECTION A. BACKGROUND AND PURPOSE

Among other things, Act 202 of 2022 amended the provisions of Article 3 of Chapter 11, Title 1 of the 1976 Code, which provides for the allocation of state ceiling necessary for the issuance of private activity bonds. The Act requires allocation of the private activity bond limit by the State Fiscal Accountability Authority (the State Authority) for all issuing authorities in response to authorized requests. The Act further requires that the State Authority publish a State Ceiling Allocation Plan that assigns percentages to the purposes permitted by the Internal Revenue Code, subject to certain limitations. The Allocation Plan must provide for a process of periodic allocations of state ceiling equally divided among the periods during the year in which allocations are to be made, with certain exceptions. The Allocation Plan must establish competitive criteria for the allocation of state ceiling, which may be unique to each category but must be uniform within each category and established to achieve highest value and greatest public benefit. The Act provides limitations on amounts assigned to authorized requests, with certain exceptions. The State Authority is permitted to utilize the services of the South Carolina Department of Commerce, the South Carolina State Housing Finance and Development Authority, other state agencies, and public or private resources, to establish and inform development of the allocation plan, competitive criteria, and periodic evaluation of authorized requests.

The provisions of the Act are effective for allocations of state ceiling beginning January 1, 2022, and thereafter. For the first year of implementation, the State Authority is authorized to adopt such special procedures as may be necessary to effect the requirements of the Act.

The purpose of this plan is to establish the State Ceiling Allocation Plan for calendar year 2022, as well as any special procedures applicable thereto; to otherwise establish policies and procedures in accordance with the provisions of the Act; and to provide for a coordinated effort to prepare and publish an allocation plan for 2023.

SECTION B. DETERMINATION OF STATE CEILING

Pursuant to Section 1-11-500 of the 1976 Code, the Secretary of the State Authority certified that the state ceiling on the issuance of private activity bonds for calendar year 2022 is $570,977,550.

SECTION C. DETERMINATION OF LIMITS ON STATE CEILING FOR AUTHORIZED REQUESTS

Pursuant to Section 1-11-520(D), the amount of state ceiling that may be allocated to an authorized request may not exceed 10% ($57,097,755.00) in the case of an industrial or economic development project, or 5% ($28,548,877.50) for any other authorized request. The same limitations shall apply to any requests for issuance approval for use of prior year carryforward.

The State Authority may approve an amount exceeding these limitations only upon justification and substantial findings of significance. Requests for such approval must be made to the Authority in writing and adequately supported. The State Authority reserves the right to seek any additional information from an applicant necessary to support a substantial finding of significance.

SECTION D. DETERMINATION OF AMOUNTS SUBJECT TO THIS ALLOCATION PLAN

In addition to the amount determined pursuant to Section 1-11-500, certain amounts available from carryforward and other adjustments are subject to the provisions of this Allocation Plan, as follows:

Amount determined pursuant to Section 1-11-500	$570,977,550
Less amounts previously allocated	(0)
Plus amounts expired, relinquished, revoked, or otherwise not utilized for issuance	0
Plus amounts carried forward from prior calendar years that remain unused:	
Allocated to Single-Family Housing (2019; expires 2022)	374,998,335
Allocated to Multi-Family Housing (2020; expires 2023)	316,453,232
Allocated to Multi-Family Housing (2021; expires 2024)	2,839,401
Total	$1,265,268,518

SECTION E. AVAILABILITY OF AMOUNTS; PERIODIC ALLOCATION

Pursuant to Section 1-11-520(A), and subject to the special provisions below, the State Authority hereby makes an initial assignment of the state ceiling applicable to calendar year 2022 pursuant to Section 1-11-500 to the following categories of permitted purposes[1] prescribed by the Internal Revenue Code:

Industrial and Economic Development (40%)[2]	$ 228,391,020
Single-family Housing (40%)[3]	228,391,020
Multi-family Housing (0%)[4]	0
Other Qualified Purposes (20%)[5]	114,195,510

SECTION F. PERIODIC ALLOCATION

Pursuant to Section 1-11-520(B), the State Authority hereby provides for two (2) allocation periods for 2022, and hereby designates February 1 and August 1 as allocation dates, on which 50% of the state ceiling assigned to each category is made available for subsequent allocation to authorized requests and on which dates issuance approval for use of carryforward will be made. Allocations to authorized requests and issuance approval for carryforward use will be made only at the meeting of the State Authority immediately following each allocation date;

[1] Generally, see IRS Publication 4078 (Rev. 9-2019) for a complete list of permitted purposes prescribed by the IRC.
[2] Facilities for the furnishing of water; sewage facilities; privately owned solid waste disposal facilities; facilities for the local furnishing of electric energy or gas; local district heating or cooling; qualified hazardous waste facilities; qualified enterprise zone facilities; qualified small issue bonds.
[3] Qualified mortgage bonds.
[4] Qualified residential rental projects.
[5] Mass commuting facilities; privately owned high-speed intercity rail facilities; qualified redevelopment bond; and qualified student loan bonds.

provided, **for 2022, the August allocation will be effected at the Authority's regularly scheduled October meeting**.

The following table summarizes these provisions.

Category	Category Percentage	Category Amount	Amount Available for Allocation to Authorized Requests on or after February 1, 2022	Amount Available for Allocation to Authorized Requests on or after August 1, 2022
Industrial and Economic Development	40%	$228,391,020	$114,195,510	$114,195,510
Multi-Family Housing	0%	$0.00	$0.00	$0.00
Single-Family Housing	40%	$228,391,020	$114,195,510	$114,195,510
Other Qualified Purposes	20%	$114,195,510	$ 57,097,755	$ 57,097,755
Totals	100%	$570,977,550	$ 285,488,775	$ 285,488,775

The amount available for allocation to authorized requests on February 1, 2022 has not been allocated to any authorized requests as of the date of adoption of this plan. Section 1-11-520(C) expressly provides that "the state authority may but need not reassign any state ceiling unused in prior periods as a supplement to and means to address demand for ceiling allocation in a subsequent period. Such reassignment may be made for any allocation category, notwithstanding its original assignment." Such reassignment, if made, will be determined on or after the August 1, 2022, allocation date.

If an authorized request cannot be approved pursuant to the then-current plan even with a reassignment pursuant to Section 1-11-520(C), the Authority's Secretary is authorized to not place the request on the Authority's agenda. In such an event, Authority's Secretary will notify the Authority's members well in advance of the scheduled meeting date.

SECTION G. PERIODIC ALLOCATION FOR INDUSTRIAL AND ECONOMIC DEVELOPMENT

The amount of state ceiling available for this category for each allocation date is $114,195,510. The amount available for the February 1 allocation date has not been allocated to any authorized requests as of the date of adoption of this plan.

SECTION H. PERIODIC ALLOCATION FOR SINGLE-FAMILY HOUSING

The amount of state ceiling available for this category for each allocation date is $114,195,510. The amount available for the February 1 allocation date has not been allocated to any authorized requests as of the date of adoption of this plan.

As noted above, there is available $374,998,335 carried forward from calendar year 2019 that will expire in calendar year 2022 unless otherwise utilized. On May 31, 2022, the Authority approved the issuance and sale by the State Housing Finance and Development Authority of not exceeding $375,000,000 in mortgage revenue bonds and short-term notes to preserve this allocation.

SECTION I. PERIODIC ALLOCATION FOR MULTI-FAMILY HOUSING

No amount of state ceiling for the 2022 calendar year is designated for allocation to Multi-family Housing, and no assignment of state ceiling is contemplated for this category until the available carryforward is exhausted. As noted above, there is carryforward available that will expire in calendar year 2023 unless otherwise utilized. The State Housing Finance and Development Authority shall endeavor to utilize this carryforward.

In addition to the determination made above, the State Authority recognizes that authorized requests and issuance approval requests made through local housing authorities will be further impacted by other aspects of this policy. Act 202 contemplates that State Housing will perform the periodic evaluation and ranking of authorized requests for state ceiling, and requires State Housing to administer the allocation of the state housing tax credit. Both requirements involve the use of a competitive process that must be applied uniformly as to any multi-family housing project seeking an allocation of current year ceiling or issuance approval for projects using carryforward. In addition, the statutory standard for the competitive criteria required for both state ceiling and the state tax credit is "highest value and greatest public benefit." Accordingly, prior to submission to the State Authority, authorized requests for state ceiling and requests for issuance approval of bonds using carryforward previously allocated to State Housing for multi-family housing projects must, as a practical matter, be submitted to State Housing for underwriting and evaluation for allocation of state ceiling or issuance approval involving the use or carryforward, for compliance with the corresponding federal low-income housing tax credit, and, as applicable, for the ranking associated with allocation of the state housing tax credit. For additional guidance regarding the submission of authorized requests for ceiling allocation or for issuance approval for use of carryforward for multifamily housing, see the Submission Criteria for Authorized Requests section below.

SECTION J. PERIODIC ALLOCATION FOR OTHER QUALIFIED PURPOSES

The amount of state ceiling available for this category for each allocation date is $57,097,755. The amount available for the February 1 allocation date has not been allocated to any authorized requests as of the date of adoption of this plan.

SECTION K. REASSIGNMENT OF UNUSED STATE CEILING AND PLAN AMENDMENTS

The amounts not allocated to authorized requests for the 2022 calendar year may be reassigned by the State Authority on or after August 1, 2022, in accordance with the provisions of Section 1-11-520(C), following the process described below. Any change to the amount of state ceiling allocated to a category that cannot be accomplished by a reassignment pursuant to Section 1-11-520(C) requires an amendment to the annual allocation plan in accordance with Section 1-11-520(B) following review and comment by the Joint Bond Review Committee.

SECTION L. SUBMISSION FOR 2022 RANKING AND REQUIRED REPORTS FOR NECESSARY INFORMATION

Industrial and Economic Development Bonds

Not later than September 19, 2022, Commerce must provide the State Authority with its final evaluation and ranking for allocation of state ceiling to these authorized requests in accordance with the competitive criteria described herein, as well as its allocation recommendations.

Commerce and the South Carolina Jobs Economic Development Authority (JEDA), in consultation with the South Carolina Coordinating Council for Economic Development (Coordinating Council), must provide a coordinated report for proposed industrial and economic development projects to the State Authority identifying all known requests for state ceiling for each of the calendar years 2022 and 2023 no later than August 1, 2022. The response must include the project name,[6] amount of the state ceiling request, year of allocation, and tentative recommendation of Commerce in accordance with the competitive criteria described below.

For the 2023 calendar year, Commerce may also submit a request for the State Authority to assign up to 40 percent of state ceiling for Industrial and Economic Development , less any allocation requested for known projects, to accommodate future but presently unidentifiable requests; provided, however, that once known, each such request shall identify the project, amount of the allocation request, year of allocation, and include a recommendation of Commerce in accordance with the competitive criteria.

Multi-Family Housing Bonds

Not later than September 19, 2022, State Housing must provide the State Authority with a report of its evaluation and ranking for allocation of state ceiling to all authorized requests for state ceiling and all issuance requests for issuance approval for use of carryforward in accordance with the competitive criteria described below. State Housing's report must also include its evaluation and ranking of all pending state tax credit applications. As noted in Section N below, State Housing must provide the State Authority with written confirmation of its Board's allocation recommendations for State Housing projects no later than September 30, 2022.

The State Housing Finance and Development Authority must provide a report for proposed single-family and multi-family housing projects to the State Authority identifying all pending and expected authorized requests for each of the calendar years 2022 and 2023 not later than August 1, 2022. The report must also identify all pending and expected requests for issuance approval for use of carryforward for the years 2022 and 2023. The response must include the project name, amount of the state ceiling request, amount of state tax credit (if any), and year of allocation. The report must also include recommendations for the amount of year-end carryforward needed for State Housing to continue its programs in future years.

[6] Or other identifying information in the event the name of the project is not yet public.

These reports will be utilized in decisions to reassign state ceiling pursuant to section 1-11-520(C), to reallocate by amending the plan pursuant to section 1-11-520(B), or to reserve current year state ceiling for allocation as year-end carryforward.

These reports will also be utilized in development of the 2023 State Ceiling Allocation Plan. The State Authority recognizes and acknowledges that specific project details may not be known in all cases for the 2023 calendar year; accordingly, specificity is expected to the extent known, accompanied by reasonable estimates of anticipated requests otherwise, properly described as such.

Pursuant to Section 1-11-520(E), State Housing, Commerce, and JEDA are directed to undertake outreach efforts each year designed to provide the State Authority with the best available information by the deadlines provided in the next year's state ceiling allocation plan.

All issuing authorities must provide the State Authority's Secretary with a year-end account of any unused remaining carryforward from prior years no later than January 2nd each year.

SECTION M. COMPETITIVE CRITERIA

Act 202 provides among other things that the allocation plan must establish competitive criteria for allocation of state ceiling to authorized requests, and further provides that competitive criteria may be unique to each category but must be uniform within each category and established to achieve highest value and greatest public benefit.

For purposes of this Allocation Plan, determinations of highest value and greatest public benefit will be made on the basis of the relationship of the state resources requested to the measurable benefit of the proposed project.

SECTION N. COMPETITIVE CRITERIA FOR INDUSTRIAL AND ECONOMIC DEVELOPMENT ALLOCATION AND ALLOCATION TO OTHER PERMITTED PURPOSES

Commerce must provide each year to the State Authority for inclusion in the annual State Ceiling Allocation Plan its recommendations for determining highest value and greatest public benefit for allocation of state ceiling to industrial and economic development projects, and projects proposed for other qualified purposes.

Determinations of highest value and greatest public benefit must include at a minimum and without limitation such measures as the number of new permanent jobs[7] that will be created by the project; the capital investment of the project sponsor independent of state incentives and resources; and a cost benefit analysis generally reflecting a positive financial benefit to the state. The Council must submit its proposed recommendations for the coming year to the State Authority no later than June 30 each year. Commerce will use these measures to evaluate any ceiling allocation requests for Industrial and Economic Development projects and projects proposed for other qualified purposes, and such evaluations shall be presented to the Coordinating Council for approval at a public meeting.

[7] Generally, maintenance of existing jobs will not meet this criterion.

For projects seeking either local or state discretionary incentives such as fee in lieu of tax arrangements, county industrial development bonds, job development credits and/or state grant funding, a definitive agreement with the Coordinating Council and/or the local government, as applicable, must have been finalized prior to consideration by the State Authority. Such agreements with the Coordinating Council may include a preliminary revitalization, grant performance or other incentive agreement provided that it contains minimum new permanent job and investment commitments by the entity seeking an allocation.

For projects that are not seeking local or state discretionary incentives, such information as is requested and determined by Commerce to be sufficient for Commerce to evaluate the feasibility and competitiveness of the proposal must be submitted to Commerce prior to consideration by the State Authority.

With its recommendations, Commerce must submit proposed deadlines for the coming year by which those seeking state ceiling for Industrial and Economic Development projects or projects proposed for other qualified purposes must submit their proposals to Commerce in order for Commerce to provide the State Authority with its final evaluation, ranking and recommendation no later than the bond submission deadline for the meetings at which state ceiling allocation requests will be considered for the applicable allocation period.

If multiple projects will be submitted for consideration by the State Authority within a single allocation period, Commerce must rank those projects from highest to lowest value and public benefit as determined by provisions of this section.

In addition to the foregoing, Commerce must provide a definitive recommendation for the amount of state ceiling proposed to be allocated to the project, following an affirmative vote of the Coordinating Council in a public meeting.

For the current year, the competitive criteria for Industrial and Economic Development projects recommended by Commerce are adopted by the State Authority, attached as **Exhibit A**, and incorporated into this Plan by reference.

SECTION O. COMPETITIVE CRITERIA FOR MULTI-FAMILY HOUSING ALLOCATION

State Housing Finance and Development Authority (Housing) must provide each year to the State Authority for inclusion in the State Ceiling Allocation Plan its recommendations for determining highest value and greatest public benefit for allocation of state ceiling to multi-family housing projects.

Determinations of highest value and greatest public benefit must reflect the relationship of the state resources proposed for the project to the affordable housing benefits the project will achieve. Total state resources must include without limitation the amount of state ceiling, any applicable state tax credits, and any other state resources and incentives as are germane and applicable to the project. Affordable housing benefits must include without limitation such facility characteristics as the heated residential square footage, number of bedrooms, and number of tenants the project is designed to serve. A determination of highest value must include a comparison of the state resources to the project's total cost.

State Housing may coordinate these determinations with the applicable Qualified Allocation Plan and any other threshold requirements, policies, or procedures as are consistent with this section.

If multiple multi-family project submissions (for ceiling allocation and/or issuance approval for use of carryforward) will be considered by the State Authority within a single allocation period, State Housing must rank those projects from highest to lowest value and public benefit, as determined by the provisions of this section.

These criteria will be applied uniformly to all multi-family housing projects whether seeking current year ceiling allocation or issuance approval using carryforward. Housing must submit its proposed recommendations for the coming year to the State Authority no later than June 30th each year.

With its recommendations for 2023, Housing must submit proposed deadlines for 2023 by which those seeking state ceiling for Multi-family housing projects must submit their proposals to Housing in order for Housing to provide the State Authority with its final evaluation, ranking and recommendation no later than the bond submission deadline for the meetings at which state ceiling allocation requests will be considered for the applicable allocation period.

In addition to the foregoing, Housing must provide a definitive recommendation for the amount of state ceiling proposed to be allocated to any State Housing project, following an affirmative vote of its governing board in a public meeting. For 2022, State Housing must submit written confirmation of its Board's recommendations no later than September 30, 2022.

For the current year, the competitive criteria for Multi-family Housing projects recommended by Housing are adopted by the State Authority, attached as **Exhibit B**, and incorporated into this Plan by reference.

SECTION P. COMPETITIVE CRITERIA FOR SINGLE-FAMILY HOUSING ALLOCATION

Multiple competing requests during a single allocation period are not expected for submissions in this category. Accordingly, the State Authority has determined that the highest value and greatest public benefit are most appropriately determined at the programmatic level, rather than by allocations to specific requests.

SECTION Q. SUBMISSION REQUIREMENTS FOR AUTHORIZED REQUESTS

All submissions for allocation of state ceiling must be complete at the time of submission. The Secretary of the Authority is authorized not to place any submission on the agenda if the submission is found by Authority staff to be incomplete. The request must be in accordance with the statutory provisions of Section 1-11-530. In addition to the foregoing, all requests for allocation of state ceiling must meet all of the following requirements, as applicable:

1. If the applicable private activity bonds require approval of the State Authority, the request for allocation of state ceiling must include a contemporaneous request for approval to issue the associated bonds. A request for an allocation of state ceiling associated with a contemporaneous request for issuance approval is not complete unless it includes all items required by the Authority for the issuance approval request.

2. If the applicable private activity bonds require the approval of an entity other than the State Authority, the issuer, or a state constitutional officer, a certified statement from the other approving entity must be submitted with the allocation request. For example, an issuance of bonds by the Jobs-Economic Development Authority must be approved by the Coordinating Council (§ 41-43-110(A)).

3. If a request for allocation of state ceiling regards private activity bonds for a multi-family housing project, either (i) the petition making the request must be accompanied by both a preliminary determination of the project's eligibility for the South Carolina housing tax credit (§12-6-3795(B)(5)(d)) and all comments provided by a county and city pursuant to Section 12-6-3795(C)(3)); or (ii) the petition making the request must include an irrevocable waiver of any claim for a state tax credit pursuant to Section 12-6-3795, accompanied by proof that the petition has been filed with State Housing. Even if a project includes an irrevocable waiver of any claim for a state tax credit, the request must undergo a feasibility and underwriting review by State Housing; accordingly, the request must be accompanied by a Certificate of Allocating Agency (42(m) Letter).

4. If a request for issuance approval regards private activity bonds for a multi-family housing project, and is using prior-year carryforward previously allocated to State Housing either the (i) the petition making the request must be accompanied by both a preliminary determination of the project's eligibility for the South Carolina housing tax credit (§12-6-3795(B)(5)(d)) and all comments provided by a county and city pursuant to Section 12-6-3795(C)(3)); or (ii) the petition making the request must include an irrevocable waiver of any claim for a state tax credit pursuant to Section 12-6-3795, accompanied by proof that the petition has been filed with State Housing. Even if a project includes an irrevocable waiver of any claim for a state tax credit, the request must undergo a feasibility and underwriting review by State Housing; accordingly, the request must be accompanied by a Certificate of Allocating Agency (42(m) Letter).

5. The petition submitted for each authorized request must include a representation that "the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project." Reference Section 1-11-530(C).

6. In the case of a proposed industrial or economic development project using state ceiling from either the Industrial and Economic Development or Other Qualified Purposes categories, the project must appear on the list of projects ranked by the Coordinating Council for Economic Development and must have received a definitive recommendation from the Council for the amount of state ceiling proposed to be allocated to the project.

7. In the case of a proposed project using state ceiling from the Multi-family Housing category or prior year carryforward previously allocated to State Housing for multi-family housing projects, the project must appear on the list of projects ranked by the State Housing and Finance Development Authority and must have received a definitive recommendation from State Housing for the amount of state ceiling proposed to be allocated to the project.

8. A request to take any of the following actions must be accompanied by a letter signed by the chief executive officer of the applicant providing a thorough explanation of the compelling circumstances leading to the request and a justification for why those circumstances were not successfully avoided: A request (a) to reinstate or extend the validity of previously allocated state ceiling, (b) to allocate state ceiling to a project if previously allocated state ceiling was allowed to expire, or (c) to allocate additional state ceiling to a project. In addition, a request to allocate additional state ceiling to a project must be accompanied by supporting financial analysis demonstrating the further amount necessary to accomplish financial feasibility of the project. A responsible officer of the applicant is expected to attend the applicable Authority meeting.

9. A request (a) to approve single-project allocations for carry-forward election, or (b) to approve carryforward elections prior to the fourth quarter of the calendar year to which the state ceiling applies must be accompanied by a letter signed by the chief executive officer of the applicant that provides a compelling justification for such action and a thorough explanation of why it is in the best interest of the state to approve the request. As noted below, such requests are considered extraordinary and will receive a heightened level of review. A responsible officer of the applicant is expected to attend the applicable Authority meeting.

10. In the case of an industrial or economic development project, a petition requesting more than ten percent of the total state ceiling must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project. The petition must be accompanied by a statement of position by the Coordinating Council regarding the relative size of the request.

11. In the case of a request for any purpose other than for industrial or economic development, a petition requesting more than five percent of the total state ceiling must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project.

12. If any part of the submission is subject to review, comment or other action of the Joint Bond Review Committee, the item must be submitted to the committee prior to consideration of the submission by the State Authority.

If a request does not meet each and every published requirement by the submission deadline for the applicable Authority meeting, the Authority's Secretary is authorized not to place the item on the Authority's agenda.

The State Authority reserves its discretion to amend and supplement these procedures as circumstances dictate.

The State Authority and its members reserve the right to require additional information for any particular item.

SECTION R. EXTENSIONS AND CARRYFORWARDS

Section 1-11-530(C) provides that each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project. In addition to the foregoing, the Authority must be reasonably assured that any allocation of state resources will be utilized prior to expiration. Accordingly, the State Authority will undertake a heightened level of review and exercise conservative discretion in addressing any request to (1) reinstate or extend the validity of previously allocated state ceiling, (2) allocate state ceiling to a project if previously allocated state ceiling was allowed to expire, (3) allocate additional state ceiling to a project, (4) approve single-project allocations for carry-forward election, (5) or approve carryforward elections prior to the fourth quarter of the calendar year to which the state ceiling applies.

Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

August 3, 2022

Mr. Grant Gillespie
Executive Director
State Fiscal Accountability Authority
1200 Senate Street
Columbia, SC 29201

Dear Mr. Gillespie:

Please find attached the final version of the competitive scoring criteria required by Act 202 and included as an attachment to the 2022 State Ceiling Allocation Plan.

Sincerely,

Karen Blair Manning
Chief Legal Counsel

KBM

Attachment
Cc: Harry M. Lightsey III
A. Daniel Young

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SUMMARY OF PROCEDURES FOR EVALUATING REQUESTS FOR STATE CEILING ALLOCATIONS

The following briefly summarizes the procedures applicable to the methodology employed by the South Carolina Department of Commerce (the "Department") in evaluating industrial and economic development projects that are requesting an allocation of the state private activity bond limit by the State Fiscal Accountability Authority (SFAA).

Background

The Department was designated by the South Carolina General Assembly to assist SFAA in determining the allocation of the state private activity bond limit for industrial and economic development projects. As required by Act 202 of 2022 and the South Carolina State Ceiling Allocation Plan, Commerce has established competitive criteria to evaluate industrial and economic development projects. These criteria are designed to achieve highest value and greatest public benefit.

Review Procedures and Scoring

During the review process, Department staff will evaluate the following factors for each industrial and economic development project requesting allocation of the state ceiling and will give scores weighted in the ranges set forth on the attached Scoring Criteria for Bond Applicants and as discussed below.

1. **Tier ranking of the county in which the project will be located as determined by the South Carolina Department of Revenue for the year in which allocation is sought.**
   Projects in the most rural counties will be given the higher scores to encourage development in those counties. The rural counties are most in need of industrial development to sustain and improve those counties.

2. **Number of existing jobs to be maintained at the project.**
   The larger the current employment, the higher the score because larger companies have the greatest impact on the economy of the local region and the state as a whole.

3. **Number of net new jobs to be created at the project.**
   The more jobs being created, the greater the impact on the economy of the local region and the state as a whole by providing more employment for residents and resulting in increased income to the state.

4. **Average salary of the new jobs to be created at the project.**
   Jobs with higher wages will increase income to the state, and jobs with wages above the per capita income of the county have a greater impact on the economic well-being of that county.

5. **Existing investment of the entity.**
   The greater the existing investment the more property taxes that will be received to benefit the economy of the local region and the state as a whole.

6. **New investment to be made at the project.**
   Similarly, the greater the new investment, the more property taxes that will be received and will benefit the county and local school districts.

7. **Financing available to support the project.**
   This category is the most subjective, but a vital consideration. A project's ability to support the project financially is essential to the success.

8. **Cost Benefit**

The South Carolina Coordinating Council for Economic Development (the "Coordinating Council") will perform a cost benefit analysis on each project. Absent extenuating circumstances, a project that does not have a positive financial benefit to the state will not be recommended for state ceiling allocation; provided, however, projects locating in Tier 3 and 4 counties will not be excluded from consideration because of a negative return on investment resulting from the estimated value of job tax credits. While the cost benefit analysis assumes all job tax credits earned and accrued are used, as a practical matter, companies rarely have sufficient income tax liability to use the maximum value of the credits. This is particularly true in the most rural counties because of the extremely high value of the job tax credits under state law.

After consideration of each factor and allocation of appropriate scores, the Department will then calculate the final score using the following formula:

((County Designation X (New Jobs + New Investment)) +Existing jobs + Existing Investment + Average Salary + Financing+ Cost Benefit

Scoring Criteria for Bond Applicants	
County Designation	
Tier 4	3
Tier 3	2
Tier 2	1
Tier 1	1
Type of Project	
Public Infrastructure	4
Manufacturing	2
Other Business	0
Existing Jobs	
> 500	2
100-500	1
0-100	0
New Jobs	
>300	5
150-300	4
50-149	3
25-49	2
>25	1
Existing Investment	
>$300,000,000	3
$100,000,000- $300,000,000	2
$70,000,000-$100,000,000	1
<$70,000,000	0
New Investment	
>$20,000,000	4
$10,000,000-$20,000,000	3
$5,000,000-$10,000,000	2
<$5,000,000	1
Avg. Salary	
>150% of per capita income	2
100% of per capita income	1
>100%	0
Financing	
Financing in place	5
Financing not sufficient to sustain project	0
Cost Benefit	
Positive State Benefit > $10 million	4
Estimate positive state benefit < $9.9 Million	2
Negative	-30

South Carolina State Housing Finance and Development Authority
300-C Outlet Pointe Blvd., Columbia, South Carolina 29210
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August 2, 2022

Delbert H. Singleton, Jr., Esquire
Secretary
State Fiscal Accountability Authority
1200 Senate Street
Wade Hampton Building, Suite 600
Columbia, South Carolina 29201

Re: 2022 Proposed State Ceiling Criteria

Dear Delbert:

I enclose SC Housing's 2022 Proposed State Ceiling Criteria and a sample ranking spreadsheet.

I would greatly appreciate if this matter could be placed before the State Fiscal Accountability Authority for consideration in conjunction with the State Ceiling Allocation Plan.

Thank you for your assistance.

Very truly yours,

Tracey C. Easton

Tracey C. Easton
General Counsel

South Carolina State Housing Finance and Development Authority
300-C Outlet Pointe Blvd., Columbia, South Carolina 29210
Telephone: 803.896.9001 TTY: 803.896.8831
SCHousing.com

This proposed criteria for State Ceiling allocations is presented solely for consideration by the Joint Bond Review Committee and State Fiscal Accountability Authority and is not intended to provide official or final guidance to participants in the program. Once approved by the JBRC and SFAA, final guidance will be published on the website of the South Carolina State Housing Finance and Development Authority (SC Housing).

Proposed State Ceiling Criteria

For those projects seeking an allocation of state ceiling or carryforward for a multifamily project intending to utilize 4% federal low-income housing tax credits, SC Housing will require certain threshold criteria as detailed in the applicable Qualified Allocation Plan (QAP) which is the controlling document related to the allocation of the credit. This threshold criteria includes items such as financial feasibility, minimum applicant experience, site control, financial capacity of the applicant, and readiness to proceed (i.e., without limitation, establishment of the bond working group, existence of letters of interest or letters of intent from lenders, syndicators, and other parties). Additionally, SC Housing will require projects to meet the requirements outlined in SC Housing's Multifamily Tax-Exempt Bond Finance Program manual.

Projects meeting the threshold criteria described above will be ranked for state ceiling utilizing the following criteria that evidence the highest value and greatest public benefit as required by Act 202 of 2022 and the State Ceiling Allocation Plan. Section O of the State Ceiling Allocation Plan requires, at a minimum, certain measures to be included. The following criteria meet the requirements of the State Ceiling Allocation Plan:

- State resources per heated residential square foot
  - This criterion will rank projects from lowest to highest, based on a calculation of state resources (bond ceiling and state tax credit) per heated residential square foot (i.e., excluding common areas), to demonstrate the most efficient use of state resources for the portion of total project costs applicable to actual tenant housing.
- State resources per bedroom
  - This criterion will rank projects from lowest to highest, based on a calculation of state resources per bedroom, to demonstrate the most efficient use of state resources for the number of families the project will house.
- State resources per dollar of total project costs
  - This criterion will rank projects from lowest to highest, based on a calculation of state resources to total project costs to demonstrate the most efficient investment of state resources in the project overall.
- State resources per potential tenant
  - This criterion will rank projects from lowest to highest, based on a calculation of state resources per potential tenant to demonstrate the most efficient use of state resources for the number of potential residents the project will house.

A 30% adjustment to state resources will be made as a ranking consideration for projects located in USDA-designated rural areas. A 10% adjustment to state resources will be made for new construction units, as a ranking consideration for projects providing an overall increase in affordable housing. These adjustments apply for the sole purpose of establishing project rankings.

Development [FICTITIOUS PROJECTS]	Location	USDA Rural Eligibility	Issuance Approval Date	Annual STC	10 Year STC	State Historic Tax Credit	State Abandoned Building Credit	TEB Ceiling Allocation	Total Project Costs	Net New Units	Residential Square Footage	Project Unit Mix: Efficiency/ Studio	1BR	2BR	3BR	4BR	Total BRs	Total Units
Maple Avenue Apartments	Beaufort	N	TBD	$ 1,987,326.00	$ 19,873,260	$ -	$ -	$ 25,000,000	$ 48,687,000	185	301,528			15	20	150	690	185
Main Street Village	Greenville	N	TBD	$ 447,194.00	$ 4,471,940	$ -	$ 263,000	$ 8,200,000	$ 16,750,000	72	68,916		61	11			83	72
Pomaria Mill	Pomaria	Y	TBD	$ 778,523.00	$ 7,785,230	$ 1,567,203	$ -	$ 16,000,000	$ 20,475,000	70	72,000			45	20	5	170	70
Charbonneau Apartments	Columbia	N	TBD	$ 2,000,000.00	$ 20,000,000	$ -	$ -	$ 22,000,000	$ 45,327,406	200	211,000		50	100	50		400	200
Rolling Hills Farms	York	Y	TBD	$ 875,000.00	$ 8,750,000	$ -	$ -	$ 14,000,000	$ 26,150,000	70	64,523		50	16	4		94	70
			TOTAL:	$ 6,088,043.00				$ 85,200,000										

Development [FICTITIOUS PROJECTS]	Est Tenants	Total State Resources	Rural Bonus	New Construction Bonus	ADJUSTED Total State Resources	Ranking Criteria: State Resources per Res SF	State Resources per BR	Total Project Costs (Value)	State Resources per Potential Tenant (Public Benefit)	Development Ranking: State Resources per Res SF	State Resources per BR	Total Project Costs (Value)	State Resources per Potential Tenant (Public Benefit)	Total	Overall
Maple Avenue Apartments	1,380	$ 44,873,260	0.0	0.1	$ 40,385,934	$ 133.94	$ 58,530.34	0.8295	$ 29,265	1	1	3	1	6	**1**
Main Street Village	166	$ 12,934,940	0.0	0.1	$ 11,641,446	$ 168.92	$ 140,258.39	0.6950	$ 70,129	2	4	2	4	12	**2**
Pomaria Mill	340	$ 25,352,433	0.3	0.1	$ 15,211,460	$ 211.27	$ 89,479.18	0.9987	$ 44,740	4	2	5	2	13	**3**
Charbonneau Apartments	800	$ 42,000,000	0.0	0.1	$ 37,800,000	$ 179.15	$ 94,500.00	0.8339	$ 47,250	3	3	4	3	13	**3**
Rolling Hills Farms	188	$ 22,750,000	0.3	0.1	$ 13,650,000	$ 211.55	$ 145,212.77	0.5220	$ 72,606	5	5	1	5	16	**5**

Column A: Development name

Column B: Development location

Column C: USDA Rural Designation of the developent property. Properties located in rural areas receive a preference bonus reflected in a 30% adjustemnt to the total state resources figure.

Columns F through H: Annual state tax credits (housing, historic, abaondoned building) in the project

Column I: Tax exempt bond ceiling allocation being requested by the developer/sponsor

Column J: Total development project cost

Column K: In mixed-use proposals, the amount of the overall development cost apportioned to multifamily residential. NB: Market rate units are not included in the total.

Column L: The net newly produced units in the proposed project. Projects where a majority of the units are newly produced receive a preference bonus reflected in a 10% adjustment to the total state resources figure.

Column M: Residential sqaure footage is that portion of heated sqaure footage comprising living units, and is of direct use and benefit to the tenants.

Columns N-R: The unit mix of the development project by bedroom size of units.

Column U: The number of potential tenants served in the development; 2 persons per bedroom is the standard.

Column V: Total tax exempt bond request plus all state tax credits

Columns W & X: projects located in rural areas as designated by the USDA receive a 30% preference bonus; projects where the majority of units are new (rather than rehab of existing) receive a 10% preference bonus.

Column Y: Adjusted total state resources (see Column T) after the rural and new unit preferences have been factored in.

Column Z: State resources per residential square footage; this reflects the value of the building as an asset and is a compenent of determining "highest and best value" for the state's investment.

Column AA: State resources per bedroom; this reflects the potential utility of the building to tenants and is a compenent of determining the "public benefit" of the state's investment.

Column AB: Total project costs ratio; this reflects the value of the state's adjusted total investment relative to the total residential development cost and is a measure of the "highest and best value" for the state's investment.

Column AC: State resources per potential tenant housed in the development; this is reflective of the potential number of citizens served and therefore of the "public benefit" for the state's investment .

Columns AD through AI: Development projects are ranked by relative score in Columns X through AA; a development's rank is totaled across all four ranking categories to produce an Overall Rank within the competitive pool.

Capital Improvements
Joint Bond Review Committee

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VICE CHAIRMAN

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June 21, 2022

Mr. Grant Gillespie
Executive Director
State Fiscal Accountability Authority
Post Office Box 12444
Columbia, South Carolina 29211

Re: Proposed Ceiling Allocation Plan Pursuant to Act 202 of 2022

Dear Mr. Gillespie:

At its meeting today, the Joint Bond Review Committee reviewed the proposed State Ceiling Allocation Plan for Calendar Year 2022 submitted on behalf of the State Fiscal Accountability Authority for consideration by the Committee pursuant to the provisions of Act 202 of 2022, which provides for among other things publication by the Authority of a State Ceiling Allocation Plan, subject to the review and comment by the Committee.

The proposed Plan assigns percentages to private activity bond purposes permitted by the Internal Revenue Code, subject to certain limitations; provides for periodic allocations equally divided among the periods during the year in which allocations are to be made; provides for competitive criteria to achieve highest value and greatest public benefit; provides for allocation of the private activity bond limit for all issuing authorities in response to authorized requests; and provides for limitations on amounts assigned to authorized requests; all in accordance with the Act. In addition to the foregoing, the Plan establishes policies and procedures for submission of authorized requests, and provides for special procedures during the first year of implementation.

The provisions of the Plan apply to allocations of state ceiling beginning January 1, 2022, as required by the Act. The plan also focuses on the statutory requirement that awards of limited state resources are made to projects demonstrating highest value and greatest public benefit, as measured by the relationship of the state resources to the measurable benefit of the project. The Plan further provides for recommendations by the South Carolina Department of Commerce and the South Carolina State Housing Finance and Development Authority, as applicable, to the State Fiscal Accountability Authority, which has ultimate discretion and accountability for approval of the allocation of state ceiling to permitted categories and authorized requests.

Mr. Grant Gillespie
State Fiscal Accountability Authority
June 21, 2022
Page 2

Act 202 further permits the State Fiscal Accountability Authority to adopt policies and procedures to effect the purposes of the Act, and the Plan includes numerous such provisions, among them:

> The Plan requires applications to be complete at the time of submission so that the State Fiscal Accountability Authority is positioned to make an informed decision that considers all aspects of the request, including as applicable, any commitment to and amount of state incentives; the ceiling allocation request; and the bonds to be issued pursuant to the allocation. The plan appropriately relies extensively on the professional expertise of the Department of Commerce and the State Housing Authority, and recognizes the unique characteristics of each category for which requests for state ceiling may be made.
>
> The Plan recognizes that complete submissions for allocations of state ceiling to multi-family housing projects will include a statutory determination by the State Housing Authority for federal and state housing tax credits in conjunction with its recommendations for allocation of state ceiling to authorized requests. The Plan also recognizes that the State Housing Authority, as the historical recipient of unused state ceiling, holds an important resource in managing and preserving the state's federally limited state ceiling allocation, and provides for preferential utilization of this resource before making allocations from current year state ceiling.

The Committee determined that the Plan as presented complies with the provisions of the Act, subject to finalizing certain matters requiring further review by the Committee, and careful consideration by the State Fiscal Accountability Authority of the recommendations included herein.

The Committee was advised that two distinct submission channels for multi-family housing ceiling allocation requests evolved during the 2021 calendar year, with proposals submitted in some cases through the State Housing Authority, and others submitted by local housing authorities, with the latter potentially having by-passed the more rigorous and robust financial and underwriting standards utilized by the State Housing Authority.

The provisions of Act 202 requiring establishment of uniform competitive criteria dictate careful consideration of the submission process, which must be standardized through a common administrative channel that produces a single list of submissions that have been uniformly and competitively scored and ranked in accordance with the value and benefit provisions of the Act. For these reasons, the Committee recommends that the State Fiscal Accountability Authority carefully consider a requirement that submissions for multi-family projects requesting state ceiling must be made only through the State Housing Authority.

Capital Improvements
Joint Bond Review Committee

The Committee acknowledges that the Plan contemplates further refinement, particularly development and inclusion of detailed competitive criteria, for further consideration by the Committee and the State Fiscal Accountability Authority at their meetings scheduled in August 2022. Accordingly, the Committee reserves final comment until the Plan is finalized, and recommends that no allocations of Calendar Year 2022 state ceiling be made pursuant to the Plan until the Committee has made further review and provided comment on the final version thereof.

Please advise if you have any questions or need clarification.

Very truly yours,

F. Richard Harmon, Jr.
Director of Research

AGENCY: South Carolina State Fiscal Accountability Authority

SUBJECT: Proposed Ceiling Allocation Plan for Calendar Year 2023 Pursuant to Act 202 of 2022

Among other things, Act 202 of 2022 amended the provisions of Article 3 of Chapter 11, Title 1 of the 1976 Code, which provides for the Allocation of State Ceiling on Issuance of Private Activity Bonds, and further provides among other things that, no later than September 30 of the year preceding the calendar year to which the state ceiling applies, the State Fiscal Accountability Authority must publish a State Ceiling Allocation Plan that assigns percentages of the state ceiling to categories of any of the permitted purposes prescribed by the Internal Revenue Code. The Plan is subject to review and comment by the Committee.

In compliance with these statutory requirements, the State Authority has submitted its proposed State Ceiling Allocation Plan for Calendar Year 2023, which among other things:

- Assigns percentages to private activity bond purposes permitted by the Internal Revenue Code, subject to certain limitations;
- Provides for periodic allocations equally divided among the periods during the year in which allocations are to be made;
- Establishes competitive criteria, including a scoring and ranking process among requests, to achieve highest value and greatest public benefit;
- Provides for allocation of the private activity bond limit for all issuing authorities in response to authorized requests; and
- Provides for limitations on amounts assigned to authorized requests; all in accordance with the Act.

The State Authority seeks review of and comment by the Committee on the Plan for 2023, which will apply to allocations of state ceiling beginning January 1, 2023. The Plan has received comprehensive review and comment from Authority and Committee staff, the South Carolina State Housing Finance and Development Authority, and the South Carolina Department of Commerce; and has been distributed to members of the State Authority and their respective staffs. The State Authority is expected to consider adoption of the Plan for 2023 at its meeting scheduled on August 30, 2022.

COMMITTEE ACTION:

Review and comment on the proposed State Ceiling Allocation Plan for Calendar Year 2023 in accordance with the provisions of Act 202 of 2022.

ATTACHMENTS:

1. Letter dated August 12, 2022, of Mr. Grant Gillespie, Executive Director, South Carolina State Fiscal Accountability Authority.
2. 2023 South Carolina State Ceiling Allocation Plan.

HENRY MCMASTER, CHAIR
GOVERNOR
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STATE TREASURER
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COMPTROLLER GENERAL

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CHAIRMAN, SENATE FINANCE COMMITTEE
J. GARY SIMRILL
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

August 12, 2022

F. Richard Harmon, Jr.
Director of Research
Joint Bond Review Committee
312 Gressette Building
Columbia, SC 29201

RE: South Carolina State Ceiling Allocation Plan – 2023

Dear Mr. Harmon:

Section 1-11-520(A) of the SC Code of Laws requires that the State Fiscal Accountability Authority publish a State Ceiling Allocation Plan, subject to review and comment by the Joint Bond Review Committee. In compliance with this statutory requirement, and after consultation with Authority members I have enclosed a proposed 2023 State Ceiling Allocation Plan for the Committee's review and comment. Please submit this to the Committee for its consideration at its meeting scheduled for August 23, 2022.

Should you have any questions or concerns do not hesitate to contact me.

Sincerely,

Grant Gillespie

SECTION A. CONVENTIONS, DEFINITIONS AND EXHIBITS

Authorized Request includes any request submitted pursuant to §1-11-530(A) or (b) and any request for Issuance Approval as defined below using prior year carryforward.

Issuance approval means approval by the State Authority for the issuance by State Housing of private activity bonds for a multi-family housing project, as required by Section 31-13-90.

Plan Year refers to the year to which this plan applies, which is noted in the header on each page.

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Commerce means the South Carolina Department of Commerce.

Committee means the Joint Bond Review Committee.

Secretary means the Secretary of the State Fiscal Accountability Authority.

State Authority means the State Fiscal Accountability Authority.

State Housing means the State Housing Finance Development Authority.

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Exhibit	Subject
A	Competitive Criteria for Industrial and Economic Development Projects, and Projects Proposed for Other Qualified Purposes
B	Competitive Criteria for Multi-family Housing Projects
C	Evaluation and Ranking Report Format for Multi-family Housing Projects

SECTION B. AUTHORITY AND ADOPTION

The State Authority approved this plan at its meeting of [meeting date]. Unless the State Authority provides otherwise herein, the Plan is effective upon adoption.

The Committee favorably reviewed this plan at its meeting of [meeting date].

Section 1-11-520(A) requires the annual publication of a State Ceiling Allocation Plan no later than September thirtieth of the year preceding the Plan Year. The State Authority intends to adopt each year's plan at its last regularly scheduled meeting prior to September thirtieth.

SECTION C. PLAN UPDATES AND AMENDMENTS; PLAN PUBLICATION

<u>Administrative Updates</u>

The Plan may be updated administratively as provided herein. An administrative update authorized by this plan is deemed not to constitute an amendment to the Plan.

By the second Monday in January, the Secretary shall publish an administrative update of the plan that (a) updates <u>Section D</u> to state the actual certified amount of state ceiling for the Plan

Year, (b) updates Section D to recalculate the limits on authorized requests using the total state ceiling for the Plan Year, (c) updates Section E to state the then-current amounts identified in that Section (d) adds to Section E the amount of any carryforward designated in the prior calendar year pursuant to Section 1-11-520(G), and (e) using the Category Percentages previously approved, recalculates the dollar amounts in Section G based on the actual certified amount of state ceiling for the Plan year.

At the State Authority's first regularly scheduled meeting for the Plan Year, the Secretary will submit a summary of the updates to the State Authority as an informational agenda item.

Plan Amendments

The Plan may be amended as allowed by Title 1, Chapter 11. Section 1-11-520 expressly contemplates amendments to the annual allocation plan upon a finding of exceptional and compelling circumstances by the State Authority. Amendments are subject to review and comment by the Committee. See Section H.

Publication of the Plan

Section 1-11-520(A) requires the State Authority to publish the plan. Once approved, the Secretary is directed to publish the approved plan, as well as any amendment or update, by posting it to the State Authority's website. The initial plan and every update or amendment shall remain on the State Authority's website until the end of the Plan Year.

All updates or amendments shall be sequentially numbered. With each update or amendment, the header shall be revised to include the number and date of the update or amendment, as applicable.

SECTION D. DETERMINATION OF STATE CEILING AND LIMITS ON STATE CEILING FOR AUTHORIZED REQUESTS

The total state ceiling on the issuance of private activity bonds for the year preceding this Plan Year is $570,977,550, as certified by the Secretary pursuant to Section 1-11-500.

The amount of state ceiling that may be allocated to an authorized request may not exceed 10% of the total state ceiling ($57,097,755.00) in the case of an industrial or economic development project, or 5% ($28,548,877.50) for any other authorized request.

The total state ceiling for the Plan Year will not be known until the January following the plan's adoption; accordingly, for purposes of the plan's publication, the State Authority will use the state ceiling for the year in which the plan is published. As reflected above, the limits on authorized requests are calculated against the total state ceiling for the year preceding this Plan Year. As reflected in Section E below, the plan will also use an estimate of the carryforward the Secretary anticipates will be unused and available for the Plan Year. These and other tentative amounts will be updated pursuant to Section C.

SECTION E. DETERMINATION OF AMOUNTS SUBJECT TO THIS ALLOCATION PLAN

As provided in Item 7 of Section P, a multi-family housing project using carryforward allocated to State Housing in prior years must appear on the list of projects evaluated and ranked by

State Housing at the time State Housing requests issuance approval. Accordingly, and in addition to the amount determined pursuant to Section 1-11-500, certain amounts available from carryforward from prior years and other adjustments are subject to the provisions of this Allocation Plan, as follows:

Amount determined pursuant to Section 1-11-500	$570,977,550
Less amounts previously allocated	(0)
Plus amounts expired, relinquished, revoked, or otherwise not utilized for issuance	0
Plus amounts carried forward from prior calendar years that remain unused:	
Allocated to Multi-Family Housing (2020; expires 2023)	316,453,232
Allocated to Multi-Family Housing (2021; expires 2024)	2,839,401
Total	$890,270,183

SECTION F. ALLOCATION PERIODS

Pursuant to Section 1-11-520(B), the State Authority hereby provides for two (2) allocation periods and hereby designates February 1 and August 1 as allocation dates, on which 50% of the state ceiling assigned to each category is made available for subsequent allocation to authorized requests.

Authorized requests for an allocation of state ceiling, as well as requests for issuance approval for projects using carryforward from prior years will be made only at the meeting of the State Authority immediately following each allocation date.

SECTION G. CATEGORIES OF PERMITTED PURPOSES; PERCENTAGE ASSIGNMENTS TO CATEGORIES

In accordance with Section 1-11-520(A), the State Authority adopts the following categories of permitted purposes and assigns percentages of the current-year state ceiling to those categories.

Categories of Permitted Purposes[1]	Category Percentage	Category Amount	Amount Available for Allocation on or after February 1 of the Plan Year	Amount Available for Allocation on or after August 1 of the Plan Year
Industrial and Economic Development[2]	40%	$228,391,020	$114,195,510	$114,195,510
Multi-Family Housing[3]	0%	$0.00	$0.00	$0.00

[1] Generally, see IRS Publication 4078 (Rev. 9-2019) for a complete list of permitted purposes prescribed by the IRC.

[2] Facilities for the furnishing of water; sewage facilities; privately owned solid waste disposal facilities; facilities for the local furnishing of electric energy or gas; local district heating or cooling; qualified hazardous waste facilities; qualified enterprise zone facilities; qualified small issue bonds.

[3] Qualified residential rental projects.

Single-Family Housing[4]	20%	$114,195,510	$57,097,755	$57,097,755
Other Qualified Purposes[5]	40%	$228,391,020	$114,195,510	$114,195,510
Totals	100%	$570,977,550	$ 285,488,775	$ 285,488,775

The above amounts are subject to revisions pursuant to the update required by <u>Section C</u>.

As noted in <u>Section E</u>, there is carryforward available for Multi-Family Housing that will expire during the plan year unless otherwise utilized. Accordingly, no assignment of state ceiling is contemplated for Multi-Family Housing until the available carryforward is exhausted.

If an authorized request submitted to the Secretary cannot be approved pursuant to the then-current plan even with a reassignment pursuant to Section 1-11-520(C), the Secretary is authorized not to place the request on the State Authority's agenda. In such an event, Secretary will notify the State Authority's members as soon as practicable prior to the scheduled meeting date.

SECTION H. PLAN AMENDMENTS

Any change to the amount of state ceiling allocated to a category that cannot be accomplished by a reassignment pursuant to Section 1-11-520(C) can only be effected by an amendment to the annual allocation plan in accordance with Section 1-11-520(B) following review and comment by the Joint Bond Review Committee.

SECTION I. EVALUATION AND RANKING BY STATE HOUSING AND COMMERCE

Pursuant to Section 1-11-520(E), the State Authority hereby directs that State Housing perform the periodic evaluation and ranking of all multi-family housing projects involving either an authorized request for state ceiling or a request for issuance approval of bonds using carryforward. In performing this evaluation and ranking, State Housing will use the competitive criteria adopted in this plan and provide a report as described in Exhibit C.

Pursuant to Section 1-11-520(E), the State Authority hereby directs that the South Carolina Department of Commerce perform the periodic evaluation and ranking of any non-housing project involving an authorized request for state ceiling. In performing this evaluation and ranking, Commerce will use the competitive criteria adopted in this plan and provide a report as described herein.

SECTION J. SUBMISSION FOR 2023 RANKING

No request for an allocation of state ceiling will be considered by the State Authority until the project associated with the request has been evaluated and ranked by either State Housing or Commerce, as applicable.

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[4] Qualified mortgage bonds.

[5] Mass commuting facilities; privately owned high-speed intercity rail facilities; qualified redevelopment bond; and qualified student loan bonds.

No request for issuance approval for a multi-family housing project using carryforward allocated to State Housing in prior years will be considered by the State Authority until the project has been evaluated and ranked by State Housing. Reference Section E.

Timely submissions are essential for applicants seeking an allocation of state ceiling or approval to issue multi-family housing bonds. Any delay can undermine the ability of the State Authority to timely adopt any plan amendment necessary to modify the category assignments. Reference Section H.

Industrial and Economic Development

Any Industrial or Economic Development project making an authorized request during an allocation period must submit all necessary information to Commerce by any due date established by Commerce for the applicable allocation period. Once the State Authority adopts a schedule for its regular meetings in the Plan Year, Commerce should announce all applicable due dates for each allocation period.

Not later than the published bond due date for the applicable State Authority meeting, Commerce must provide the State Authority with its allocation recommendations and its evaluation and ranking for any non-housing project seeking an allocation of state ceiling, provided the request was timely received by Commerce.

As noted in Item 6 of Section P below, Commerce must provide the State Authority with written confirmation of the Coordinating Council's allocation recommendations no later than the published bond due date for the applicable State Authority meeting.

Multi-Family Housing

All multi-family housing projects making an authorized request during an allocation period must submit all necessary information to State Housing by the due date established by State Housing for the applicable allocation period. Once the State Authority adopts a schedule for its regular meetings in the Plan Year, State Housing should announce all applicable due dates for each allocation period.

Not later than the published bond due date for the applicable State Authority meeting, State Housing must provide the State Authority with a report of its evaluation and ranking of all projects requesting an allocation of state ceiling and all projects requesting issuance approval for a multi-family housing project using carryforward allocated to State Housing in prior years. State Housing's report must also include its evaluation and ranking of all pending state tax credit applications. The report must include all the information identified in **Exhibit C**.

As noted in Item 7 of Section P below, State Housing must provide the State Authority with written confirmation of its Board’s allocation recommendations for State Housing projects no later than the published bond due date for the applicable State Authority meeting.

SECTION K. REQUIRED REPORTS

No later than September 30th each year, the State Authority must adopt a plan for the next calendar year. In order to develop that plan, the State Authority needs reliable information before it begins drafting. To gather that information, the State Authority requests the following reports be submitted by August 1st of each year.

The State Authority acknowledges that specific project details may not be known in all cases for the coming plan year; accordingly, specificity is expected to the extent known, accompanied by reasonable estimates of anticipated requests.

These reports will also inform any decisions to reassign state ceiling pursuant to section 1-11-520(C), to reallocate by amending the plan pursuant to section 1-11-520(B), or to reserve current-year state ceiling for year-end designation as carryforward.

Industrial and Economic Development Bonds

Commerce and the South Carolina Jobs Economic Development Authority (JEDA), in consultation with the South Carolina Coordinating Council for Economic Development (Coordinating Council), must provide a coordinated report for proposed industrial and economic development projects to the State Authority identifying all known requests for state ceiling for the year following the plan year. The response must include the project name,[6] amount of the state ceiling request, year of allocation, and tentative recommendation of Commerce in accordance with the competitive criteria described below.

With its report, Commerce must submit proposed deadlines for the year following the plan year by which those seeking state ceiling for Industrial and Economic Development projects or projects proposed for other qualified purposes must submit their proposals to Commerce in order for Commerce to provide the State Authority with its final ranking and recommendations no later than the bond submission deadline for the meetings at which state ceiling allocation requests will be considered for the applicable allocation period.

Commerce may also submit a request for the State Authority to assign up to 40 percent of state ceiling for Industrial and Economic Development, less any allocation requested for known projects, to accommodate future but presently unidentifiable requests; provided, however, that once known, each such request shall identify the project, amount of the allocation request, year of allocation, and include a recommendation of Commerce in accordance with the competitive criteria.

JEDA and any other issuer must provide the Secretary with a year-end account of any unused state ceiling from the prior year no later than January 2nd each year.

Multi-Family and Single-Family Housing Bonds

State Housing must provide a report for proposed single-family and multi-family housing projects to the State Authority identifying all pending and expected authorized requests for the year following the plan year. The response must include the project name, amount of the state ceiling request, amount of state tax credit (if any), and year of allocation.

[6] Or other identifying information in the event the name of the project is not yet public.

The report must also include recommendations for the amount of carryforward from prior years needed for State Housing to continue each of its programs in the year following the plan year.

With its report, Housing must submit proposed deadlines for the year following the plan year by which those seeking state ceiling for multi-family housing projects must submit their proposals to Housing in order for Housing to provide the State Authority with its final ranking and recommendation no later than the bond submission deadline for the meetings at which state ceiling allocation requests will be considered for the applicable allocation period.

State Housing must provide the Secretary with a year-end account of any unused remaining carryforward from prior years no later than January 2nd each year.

SECTION L. COMPETITIVE CRITERIA - GENERALLY

Section 1-11-520(E) requires that the allocation plan establish competitive criteria for allocation of state ceiling to authorized requests, and further provides that competitive criteria may be unique to each category but must be uniform within each category and established to achieve highest value and greatest public benefit.

For purposes of this Allocation Plan, determinations of highest value and greatest public benefit will be made on the basis of the relationship of the state resources requested to the measurable benefit of the proposed project.

SECTION M. COMPETITIVE CRITERIA FOR INDUSTRIAL AND ECONOMIC DEVELOPMENT ALLOCATION AND ALLOCATION TO OTHER PERMITTED PURPOSES

Commerce must provide each year to the State Authority for inclusion in the annual State Ceiling Allocation Plan its recommendations for determining highest value and greatest public benefit for allocation of state ceiling to industrial and economic development projects, and projects proposed for other qualified purposes.

Determinations of highest value and greatest public benefit must include at a minimum and without limitation such measures as the number of new permanent jobs[7] that will be created by the project; the capital investment of the project sponsor independent of state incentives and resources; and a cost benefit analysis generally reflecting a positive financial benefit to the state. The Coordinating Council must submit its proposed recommendations for the year following the plan year to the State Authority no later than August 1 of the plan year. Commerce will use these measures to evaluate any ceiling allocation requests for Industrial and Economic Development projects and projects proposed for other qualified purposes, and such evaluations shall be presented to the Coordinating Council for approval at a public meeting.

For projects seeking either local or state discretionary incentives such as fee in lieu of tax arrangements, county industrial development bonds, job development credits and/or state grant funding, a definitive agreement with the Coordinating Council and/or the local government, as applicable, must have been finalized prior to consideration by the State Authority. Such agreements with the Coordinating Council may include a preliminary

[7] Generally, maintenance of existing jobs will not meet this criterion.

revitalization, grant performance or other incentive agreement provided that it contains minimum new permanent job and investment commitments by the entity seeking an allocation.

For projects that are not seeking local or state discretionary incentives, such information as is requested and determined by Commerce to be sufficient for Commerce to evaluate the feasibility and competitiveness of the proposal must be submitted to Commerce prior to consideration by the State Authority.

If multiple projects will be submitted for consideration by the State Authority within a single allocation period, Commerce must rank those projects from highest to lowest value and public benefit as determined by provisions of this section.

In addition to the foregoing, Commerce must provide a definitive recommendation for the amount of state ceiling proposed to be allocated to the project, following an affirmative vote of the Coordinating Council in a public meeting.

For the current year, the competitive criteria for Industrial and Economic Development projects recommended by Commerce are adopted by the State Authority, attached as **Exhibit A**, and incorporated into this Plan by reference.

SECTION N. COMPETITIVE CRITERIA FOR MULTI-FAMILY HOUSING ALLOCATION

State Housing must provide each year to the State Authority for inclusion in the State Ceiling Allocation Plan its recommendations for determining highest value and greatest public benefit for allocation of state ceiling to multi-family housing projects.

Determinations of highest value and greatest public benefit must reflect the relationship of the state resources proposed for the project to the affordable housing benefits the project will achieve. Total state resources must include without limitation the amount of state ceiling, any applicable state tax credits, and any other state resources and incentives as are germane and applicable to the project. Affordable housing benefits must include without limitation such facility characteristics as the heated residential square footage, number of bedrooms, and number of tenants the project is designed to serve. A determination of highest value must include a comparison of the state resources to the project's total cost.

State Housing may coordinate these determinations with the applicable Qualified Allocation Plan and any other threshold requirements, policies, or procedures as are consistent with this section.

If multiple multi-family project submissions (for ceiling allocation and/or issuance approval for use of carryforward) will be considered by the State Authority within a single allocation period, State Housing must rank those projects from highest to lowest value and public benefit, as determined by the provisions of this section.

These criteria will be applied uniformly to all multi-family housing projects whether seeking current year ceiling allocation or issuance approval using carryforward. State Housing must submit its proposed recommendations for the coming year to the State Authority no later than August 1 of the plan year.

In addition to the foregoing, State Housing must provide a definitive recommendation for the amount of state ceiling proposed to be allocated to any State Housing project, following an affirmative vote of its governing board in a public meeting.

For the current year, the competitive criteria for Multi-family Housing projects recommended by State Housing are adopted by the State Authority, attached as **Exhibit B**, and incorporated into this Plan by reference.

SECTION O. COMPETITIVE CRITERIA FOR SINGLE-FAMILY HOUSING ALLOCATION

Multiple competing requests during a single allocation period are not expected for submissions in this category. Accordingly, the State Authority has determined that the highest value and greatest public benefit are most appropriately determined at the programmatic level, rather than by allocations to specific requests.

SECTION P. SUBMISSION REQUIREMENTS FOR AUTHORIZED REQUESTS

All submissions for allocation of state ceiling must be complete at the time of submission. The Secretary is authorized not to place any incomplete submission on the agenda. The request must be in accordance with the statutory provisions of Section 1-11-530. In addition to the foregoing, all requests for allocation of state ceiling must meet all of the following requirements, as applicable:

1. If the applicable private activity bonds require approval of the State Authority, the request for allocation of state ceiling must include a contemporaneous request for approval to issue the associated bonds. A request for an allocation of state ceiling associated with a contemporaneous request for issuance approval is not complete unless it includes all items required by the State Authority for the issuance approval request.

2. If the applicable private activity bonds require the approval of an entity other than the State Authority, the issuer, or a state constitutional officer, a certified statement from the other approving entity must be submitted with the allocation request. For example, an issuance of bonds by the Jobs-Economic Development Authority must be approved by the Coordinating Council (§ 41-43-110(A)).

3. If a request for allocation of state ceiling regards private activity bonds for a multi-family housing project, either (i) the petition making the request must be accompanied by both a preliminary determination of the project's eligibility for the South Carolina housing tax credit (§12-6-3795(B)(5)(d)) and all comments provided by a county and city pursuant to Section 12-6-3795(C)(3)); or (ii) the petition making the request must include an irrevocable waiver of any claim for a state tax credit pursuant to Section 12-6-3795, accompanied by proof that the petition has been filed with State Housing. Even if a project includes an irrevocable waiver of any claim for a state tax credit, the request must undergo a feasibility and underwriting review by State Housing; accordingly, the request must be accompanied by a Certificate of Allocating Agency (42(m) Letter).

4. If a request for issuance approval regards private activity bonds for a multi-family housing project, and is using carryforward allocated to State Housing in prior years, either the (i) the petition making the request must be accompanied by both a preliminary determination

of the project's eligibility for the South Carolina housing tax credit (§12-6-3795(B)(5)(d)) and all comments provided by a county and city pursuant to Section 12-6-3795(C)(3)); or (ii) the petition making the request must include an irrevocable waiver of any claim for a state tax credit pursuant to Section 12-6-3795, accompanied by proof that the petition has been filed with State Housing. Even if a project includes an irrevocable waiver of any claim for a state tax credit, the request must undergo a feasibility and underwriting review by State Housing; accordingly, the request must be accompanied by a Certificate of Allocating Agency (42(m) Letter).

5. The petition submitted for each authorized request must include an acknowledgement that any amount of allocation subsequently requested will constitute a new authorized request and a representation that "the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project." Reference Section 1-11-530(C).

6. In the case of a proposed industrial or economic development project using state ceiling from either the Industrial and Economic Development or Other Qualified Purposes categories, the project must appear on the list of projects ranked by the Coordinating Council for Economic Development and must have received a definitive recommendation from the Coordinating Council for the amount of state ceiling proposed to be allocated to the project.

7. In the case of a proposed project using state ceiling from the Multi-family Housing category or prior year carryforward previously allocated to State Housing for multi-family housing projects, the project must appear on the list of projects ranked by State Housing and must have received a definitive recommendation from State Housing for the amount of state ceiling proposed to be allocated to the project.

8. A request to take any of the following actions must be accompanied by a letter signed by the chief executive officer of the applicant providing a thorough explanation of the compelling circumstances leading to the request and a justification for why those circumstances were not successfully avoided: A request (a) to reinstate or extend the validity of previously allocated state ceiling, (b) to allocate state ceiling to a project if previously allocated state ceiling was allowed to expire, or (c) to allocate additional state ceiling to a project. In addition, a request to allocate additional state ceiling to a project must be accompanied by supporting financial analysis demonstrating the further amount necessary to accomplish financial feasibility of the project. A responsible officer of the applicant is expected to attend the applicable State Authority meeting.

9. A request (a) to approve single-project allocations for carry-forward election, or (b) to approve carryforward elections prior to the fourth quarter of the calendar year to which the state ceiling applies must be accompanied by a letter signed by the chief executive officer of the applicant that provides a compelling justification for such action and a thorough explanation of why it is in the best interest of the state to approve the request. As noted below, such requests are considered extraordinary and will receive a heightened level of review. A responsible officer of the applicant is expected to attend the applicable State Authority meeting.

10. In the case of an industrial or economic development project, an authorized request seeking more than ten percent of the total state ceiling for the Plan Year must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project. The petition must be accompanied by a statement of position by the Coordinating Council regarding the relative size of the request.

11. In the case of a project for any purpose other than for industrial or economic development, an authorized request seeking more than five percent of the total state ceiling for the Plan Year must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project.

12. If any part of the submission is subject to review, comment or other action of the Joint Bond Review Committee, the item must be submitted to the committee prior to consideration of the submission by the State Authority.

If a request does not meet each and every published requirement by the submission deadline for the applicable State Authority meeting, the State Authority's Secretary is authorized not to place the item on the State Authority's agenda.

The State Authority reserves its discretion to amend and supplement these procedures as circumstances dictate.

The State Authority and its members reserve the right to require additional information for any particular item.

SECTION Q. EXTENSIONS AND CARRYFORWARDS

Section 1-11-530(C) provides that each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project. In addition to the foregoing, the State Authority must be reasonably assured that any allocation of state resources will be utilized prior to expiration. Accordingly, the State Authority will undertake a heightened level of review and exercise conservative discretion in addressing any request to (1) reinstate or extend the validity of previously allocated state ceiling, (2) allocate state ceiling to a project if previously allocated state ceiling was allowed to expire, (3) allocate additional state ceiling to a project, (4) approve single-project allocations for carry-forward election, (5) or approve carryforward elections prior to the fourth quarter of the calendar year to which the state ceiling applies.

SECTION R. BACKGROUND

On August 30, 2022, the State Fiscal Accountability Authority adopted the inaugural South Carolina State Ceiling Allocation Plan pursuant to Act 202 of 2022. Section A of the 2022 State Ceiling Allocation Plan provided the background and purpose of the plan. The background and purpose of the inaugural plan and Act 202 of 2022 has not changed and need not be repeated on an annual basis. However, the Background and Purpose as written in the 2022 State Ceiling Allocation Plan remains relevant and is incorporated by reference for the 2023 South Carolina State Ceiling Allocation Plan.

Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

August 3, 2022

Mr. Grant Gillespie
Executive Director
State Fiscal Accountability Authority
1200 Senate Street
Columbia, SC 29201

Dear Mr. Gillespie:

Please find attached the final version of the competitive scoring criteria required by Act 202 and included as an attachment to the 2022 State Ceiling Allocation Plan.

Sincerely,

Karen Blair Manning
Chief Legal Counsel

KBM

Attachment
Cc: Harry M. Lightsey III
A. Daniel Young

1201 Main Street, Suite 1600, Columbia, SC 29201
Tel: (803) 737-0400 • Fax: (803) 737-0418 • www.sccommerce.com

SUMMARY OF PROCEDURES FOR EVALUATING REQUESTS FOR STATE CEILING ALLOCATIONS

The following briefly summarizes the procedures applicable to the methodology employed by the South Carolina Department of Commerce (the "Department") in evaluating industrial and economic development projects that are requesting an allocation of the state private activity bond limit by the State Fiscal Accountability Authority (SFAA).

Background

The Department was designated by the South Carolina General Assembly to assist SFAA in determining the allocation of the state private activity bond limit for industrial and economic development projects. As required by Act 202 of 2022 and the South Carolina State Ceiling Allocation Plan, Commerce has established competitive criteria to evaluate industrial and economic development projects. These criteria are designed to achieve highest value and greatest public benefit.

Review Procedures and Scoring

During the review process, Department staff will evaluate the following factors for each industrial and economic development project requesting allocation of the state ceiling and will give scores weighted in the ranges set forth on the attached Scoring Criteria for Bond Applicants and as discussed below.

1. **Tier ranking of the county in which the project will be located as determined by the South Carolina Department of Revenue for the year in which allocation is sought.**
   Projects in the most rural counties will be given the higher scores to encourage development in those counties. The rural counties are most in need of industrial development to sustain and improve those counties.

2. **Number of existing jobs to be maintained at the project.**
   The larger the current employment, the higher the score because larger companies have the greatest impact on the economy of the local region and the state as a whole.

3. **Number of net new jobs to be created at the project.**
   The more jobs being created, the greater the impact on the economy of the local region and the state as a whole by providing more employment for residents and resulting in increased income to the state.

4. **Average salary of the new jobs to be created at the project.**
   Jobs with higher wages will increase income to the state, and jobs with wages above the per capita income of the county have a greater impact on the economic well-being of that county.

5. **Existing investment of the entity.**
   The greater the existing investment the more property taxes that will be received to benefit the economy of the local region and the state as a whole.

6. **New investment to be made at the project.**
   Similarly, the greater the new investment, the more property taxes that will be received and will benefit the county and local school districts.

7. **Financing available to support the project.**
   This category is the most subjective, but a vital consideration. A project's ability to support the project financially is essential to the success.

8. **<u>Cost Benefit</u>**

The South Carolina Coordinating Council for Economic Development (the "Coordinating Council") will perform a cost benefit analysis on each project. Absent extenuating circumstances, a project that does not have a positive financial benefit to the state will not be recommended for state ceiling allocation; provided, however, projects locating in Tier 3 and 4 counties will not be excluded from consideration because of a negative return on investment resulting from the estimated value of job tax credits. While the cost benefit analysis assumes all job tax credits earned and accrued are used, as a practical matter, companies rarely have sufficient income tax liability to use the maximum value of the credits. This is particularly true in the most rural counties because of the extremely high value of the job tax credits under state law.

After consideration of each factor and allocation of appropriate scores, the Department will then calculate the final score using the following formula:

((County Designation X (New Jobs + New Investment)) +Existing jobs + Existing Investment + Average Salary + Financing+ Cost Benefit

Scoring Criteria for Bond Applicants

County Designation	
Tier 4	3
Tier 3	2
Tier 2	1
Tier 1	1
Type of Project	
Public Infrastructure	4
Manufacturing	2
Other Business	0
Existing Jobs	
> 500	2
100-500	1
0-100	0
New Jobs	
>300	5
150-300	4
50-149	3
25-49	2
>25	1
Existing Investment	
>$300,000,000	3
$100,000,000- $300,000,000	2
$70,000,000-$100,000,000	1
<$70,000,000	0
New Investment	
>$20,000,000	4
$10,000,000-$20,000,000	3
$5,000,000-$10,000,000	2
<$5,000,000	1
Avg. Salary	
>150% of per capita income	2
100% of per capita income	1
>100%	0
Financing	
Financing in place	5
Financing not sufficient to sustain project	0
Cost Benefit	
Positive State Benefit > $10 million	4
Estimate positive state benefit < $9.9 Million	2
Negative	-30

South Carolina State Housing Finance and Development Authority
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Writer's Direct Numbers
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E-mail: Tracey.Easton@schousing.com

August 2, 2022

Delbert H. Singleton, Jr., Esquire
Secretary
State Fiscal Accountability Authority
1200 Senate Street
Wade Hampton Building, Suite 600
Columbia, South Carolina 29201

Re: 2022 Proposed State Ceiling Criteria

Dear Delbert:

I enclose SC Housing's 2022 Proposed State Ceiling Criteria and a sample ranking spreadsheet.

I would greatly appreciate if this matter could be placed before the State Fiscal Accountability Authority for consideration in conjunction with the State Ceiling Allocation Plan.

Thank you for your assistance.

Very truly yours,

Tracey C. Easton

Tracey C. Easton
General Counsel

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C. Todd Latiff
Chairman

Bonita H. Shropshire
Executive Director

This proposed criteria for State Ceiling allocations is presented solely for consideration by the Joint Bond Review Committee and State Fiscal Accountability Authority and is not intended to provide official or final guidance to participants in the program. Once approved by the JBRC and SFAA, final guidance will be published on the website of the South Carolina State Housing Finance and Development Authority (SC Housing).

Proposed State Ceiling Criteria

For those projects seeking an allocation of state ceiling or carryforward for a multifamily project intending to utilize 4% federal low-income housing tax credits, SC Housing will require certain threshold criteria as detailed in the applicable Qualified Allocation Plan (QAP) which is the controlling document related to the allocation of the credit. This threshold criteria includes items such as financial feasibility, minimum applicant experience, site control, financial capacity of the applicant, and readiness to proceed (i.e., without limitation, establishment of the bond working group, existence of letters of interest or letters of intent from lenders, syndicators, and other parties). Additionally, SC Housing will require projects to meet the requirements outlined in SC Housing's Multifamily Tax-Exempt Bond Finance Program manual.

Projects meeting the threshold criteria described above will be ranked for state ceiling utilizing the following criteria that evidence the highest value and greatest public benefit as required by Act 202 of 2022 and the State Ceiling Allocation Plan. Section O of the State Ceiling Allocation Plan requires, at a minimum, certain measures to be included. The following criteria meet the requirements of the State Ceiling Allocation Plan:

- State resources per heated residential square foot
  - This criterion will rank projects from lowest to highest, based on a calculation of state resources (bond ceiling and state tax credit) per heated residential square foot (i.e., excluding common areas), to demonstrate the most efficient use of state resources for the portion of total project costs applicable to actual tenant housing.
- State resources per bedroom
  - This criterion will rank projects from lowest to highest, based on a calculation of state resources per bedroom, to demonstrate the most efficient use of state resources for the number of families the project will house.
- State resources per dollar of total project costs
  - This criterion will rank projects from lowest to highest, based on a calculation of state resources to total project costs to demonstrate the most efficient investment of state resources in the project overall.
- State resources per potential tenant
  - This criterion will rank projects from lowest to highest, based on a calculation of state resources per potential tenant to demonstrate the most efficient use of state resources for the number of potential residents the project will house.

A 30% adjustment to state resources will be made as a ranking consideration for projects located in USDA-designated rural areas. A 10% adjustment to state resources will be made for new construction units, as a ranking consideration for projects providing an overall increase in affordable housing. These adjustments apply for the sole purpose of establishing project rankings.

Exhibit B - 2022 & 2023 Competitive Criteria for Multi-family Housing Projects

Development [FICTITIOUS PROJECTS]	Location	USDA Rural Eligibility	Issuance Approval Date	Annual STC	10 Year STC	State Historic Tax Credit	State Abandoned Building Credit	TEB Ceiling Allocation	Total Project Costs	Net New Units	Residential Square Footage	Project Unit Mix: Efficiency/ Studio	1BR	2BR	3BR	4BR	Total BRs	Total Units
Maple Avenue Apartments	Beaufort	N	TBD	$ 1,987,326.00	$ 19,873,260	$ -	$ -	$ 25,000,000	$ 48,687,000	185	301,528			15	20	150	690	185
Main Street Village	Greenville	N	TBD	$ 447,194.00	$ 4,471,940	$ -	$ 263,000	$ 8,200,000	$ 16,750,000	72	68,916		61	11			83	72
Pomaria Mill	Pomaria	Y	TBD	$ 778,523.00	$ 7,785,230	$ 1,567,203	$ -	$ 16,000,000	$ 20,475,000	70	72,000			45	20	5	170	70
Charbonneau Apartments	Columbia	N	TBD	$ 2,000,000.00	$ 20,000,000	$ -	$ -	$ 22,000,000	$ 45,327,406	200	211,000		50	100	50		400	200
Rolling Hills Farms	York	Y	TBD	$ 875,000.00	$ 8,750,000	$ -	$ -	$ 14,000,000	$ 26,150,000	70	64,523		50	16	4		94	70
			TOTAL:	$ 6,088,043.00				$ 85,200,000										

Development [FICTITIOUS PROJECTS]	Est Tenants	Total State Resources	Rural Bonus	New Construction Bonus	ADJUSTED Total State Resources	Ranking Criteria: State Resources per Res SF	State Resources per BR	Total Project Costs (Value)	State Resources per Potential Tenant (Public Benefit)	Development Ranking: State Resources per Res SF	State Resources per BR	Total Project Costs (Value)	State Resources per Potential Tenant (Public Benefit)	Total	Overall
Maple Avenue Apartments	1,380	$ 44,873,260	0.0	0.1	$ 40,385,934	$ 133.94	$ 58,530.34	0.8295	$ 29,265	1	1	3	1	6	**1**
Main Street Village	166	$ 12,934,940	0.0	0.1	$ 11,641,446	$ 168.92	$ 140,258.39	0.6950	$ 70,129	2	4	2	4	12	**2**
Pomaria Mill	340	$ 25,352,433	0.3	0.1	$ 15,211,460	$ 211.27	$ 89,479.18	0.9987	$ 44,740	4	2	5	2	13	**3**
Charbonneau Apartments	800	$ 42,000,000	0.0	0.1	$ 37,800,000	$ 179.15	$ 94,500.00	0.8339	$ 47,250	3	3	4	3	13	**3**
Rolling Hills Farms	188	$ 22,750,000	0.3	0.1	$ 13,650,000	$ 211.55	$ 145,212.77	0.5220	$ 72,606	5	5	1	5	16	**5**

Column A: Development name

Column B: Development location

Column C: USDA Rural Designation of the developent property. Properties located in rural areas receive a preference bonus reflected in a 30% adjustemnt to the total state resources figure.

Columns F through H: Annual state tax credits (housing, historic, abaondoned building) in the project

Column I: Tax exempt bond ceiling allocation being requested by the developer/sponsor

Column J: Total development project cost

Column K: In mixed-use proposals, the amount of the overall development cost apportioned to multifamily residential. NB: Market rate units are not included in the total.

Column L: The net newly produced units in the proposed project. Projects where a majority of the units are newly produced receive a preference bonus reflected in a 10% adjustment to the total state resources figure.

Column M: Residential sqaure footage is that portion of heated sqaure footage comprising living units, and is of direct use and benefit to the tenants.

Columns N-R: The unit mix of the development project by bedroom size of units.

Column U: The number of potential tenants served in the development; 2 persons per bedroom is the standard.

Column V: Total tax exempt bond request plus all state tax credits

Columns W & X: projects located in rural areas as designated by the USDA receive a 30% preference bonus; projects where the majority of units are new (rather than rehab of existing) receive a 10% preference bonus.

Column Y: Adjusted total state resources (see Column T) after the rural and new unit preferences have been factored in.

Column Z: State resources per residential square footage; this reflects the value of the building as an asset and is a compenent of determining "highest and best value" for the state's investment.

Column AA: State resources per bedroom; this reflects the potential utility of the building to tenants and is a compenent of determining the "public benefit" of the state's investment.

Column AB: Total project costs ratio; this reflects the value of the state's adjusted total investment relative to the total residential development cost and is a measure of the "highest and best value" for the state's investment.

Column AC: State resources per potential tenant housed in the development; this is reflective of the potential number of citizens served and therefore of the "public benefit" for the state's investment .

Columns AD through AI: Development projects are ranked by relative score in Columns X through AA; a development's rank is totaled across all four ranking categories to produce an Overall Rank within the competitive pool.

1	Project Name
2	Location (Municipality)
3	Issuer
4	Attorney
5	State Tax Credits (1 year)
6	State Tax Credits (10 years)
7	State Tax Credit Letter Date
8	Current Year-Ceiling Allocation Request Amount
9	Ceiling Allocation Date
10	Carryforward granted by SFAA or SC Housing
11	Amount of Carryforward requested from SHFDA
12	Balance of Carryforward held by SHFDA
13	Annual State Tax Credit needed
14	Balance of Annual State Tax Credits Allocated to 4% projects

AGENCY: South Carolina State Housing Finance and Development Authority

SUBJECT: Proposed Plan for Administration of State Housing Tax Credits for Calendar Year 2022 Pursuant to Act 202 of 2022

Among other things, Act 202 of 2022 amended the provisions of Section 12-6-3795 of the 1976 Code, which provides for a state housing tax credit allowed for qualified projects placed in service after January 1, 2020, and before December 31, 2030. The credit is permitted in an amount not to exceed the federal housing tax credit subject to certain limitations.

The state housing tax credit must supplement but not supplant the federal housing tax credit, and must be limited to an amount necessary only to achieve financial feasibility of the project. Moreover, the total amount of all state housing tax credits is limited to $20 million in each calendar year, subject to certain adjustments. Of that amount, state housing tax credits utilizing the 9% federal tax credit must not exceed 40%, with no less than 50% of those state housing tax credits allocated to projects located in an eligible rural area. The remaining state tax credits are available to projects utilizing the 4% federal tax credit, subject to availability and allocation to the extent necessary for the project of any state ceiling supporting the issuance of multi-family private activity bonds. The State Housing Finance and Development Authority has responsibility for allocation and administration of the state housing tax credit, and ensuring that the limits established by the Act are not exceeded.

The State Housing Authority must establish uniform criteria for allocating the state housing tax credit pursuant to a competitive process that promotes highest value and greatest public benefit, which criteria must be established as part of any qualified allocation plan adopted to administer the federal tax credit. The State Housing Authority must give written notice to the county and city within which any project is to be located and following such notice, must provide an opportunity for public comment following publication of notice in a local newspaper of general circulation, and an opportunity for the county and city to provide comments following the public hearing. The criteria for allocating the state housing tax credit and the qualified allocation plan are subject to the prior review and comment of the Joint Bond Review Committee. In addition to the foregoing, provisions of the statute and its administration are subject to the oversight, review, and comment of the Committee.

In compliance with these statutory requirements, the State Housing Authority has submitted for review and comment by the Committee a proposed plan for administration of state housing tax credits for calendar year 2022.

General Provisions. All applications for state housing tax credits will be evaluated to determine if the application is made for a project to be located in a rural area; the state housing tax credit is needed for financial feasibility of the project; the project has local support; and the application maximizes the federal housing tax credit.

Applications Proposing Use of the 9% Federal Tax Credit. Applications proposing use of the 9% federal tax credit will be reviewed and scored in accordance with the 2022 Qualified Allocation Plan, which was approved by Governor McMaster on January 11, 2022. The State Housing Authority will then determine the top-scoring applications to the extent of exhaustion of the federally limited tax credit, and of those applications, the State Housing Authority will determine whether or not the application involves a further request for allocation of state housing tax credits. Allocations of state housing tax credits to projects proposing use of the 9% federal tax credit will not exceed $8 million, or 40% of the state-limited tax credit, and at least $4 million, or 50% of the allocations of state housing tax credits, will be made to projects located in rural areas.

Applications Proposing Use of the 4% Federal Tax Credit. Applications proposing use of the 4% federal tax credit will be reviewed in accordance with the State Housing Authority's Multifamily Tax-Exempt Bond Finance Program manual and the portions of the 2022 Qualified Allocation Plan that are applicable to 4% allocations. Allocations of state housing tax credits to projects proposing use of the 4% federal tax credit will not exceed $12 million.

Ranking Criteria. In accordance with SC Code Section 12-6-3795(C)(3), the State Housing Authority has established uniform criteria for allocating the state housing tax credit to eligible projects pursuant to a competitive process that promotes highest value and greatest public benefit. Determinations of highest value and greatest public benefit will reflect the relationship of the state resources proposed for the project to the affordable housing benefits the project will achieve.

Total state resources will include any amount of state ceiling, any applicable state tax credits, and any other state resources and incentives as are germane and applicable to the project. Affordable housing benefits will include such facility characteristics as the heated residential square footage, number of bedrooms, and number of tenants the project is designed to serve. The determination of highest value will include a comparison of the state resources to the project's total cost. Eligible projects will be ranked for purposes of allocating state housing tax credit based on state resources per heated residential square foot; state resources per bedroom; state resources per dollar of total project costs; and state resources per potential tenant. A 30% adjustment to state resources will be made as a ranking consideration for projects located in rural areas; and a 10% adjustment to state resources will be made for new construction units.

Tie-Breaking Criteria. The Committee may wish to consider providing guidance for tie breaking criteria in the event that an insufficient amount of limited state housing tax credits is available to support an allocation for bottom-ranked projects with identical overall rankings. The Committee might consider first directing allocation of the state housing tax credit to the project that could be accommodated within the limitation in the event that the other could not. Thereafter, if either of the projects could be accommodated within the limitation, the Committee could consider directing allocation of the state housing tax credit to a project within a designated rural area if the other project were not, as further emphasis on funding rural projects. Thereafter, if the tie remained unbroken, then the Committee could consider directing allocation of the state housing tax credit determined solely by the relationship of total state resources to the number of tenants the project is expected to serve, as perhaps the most representative indicator of highest value and greatest public benefit.

Inasmuch as the ranking criteria for multifamily housing projects will be identical for both allocations of state housing tax credits and state ceiling, the committee may wish to clarify that this guidance would apply to both.

Public Hearings. All allocations of state housing tax credits will be contingent on a public hearing conducted pursuant to SC Code Section 12-6-3795(C)(3).

Other Considerations. Adoption of a plan for allocation of state housing tax credits is integral to the resolution of certain projects pending approval that will be considered in Item 4(g), and will facilitate progress of applications proposing use of the 9% federal tax credit for developments currently pending at State Housing.

Implementation of these provisions will supplement the provisions of the existing 2022 Qualified Allocation Plan. In future years, these provisions will be included as a part of the annual Qualified Allocation Plan, as required by statute.

The Plan has been developed in consultation with State Housing, and Committee and other legislative staff.

COMMITTEE ACTION:

1. Receive the 2022 Qualified Allocation Plan as information and ratify its use for incorporation into the proposed Plan for Administration of State Housing Tax Credits for Calendar Year 2022.
2. Review and comment on the proposed Plan for Administration of State Housing Tax Credits in accordance with the provisions of Act 202 of 2022.
3. Consider providing guidance on tie-breaking criteria.

ATTACHMENTS:

1. Letter dated August 3, 2022, of Ms. Bonita Shropshire, Executive Director, South Carolina State Housing Finance and Development Authority.
2. 2022 Proposed State Tax Credit Process.
3. Sample Ranking Sheet
4. Form of Preliminary Eligibility Statement.
5. Executive Summary of 2022 Qualified Allocation Plan.
6. 2022 Qualified Allocation Plan.

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C. Todd Latiff
Chairman

Bonita H. Shropshire
Executive Director

August 3, 2022

F. Richard Harmon, Jr.
Director of Research
Joint Bond Review Committee

Re: Act 202 of 2022 State Tax Credit Criteria

Dear Mr. Harmon:

Pursuant to Act 202 of 2022, please find enclosed the proposed scoring criteria for the 2022 allocations of the State Tax Credit and a sample ranking spreadsheet. As we draft the 2023 Qualified Allocation Plan, we will submit state tax credit criteria to you with the QAP.

Please place this item on the agenda for consideration by the Joint Bond Review Committee at the first available meeting.

Sincerely,

Bonita Shropshire

Bonita Shropshire
Executive Director

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Chairman

Bonita H. Shropshire
Executive Director

This proposed process for State Tax Credit allocations for 2022 only is presented solely for review and comment by the Joint Bond Review Committee and is not intended to provide official or final guidance to participants in the South Carolina State Housing Finance and Development Authority's program. Final guidance will be published on the website of the South Carolina State Housing Finance and Development Authority. The 2023 and future processes will be incorporated into the Qualified Allocation Plan in accordance with Act 202 of 2022.

Common Determinations

All applications for South Carolina Housing Tax Credits (STC) will be evaluated in accordance with the provisions of SC Code Section 12-6-3795. As a part of that evaluation, SC Housing will determine if:

- The application is made for a project to be located in a USDA-designated rural area;
- STC is needed for financial feasibility;
- The application has local support; and
- The application is receiving the maximum federal LIHTC allocation.

Proposed State Tax Credit Process for 9% Applications - 2022 Only

All applications will be reviewed and scored according to the 2022 Qualified Allocation Plan. SC Housing will underwrite/review the top scoring applications that will exhaust the federal LIHTC limit. Of the top scoring applications, SC Housing will determine if any of those applicants requested STC.

Allocations of STC will not exceed $8 million, and at least $4 million (50%) will be made available for allocation to projects located in rural areas only. If the STC request does not meet the guidelines above, or the application requested STC and an insufficient amount is available, then the application is ineligible for an award of federal LIHTCs. To the extent that any portion of the allocation is unused, that amount will be deemed to be unallocated and will be made available for allocation in the following year pursuant to the provisions of SC Code Section 12-6-3795(B)(5).

Proposed State Tax Credit Process for 4% Applications - 2022 Only

All applications will be reviewed according to SC Housing's Multifamily Tax-Exempt Bond Finance Program manual and the portions of the 2022 Qualified Allocation Plan that are applicable to 4% allocations.

Allocations of STC will not exceed $12 million. If the STC request does not meet the guidelines above, or the application requested STC and an insufficient amount is available, then the application is ineligible for an award of STC in that round. To the extent that any portion of the allocation is unused, that amount will be deemed to be unallocated and will be made available for allocation in the following year pursuant to the provisions of SC Code Section 12-6-3795(B)(5).

Proposed Ranking Criteria for STC Applications

Determinations of highest value and greatest public benefit will reflect the relationship of the state resources proposed for the project to the affordable housing benefits the project will achieve. Total state resources will include any amount of state ceiling, any applicable state tax credits, and any other state resources and incentives as are germane and applicable to the project. Affordable housing benefits will include such facility characteristics as the heated residential square footage, number of bedrooms, and number of tenants the project is designed to serve. The determination of highest value will include a comparison of the state resources to the project's total cost. Accordingly, eligible projects will be ranked for purposes of STC based on:

- State resources per heated residential square foot
    - This criterion will rank projects from lowest to highest, based on a calculation of state resources per heated residential square foot (i.e., excluding common areas), to demonstrate the most efficient use of state resources for the portion of total project costs applicable to actual tenant housing.
- State resources per bedroom
    - This criterion will rank projects from lowest to highest, based on a calculation of state resources per bedroom, to demonstrate the most efficient use of state resources for the number of families the project will house.
- State resources per dollar of total project costs
    - This criterion will rank projects from lowest to highest, based on a calculation of state resources to total project costs to demonstrate the most efficient investment of state resources in the project overall.
- State resources per potential tenant
    - This criterion will rank projects from lowest to highest, based on a calculation of state resources per potential tenant to demonstrate the most efficient use of state resources for the number of potential residents the project will house.

A 30% adjustment to state resources will be made as a ranking consideration for projects located in USDA-designated rural areas. A 10% adjustment to state resources will be made for new construction units, as a ranking consideration for projects providing an overall increase in affordable housing. These adjustments apply for the sole purpose of establishing project rankings.

Public Hearings

Any allocations of STC will be made contingent on a public hearing conducted pursuant to SC Code Section 12-6-3795(C)(3). For 2022 and for applications where SC Housing is the issuer, SC Housing will conduct a combined TEFRA and STC hearing for public comment.

Project Unit Mix

Development	Location	USDA Rural Eligibility	Issuance Approval Date	Annual STC	10 Year STC	State Historic Tax Credit	State Abandoned Building Credit	TEB Ceiling Allocation	Total Project Costs	Net New Units	Residential Square Footage	Total BRs	Total Units	Est Tenants	Total State Resources
PRIORITY GROUP 1															
Maple Avenue Apartments	Beaufort	N	TBD	$ 1,987,326	$ 19,873,260	$ -	$ -	$ 25,000,000	$ 48,687,000	185	301,528	690	185	1,380	$ 44,873,260
Main Street Village	Greenville	N	TBD	447,194	4,471,940	-	263,000	8,200,000	16,750,000	72	68,916	83	72	166	12,934,940
Pomaria Mill	Pomaria	Y	TBD	778,523	7,785,230	1,567,203	-	16,000,000	20,475,000	70	72,000	170	70	340	25,352,433
Charbonneau Apartments	Columbia	N	TBD	2,000,000	20,000,000	-	-	22,000,000	45,327,406	200	211,000	400	200	800	42,000,000
Rolling Hills Farms	York	Y	TBD	875,000	8,750,000	-	-	14,000,000	26,150,000	70	64,523	94	70	188	22,750,000
			TOTAL:	**$ 6,088,043**				**$ 85,200,000**							

Column A: Development name
Column B: Development location
Column C: USDA Rural Designation of the developent property. Properties located in rural areas receive a preference bonus reflected in a 30% adjustemnt to the total state resources figure
Columns F through H: Annual state tax credits (housing, historic, abaondoned building) in the project
Column I: Tax exempt bond ceiling allocation being requested by the developer/sponsor
Column J: Total development project cost
Column K: In mixed-use proposals, the amount of the overall development cost apportioned to multifamily residential. NB: Market rate units are not included in the total.
Column L: The net newly produced units in the proposed project. Projects where a majority of the units are newly produced receive a preference bonus reflected in a 10% adjustment to the total state resources figure
Column M: Residential square footage is that portion of heated sqaure footage comprising living units, and is of direct use and benefit to the tenants
Columns N-R: The unit mix of the development project by bedroom size of units.
Column U: The number of potential tenants served in the development; 2 persons per bedroom is the standard.
Column V: Total tax exempt bond request plus all state tax credits
Columns W & X: projects located in rural areas as designated by the USDA receive a 30% preference bonus; projects where the majority of units are new (rather than rehab of existing) receive a 10% preference bonus
Column Y: Adjusted total state resources (see Column T) after the rural and new unit preferences have been factored in.
Column Z: State resources per residential square footage; this reflects the value of the building as an asset and is a compenent of determining "highest and best value" for the state's investment.
Column AA: State resources per bedroom; this reflects the potential utility of the building to tenants and is a compenent of determining the "public benefit" of the state's investment.
Column AB: Total project costs ratio; this reflects the value of the state's adjusted total investment relative to the total residential development cost and is a measure of the "highest and best value" for the state's investment.
Column AC: State resources per potential tenant housed in the development; this is reflective of the potential number of citizens served and therefore of the "public benefit" for the state's investment .
Columns AD through AI: Development projects are ranked by relative score in Columns X through AA; a development's rank is totaled across all four ranking categories to produce an Overall Rank within the competitive pool.

					Adjustments			Ranking Criteria				Development Ranking					
Development	Location	USDA Rural Eligibility	Total Project Costs	Total State Resources	USDA Rural Eligibility	New Construc-tion	ADJUSTED Total State Resources	State Resources per Res SF	State Resources per BR	State Resources to Total Project Costs	State Resources per Potential Tenant	State Resources per Res SF	State Resources per BR	State Resources to Total Project Costs	State Resources per Potential Tenant	Total	**Overall**
PRIORITY GROUP 1																	
Maple Avenue Apartments	Beaufort	N	$ 48,687,000	$ 44,873,260	0%	10%	$ 40,385,934	$ 133.94	$ 58,530	83.0%	$ 29,265	1	1	3	1	6	**1**
Main Street Village	Greenville	N	16,750,000	12,934,940	0%	10%	11,641,446	168.92	140,258	69.5%	70,129	2	4	2	4	12	**2**
Pomaria Mill	Pomaria	Y	20,475,000	25,352,433	30%	10%	15,211,460	211.27	89,479	99.9%	44,740	4	2	5	2	13	**3**
Charbonneau Apartments	Columbia	N	45,327,406	42,000,000	0%	10%	37,800,000	179.15	94,500	83.4%	47,250	3	3	4	3	13	**3**
Rolling Hills Farms	York	Y	26,150,000	22,750,000	30%	10%	13,650,000	211.55	145,213	52.2%	72,606	5	5	1	5	16	**5**

Column A: Development name
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Columns AD through AI: Development projects are ranked by relative score in Columns X through AA; a development's rank is totaled across all four ranking categories to produce an Overall Rank within the competitive pool.

South Carolina State Housing Finance and Development Authority
300-C Outlet Pointe Blvd., Columbia, South Carolina 29210
Telephone: 803.896.9001 TTY: 803.896.8831
SCHousing.com

DATE

APPLICANT ADDRESS

RE: Preliminary Determination of State Tax Credit
PROPERTY NAME
APPLICATION NO.

Dear _________:

The South Carolina State Housing Finance and Development Authority (SC Housing) has made a preliminary determination that the above-referenced Property may be eligible for an allocation of South Carolina state housing tax credits (STC) under SC Code Ann. §12-6-3795 in an annual allocation amount not to exceed [AMOUNT], and a total allocation amount for the ten-year credit period not to exceed [AMOUNT]. This allocation amount is not a final determination and is subject to reduction at the time the STC is finalized with an Eligibility Statement.

This preliminary determination is subject to the limitations and other provisions set forth by SC Code Ann. §12-6-3795. In addition to the foregoing, the Property must meet the requirements below in order for the STC amount to be finalized with an Eligibility Statement issued in conjunction with the issuance of any Form 8609 for the federal housing tax credit.

The Property must, without limitation:

1. Place in service after January 1, 2020 and before December 31, 2030;
2. Have restricted rents that do not exceed 30% of income for at least:
   - 40% of units occupied by households with incomes of 60% or less of the median income, or
   - 20% of units occupied by households with incomes of 50% or less of the median income; and
3. Comply with the applicable Qualified Allocation Plan, STC Implementation Policies, STC SC Housing Bulletin(s), and decisions made during application review; and
4. Comply with applicable guidance and policies as may be established by the South Carolina Department of Revenue, including, but not limited to, any filing requirements.

Sincerely,

Kim Wilbourne
Low-Income Housing Tax Credit Manager

South Carolina State Housing Finance and Development Authority
300-C Outlet Pointe Blvd., Columbia, South Carolina 29210
Telephone: 803.896.9001 TTY: 803.896.8831
SCHousing.com

C. Todd Latiff
Chairman

Bonita H. Shropshire
Executive Director

This overview of the Qualified Allocation Plan is presented solely at the request of staff of the Joint Bond Review Committee and is not intended to alter, override, change, or provide official guidance to participants in any program of the South Carolina State Housing Finance and Development Authority.

A Qualified Allocation Plan ("QAP") establishes the policies and procedures for among other things distribution of federal low-income housing tax credits (LIHTCs) by allocating agencies. State law designates the South Carolina State Housing Finance and Development Authority (SC Housing) as the allocating agency for purposes of the QAP. At the option of LIHTC allocating agencies, a QAP also can address the administration of other resources, such as state LIHTCs, appropriated funds, and tax-exempt private activity bond volume. South Carolina's current QAP is published on the website of SC Housing at https://schousing.com/library/Tax%20Credit/2022/2022-QAP-20220427.pdf

Federal Law

Section 42 of the Internal Revenue Code establishes among other things the following requirements:

- Agencies must hold a public hearing and accept comments prior to approval of a QAP;
- All LIHTCs must be allocated pursuant to and comply with an approved QAP, including both 9% and 4% LIHTCs;
- Agencies may not allocate more than 90% of their 9% LIHTCs to properties that do not involve material participation by tax-exempt entities (nonprofits);
- Agencies must notify local chief executive officers (generally, mayors) of applications in their jurisdiction;
- QAPs must give preference in the competition for 9% LIHTCs to those developments serving the lowest income tenants for the longest periods, and those located in qualified census tracts which contribute to a concerted community revitalization plan; and
  - Must include at least the following selection criteria in the competition for 9% LIHTCs:
    - location
    - housing needs characteristics
    - project characteristics, including use of existing housing as part of a revitalization plan
    - sponsor characteristics
    - tenant populations with special housing needs
    - public housing waiting lists
    - households with children
    - projects intended for eventual tenant ownership
    - energy efficiency
    - historic nature

Section 42 also establishes a mandate for agencies to allocate only the amount of LIHTCs necessary for a development to be feasible for the 30-year compliance period, consisting of a 15-year initial compliance period and a 15-year extended use period.

SC QAP Overview

South Carolina's 2022 QAP was signed by Governor McMaster in January 2022. The 2022 QAP has four overall components:

- set-asides, which are distinct competitions for LIHTCs;
- threshold requirements for eligibility of applications;
- selection criteria to rank and determine awards; and
- underwriting standards to ensure viability of developments.

The document contains other policies, such as limits per developer and post-award processes, but the above components reflect the most significant considerations.

Set-Asides

Set-asides are designations distinguished principally between creating new apartments and repairing/preserving existing units. The QAP refers to the former as new construction and the latter as rehabilitation. Applications proposing new construction will receive roughly 90% of the available LIHTCs. This amount is further split between the 15 counties with the highest demand and the remainder of the state (resulting in an approximate split of 1/3 to 2/3 of South Carolina counties, respectively).

The QAP also implements the Section 42 expectation of allocating at least 10% of LIHTCs to nonprofits. SC Housing has the ability to award one application for innovation.

Threshold Requirements

Applications must meet certain minimum requirements, some of which vary based on the type of development. These criteria are detailed and lengthy, and establish the project's conformance with the four general components described above. These criteria require:

- a third-party market study prepared by an Authority approved analyst;
- a physical needs assessment certified by a third-party licensed engineer (rehabilitation projects only);
- site control (i.e., whether the developer owns or has an option or contract to purchase the real estate);
- necessary zoning be in place, including all necessary special/conditional uses;
- the general partner has at least two LIHTC developments in South Carolina or four in other states;
- the proposed management company is responsible for at least three LIHTC developments; and
- the site is not near noxious land uses such as sewage treatment or junkyards (new construction only).

In addition to the foregoing, SC Housing has an extensive set of mandatory requirements for design and construction.

Selection Criteria

The factors for determining awards vary by set-aside. For new construction, the point-scoring considerations are focused primarily on the quality of the location. Support by local governments and the localities within which the development is to be located also can be a significant consideration. For rehabilitation proposals, SC Housing focuses primarily on the risk of conversion of the property to market-rate, and the extent of physical distress to be remedied.

Underwriting Standards

Underwriting criteria are essentially a subset of threshold measures. SC Housing reviews funding source commitments, anticipated cash flow, compliance with reserve requirements, and other financial data, along with proposed development costs, particularly for development cost outliers. The objectives of these standards are to balance long-term feasibility without over-subsidizing projects.

Further Information

Additional resources are available on the website of the Authority at https://www.schousing.com/Home/HousingTaxCredits, and otherwise upon request.

2022 QAP Updates

February 7, 2022

Changes -

QAP Section IV(B) Set-Asides

Replace the first sentence with the following:

> The Authority will place Applications for 9% LIHTCs in one of the set-asides described in subsections (1), (2), or (3) below; Applicants may request consideration in (4).

QAP Section V(D) Wetlands

Replace the text with the following:

> The application must include a determination regarding the presence or absence of wetlands, including non-jurisdictional wetlands. The applicant must retain a qualified professional to complete Exhibit W.

Clarifications –

Preliminary Application – State Tax Credit

If you select "yes" on the preliminary application, you may change your selection to "no" at full application.

Preliminary Application – Targeting

The election made on the preliminary application cannot change on the full application.

Preliminary Application Checklist

Has been updated to remove the requirement of a Physical Needs Assessment (PNA).

March 22, 2022

- Federal Syndication Rates

Group A	.84 - .90
Group B	.82 - .88

- State Syndication Rates - .48 - .54
- SC Housing will not post lender interest rates.
- SC Housing will not post a maximum amount of tax credits per unit.
- 2022 LIHTCs - $13,495,833.00

Changes –

QAP Section II(B) Opinions, Certifications and Exhibits

Add the following text to the second paragraph:

> Digital signatures are acceptable on all exhibits provided by SC Housing.

April 4, 2022

Clarification –

QAP Section II (E) LIHTC Award Limitations

The limits on federal LIHTCs are two (2) awards and no more than $2,000,000 to any member of a Development Team. For example, a member could receive

- one award for $2,000,000, or
- two awards for $2,000,000 combined.

The Authority will not exceed either limit, with the exception of an application including an eligible Junior Developer. In that case the member may

- be part of a third award, and/or
- receive more than $2,000,000.

April 27, 2022

Clarification – this clarification is only for 9% LIHTC applications and is based on the current pending legislation and is subject to change as the legislation is made final.

State Tax Credit

- **Can an application show less than the maximum federal LIHTC allocation and also request the state LIHTC?** No. The new statute expressly forbids supplanting federal LIHTCs. The calculation must include the 30% basis boost (even if not in a DDA or QCT).
- **Will developers be able to submit scenarios with and without state LIHTC showing different amounts of federal LIHTCs?** No, for the same reason as in #1 above.
- **Will developers be able to submit scenarios with and without state LIHTC showing different amounts of other sources?** No. If a project works without state LIHTC equity then it should not be listed as a source; it either needs the additional equity to be feasible, or not.
- **What happens if the state LIHTC runs out before the federal?** Applications listing it as a source will be ineligible for award.
- **Is a developer bound by having checked "Yes" for requesting the state LIHTC in the preliminary application?** No, the full application does not need to include a request. If you checked "No" for requesting the state LIHTC in the preliminary application, you are bound by the preliminary application.
- **How much in state tax credit is available in 2022?** A maximum of 40% of the state tax credit amount, presuming sufficient eligible applications in rural areas.
- **How much of the state tax credits go to rural areas?** At least 50% of the total.
- **Which USDA definition of "rural" will apply?** The version used for Rural Development programs and the LIHTC national non-metro allowance:

https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp&NavKey=property@12

- **Is there a maximum amount of state tax credits?** Yes, the lower of the federal LIHTC allocation or what SC Housing determines through underwriting is necessary for feasibility.

- **Is there a minimum amount of state tax credits?** Yes, SC Housing will not award less than $300,000 because the syndication market cannot generate equity for lower amounts.
- **Will SC Housing use distinct scoring/selection for the state LIHTC for 9% applications?** The competition will be conducted under the 2022 QAP criteria and in conjunction with the state tax credit distribution model in the legislation.

June 21, 2022

Clarification – this clarification is only for 9% LIHTC applications and is based on the current legislation.

State Tax Credit

- **State Tax Credits cannot be requested to fill a financial gap a developer may experience due to the reduction in the maximum federal LIHTCs for receiving additional credits on a 2020 awarded development.**
- **Are we to interpret that SC Housing will award as much Federal Tax Credit that can be supported to an application irrespective of the application's submitted credit request?** If an application includes the state LIHTC then it must also request of the maximum possible federal LIHTC allocation. Maximum allocation is limited by any caps in the Qualified Allocation Plan.
- **Is SC Housing determining the max tax credit award based on qualified basis or will the calculated credit be based off of the lesser of the basis calculation or the equity gap calculation?** For purposes of your application, maximum means qualified basis multiplied by the applicable rate (9%).
- **Should the equity gap calculation be run assuming no State Tax Credit?** Yes
- **Should we anticipate that our requested credit amounts will shift as Underwriting Staff determines the minimum State Tax Credit amount necessary for a project to feasible?** All an applicant needs to consider is/are the amount(s) to include in the submission.
- **For example, if an application is submitted with $1.1 million in federal credits and $1.1 million in state credits, but the qualified basis would allow for up to a $1.55 million federal credit, would SC Housing underwrite and award the $1.55 million in federal credits and only award an amount necessary in State Tax Credits to make the project feasible?** This hypothetical application would risk being ineligible for award due to not following the Bulletin.
- **Does SC Housing intend to max out the federal credit on all applications received during underwriting to reduce as much as possible the state tax credit in every application regardless of the mixture of federal and state tax credit ratio as submitted?** SC Housing will comply with the state LIHTC statute. In the context of this question, the key aspect is to not supplant federal LIHTCs.
- **I show the need for the state credit, but I don't need $300,000. When I enter that amount into my model I am oversourced. Can I reduce the federal credit slightly?** SC Housing will entertain requests below $300,000 if the request is supported by a syndicator or investor letter of interest noting their willingness to purchase at the specific lower amount.

2022
QUALIFIED ALLOCATION PLAN

SC HOUSING

Financing Housing. Building SC.

South Carolina State Housing Finance and Development Authority

LOW-INCOME HOUSING TAX CREDIT PROGRAM

Table of Contents

I. INTRODUCTION

The federal Low-Income Housing Tax Credit (the "LIHTC"), including the 4% LIHTC associated with tax-exempt bond financing, is governed by Section 42 of the Internal Revenue Code (the "Code") and regulations found in Title 26 of the Code of Federal Regulations. South Carolina Code of Laws Section 12-6-3795 governs the state housing tax credit ("STC").

The Authority, as the designated LIHTC agency for the state, is responsible for the adoption of a Qualified Allocation Plan ("QAP"). The Authority may post bulletins or public notices on its web page; applicants are responsible to check for updates.

II. ADMINISTRATION OF THE QUALIFIED ALLOCATION PLAN

The Authority will make interpretations, apply criteria to facts and/or representations, and resolve all conflicts, inconsistencies, or ambiguities, if any, in the QAP or that arise in administering the LIHTC Program. Unless otherwise stated, the Authority is entitled to the full discretion allowed by law in making all such decisions. In the event of a natural disaster, disruption in the financial markets, or reduction in subsidy resources available, the Authority may disregard any section of the QAP, including point scoring and evaluation criteria, that interferes with an appropriate response. Applicants should seek guidance from the Authority regarding any situation not explicitly addressed in the QAP.

The Authority will honor Freedom of Information Act requests seeking any documents submitted with and/or related to LIHTC applications after reservation documents are executed and returned. The Authority will not notify the Applicant prior to complying with a request or prior to uploading the applications, or any portion thereof, to a web page.

A. Fees

Payment of all fees must be in the form of a wire or cashier's check made payable to the South Carolina State Housing Finance and Development Authority. All fees are nonrefundable.

- LIHTC Application Fees: $1,500 for preliminary, $4,500 for full, each due at time of application submission.
- Market Study Review Fee: $600 due at time of application submission.
- Missing Documents Fee: $1,000 assessed for the first missing document for each application and an additional $500 for each additional.
- Reconsideration Fee: $1,500 due at the time a request for reconsideration is submitted.
- Reservation Fee: 10% of the LIHTC award amount due 14 calendar days after notification of the award.
- Plan Review and Construction Inspections Fee: $5,850 due 14 calendar days after notification of the award.
- Compliance Monitoring Fees: $50 per unit annually, plus an additional $50 per unit annually for projects using the average income minimum set-aside. All compliance monitoring fees must be paid to the Authority within thirty (30) days of the date on which the first building is placed in service and on or before the first day of February of each succeeding year throughout the extended use period. The Authority will assess a ten percent (10%) late fee of the total outstanding balance for payments received after thirty (30) days from the date due. The minimum late fee will be $50. The Authority may adjust the amount of the fee at any time. Such an adjustment shall not be treated as a QAP amendment.

- Reprocessing of Form 8609 Fee: $100 per Form 8609 for errors in the final cost certification by either the developer or certified public accountant (CPA) resulting in Authority staff re-underwriting a development.
- Re-underwriting Fee: $2,000 if the Authority has to re-underwrite a development due to a change at any time.

B. Opinions, Certifications and Exhibits

All opinions, certifications and exhibits must be based on an independent investigation into the facts and circumstances surrounding the proposed development. All opinions, certifications, and exhibits must be in the form specified by the Authority. Applications will be disqualified if an opinion, certification, or exhibit has been materially altered, amended, or changed.

All opinions and certifications submitted by attorneys, architects and/or engineers, and CPAs must be on letterhead with original signatures (scanned copies are acceptable).

C. Third Party Professionals

Architects, engineers and CPAs must be independent third-party professionals and be licensed to practice their respective professions in South Carolina. Attorneys may be licensed to practice law in any state, but matters of South Carolina law may be opined upon only by South Carolina licensed attorneys.

D. 9% LIHTC Applications

Unless otherwise specified, all QAP and Appendix references to “application” refer to the full application. A member of a Development Team (as defined herein) may not be associated with or submit more than four (4) full applications; there are no limits on preliminary applications.

To be considered in the competitive round, all applications must be submitted by the required due dates as specified in the LIHTC Program Schedule.

E. LIHTC Award Limitations

1. The Authority will not award more than two (2) applications at no more than $2,000,000 in in federal LIHTCs to any member of a Development Team.

   A member of a Development Team may exceed the award and submission limits above for one (1) application meeting the following criteria for a Junior Developer or partnering with a nonprofit:
   a. Involves both a “Senior Developer” who has successfully placed at least three (3) South Carolina LIHTC projects in service within the prior five (5) years and “Junior Developer” or nonprofit that does not meet capacity and experience requirements.
   b. The Junior Developer or nonprofit has a stake of at least 25% but no more than 49.9% in the general partner or managing member of the Owner entity.
   c. The Junior Developer or nonprofit was incorporated or otherwise established prior to January 1, 2021, with staff employed and other resources deployed for the development of affordable housing prior to July 1, 2021. If the Junior Developer is a tax-exempt entity, its bylaws must identify housing as a mission.
   d. The Senior and Junior Developers or nonprofit do not have an identity of interest.
   e. The application includes a material participation agreement identifying the project and how development responsibilities will be divided. Material participation means the regular,

continuous and substantial involvement in the operation of the development throughout the compliance period, as defined by the Code.

For purposes of the maximums in this section, the Authority may determine that a person or entity not listed in an application is a member of the Development Team for the proposed project based on relationships between the parties in previously awarded projects and other common interests. Standard fee for service contract relationships (such as accountants or attorneys) will not be considered.

2. The Authority will not award more than two new construction applications per county. If the selection criteria would result in exceeding these amounts across set-asides, the Authority will make awards in the order listed in Section IV(B).

3. Subject to the limitations in paragraph 2 above, the Authority will not award more than one (1) 9% LIHTC project targeting older persons per Group A county as defined in Section IV Application Grouping and Set-Asides.
   If the selection criteria would result in exceeding these amounts across set-asides, the Authority will make awards in the order listed in Section IV(B).

III. APPLICATION REVIEW AND RECONSIDERATION PROCESS

In computing the periods of time in this Section III, the date of the notification is not included in the calculation of days. Any intervening Saturday, Sunday or a State holiday, likewise, is/are not included in the calculation of days.

A. Missing and/or Incomplete Documents

The Authority will notify Applicants in writing of any
- missing and/or incomplete documents, and/or
- submitted documents requiring clarification.

The applicant must respond by 5:00 p.m. (Eastern) on the third business day.

Applicants may only provide documentation that existed at the time of the application deadline.

Documentation provided in response to Authority requests will not increase an application's point score.

B. Disqualification and Scoring Review

1. The Authority may provide Applicants with three (3) business days to respond to a request for clarification. The applicant must respond by 5:00 p.m. (EST) on the third business day.

   Responses to clarifications cannot modify an application or provide documentation that was not submitted as part of the original application.

2. The Authority will notify Applicants in writing of proposed disqualifications and preliminary point scores. Applicants have three (3) days to respond to the potential disqualification and/or preliminary point score. The applicant must respond by 5:00 p.m. (EST) on the third business day.

The response must be limited to:

- the Applicants' opinions regarding the Authority's determinations;
- references to information submitted in the original application; and/or
- explanations of previously submitted documentation.

3. The Authority will post the disqualifications and point scores to its website.

C. Reconsideration Process

1. The process described in this section is the exclusive means by which an Applicant may request reconsideration of a disqualification and/or a point score. The Authority will not consider information submitted outside of these processes, whether in writing or otherwise. Applicants may request reconsideration only for applications in which they qualify as a member of the Development Team.

2. Applicants may request a reconsideration of a disqualification and/or a point score in writing via:
   - hand delivery or overnight courier; and
   - email to reconsiderations@schousing.com

   by 5:00 p.m. (EST) within three (3) business days of the date of the disqualification and/or point score determination. The request will not be processed without receipt of the fee within the specified time frame.

3. The request must specifically identify the grounds for the reconsideration request using only the application, any materials provided under the process described in Section III(B), documents then existing in the Authority's file, and documentation explaining previous submissions. The burden of proof is on the Applicant to demonstrate any errors in the review and/or point scoring process.

4. The Authority's Legal Department will forward the reconsideration request, along with the Authority staff's response, to a Hearing/Review Officer to make a recommendation on the reconsideration request to the Review Committee. The Applicant and staff are copied on this correspondence. The Hearing/Review Officer may request additional information and/or conduct a meeting with the Applicant and Authority. Neither the Applicant nor Authority staff shall demand or request the Hearing/Review Officer to request additional information or conduct a meeting or conference regarding the reconsideration request. The Hearing/Review Officer does not represent any party.

5. In the event the Hearing/Review Officer recommends overturning the original decision, the Authority's Legal Department will provide the reconsideration request, staff's response, and the Hearing/Review Officer's recommendation to a Review Committee appointed by the Authority's Chairman of the Board of Commissioners. The Review Committee shall consist of at least three members, but may be more so long as the number of members of the Review Committee remains an odd number. The Review Committee shall not include any Development Division staff. The Review Committee may review any or all documents submitted to the Hearing/Review Officer, the Hearing/Review Officer's report and recommendation, documents from the application or the Authority's file, or may make independent inquiry into the matters concerning the reconsideration request. The Authority retains final decision-making authority on any reconsideration request, and the Review Committee's determination is the final decision of the Authority.

6. In the event the Hearing/Review Officer recommends upholding the original decision, the original decision is the final decision of the Authority. The Authority retains final decision-making authority on any reconsideration request.

7. No party may have ex parte communications with the Hearing/Review Officer regarding the reconsideration request or any related topic from the filing of the reconsideration request until the Authority renders its final determination. Ex parte communication includes, but is not limited to,
   - unsolicited communication with the Hearing/Review Officer, or
   - failing to copy the Authority in response to a request by the Hearing/Review Officer.

   Any violation may result in disqualification of the pending application and suspension from participation in future funding cycle(s) for all of the development team members, regardless of which team member initiated the prohibited contact.

D. Final Scoring Decision

Upon completion of the reconsideration process, the Authority will post final point scores to the Authority's website. If there is a tie between developments when final point scores are determined, the Authority will utilize the Tie Breaker Criteria outlined in this QAP to determine the development(s) to be awarded LIHTCs.

IV. APPLICATION GROUPINGS AND SET-ASIDES

A. County Groups

For purposes of this QAP, counties fall into one of two groups:

1. **Group A**: Aiken, Anderson, Beaufort, Berkeley, Charleston, Dorchester, Georgetown, Greenville, Horry, Jasper, Lancaster, Lexington, Richland, Spartanburg, and York

2. **Group B**: Abbeville, Allendale, Bamberg, Barnwell, Calhoun, Cherokee, Chester, Chesterfield, Clarendon, Colleton, Darlington, Dillon, Edgefield, Fairfield, Florence, Greenwood, Hampton, Kershaw, Laurens, Lee, Marlboro, Marion, McCormick, Newberry, Oconee, Orangeburg, Pickens, Saluda, Sumter, Union, and Williamsburg

B. Set-Asides

The Authority will place Applications for 9% LIHTCs in one of the set-asides below. The percentages are of 9% LIHTCs available to the state in 2022. The Authority will award LIHTCs starting with eligible applications earning the selection criteria ranking within each of the set-asides and continuing in descending order through the last application that can be fully funded within the range of LIHTC available in each of the set-asides.

1. HIGH-DEMAND NEW CONSTRUCTION (50-60%)

New construction projects located in a Group A county.

2. REHABILITATION (10-15%)

Rehabilitation projects. The Authority will award $600,000 of this set-aside to RD projects (or the total among eligible applications if less).

3. GENERAL NEW CONSTRUCTION (15-23%)

New construction projects located in a Group B county.

For purposes of this QAP, "Rehabilitation" shall mean a project where all of the units are in one or more currently existing residential building(s). Applications including any of the following will be considered "New Construction":

- adaptive re-use;
- redevelopment of entirely vacant residential buildings; and/or
- proposals to increase and/or substantially re-configure residential units.

4. INNOVATION (0-2%)

Applicants may request consideration under the Innovation set-aside by including a narrative describing how the proposed development would be new or unique to South Carolina because of:

- design elements,
- populations served,
- services provided, and/or
- other characteristics.

The Authority may award one (1) application without respect to scoring criteria. In its sole discretion, the Authority may also choose to not make an award.

C. Nonprofit Set-Aside

If necessary, the Authority may adjust the allocations of awards of the state's federal tax credit ceiling under the QAP to award projects involving tax-exempt organizations (nonprofits). The Authority may adjust such awards to allow up to approximately ten percent (10%) of the state's federal tax credit ceiling being awarded to such projects. In its sole discretion, the Authority may also choose to roll forward up to approximately ten percent (10%) of the state's federal tax credit ceiling.

1. Eligible nonprofit organizations must meet the following criteria:
   - is a tax-exempt organization under Section 501(c)(3) or 501(c)(4) of the Code;
   - has three (3) full-time staff whose responsibilities include the development of housing;
   - is qualified to do business in the State of South Carolina, as evidenced by having a status of "Good Standing" with the South Carolina Secretary of State's Office;
   - has among its exempt purposes the development of low- income housing; and
   - complies with the requirements for material participation contained in the Code, including but not limited to a narrative statement, certified by a resolution of the nonprofit's Board of Directors, describing the nonprofit's plan for material participation during the development and compliance period and participation must be continuous and ongoing throughout the compliance period.
2. The nonprofit organization or the wholly owned single-asset entity subsidiary must own (directly or through the partnership) at least 51% interest in the general partner (GP) or managing member (MM) of the Owner entity in accordance with current laws and IRS regulations throughout the development's compliance period.
3. The nonprofit GP or MM may be an association or alliance of eligible nonprofit organization(s) and a for profit organization(s).
4. Fees paid to third party development consultants, evidenced by the cost certification, must not exceed $35,000. The consultant fee must be for legitimate and necessary consulting services.
5. Only the nonprofit GP or MM has the authority to exercise substantial and ongoing continuous control over the application submission process and over the subsequently produced development. All functions and responsibilities normally performed or undertaken by a GP or MM must be performed by the nonprofit.

V. THRESHOLD PARTICIPATION CRITERIA

A. Required Documentation:

Applications must include the following documentation.

1. MARKET STUDY

A third party independent market study, prepared by an Authority approved market analyst, adhering to the Authority's Market Study Guideline Procedures in Appendix A.

2. PERSONS WITH DISABILITIES

A statement agreeing to abide by the following requirements.

The owner will not give a preference based on disability type (actual or perceived) or being a client of a particular service provider (absent approval from the Authority).

Neither the owner's partners/members nor the property management company may engage in medical, therapeutic, or other activities regulated by the U.S. Centers for Medicare & Medicaid Services with respect to the residents. The owner will:

- expressly include reasonable accommodation in the application for tenancy;
- not ask applicants/residents for medical or other protected information unless and only to the extent legally necessary (e.g., processing reasonable accommodations requests);
- use standard leases with the same rights available to, and responsibilities expected of, all households, including duration of tenancy (i.e., cannot be transitional); and
- ensure participation in any supportive services is entirely voluntary (not a formal or implied condition of occupancy).

3. AFFIRMATIVE FAIR HOUSING

A statement agreeing to adopt and implement an Affirmative Fair Housing Marketing Plan, including outreach, marketing and advertising methods used to attract individuals on public housing waiting lists, prior to placing in service.

4. PHYSICAL NEEDS ASSESSMENT REPORT (PNA) FOR REHABILITATION

An "As Is," pre-rehabilitation PNA prepared and certified by a third-party independent licensed engineer or architect in compliance with Appendix B. "Post-Rehab" PNAs and Property Condition Reports/Assessments do not qualify. The PNA must be dated not prior to 12 months before the application submission date. RD projects may submit the USDA/RD rehabilitation assessment.

At preliminary application, the Authority will schedule an onsite inspection to discuss the proposed scope of work with the Applicant and third-party independent licensed engineer or architect. The PNA submitted at final application must have the items noted at the onsite inspection.

5. RENT ROLL FOR REHABILITATION

A current rent roll certified by the on-site property manager or a representative of the property management company for rehabilitation projects.

6. UTILITY ALLOWANCE SCHEDULE

One of the following:

a. RD Schedule for those developments financed by and receiving rental assistance from RD;
b. the current allowance approved by HUD for those developments with 100% project based rental subsidies;
c. the S.C. State Housing Finance and Development Authority's statewide utility allowance calculation; or
d. the Energy Star Statewide Utility Allowance for developments built to meet, at a minimum, the Version 3.0 Energy Star Certification (as per Exhibit G form), EarthCraft, LEED, or another Energy Star Certified Program
e. HUD Utility Schedule Model.

See Exhibit U for an example of a completed utility allowance schedule.

7. RELOCATION CERTIFICATION AND TENANT PROFILE FORM

A detailed, step by step plan describing how any displaced persons will be relocated, including the costs. The Development Team is responsible for all relocation expenses. Rehabilitation projects must submit a FORM 3, Developer Relocation Certification and Tenant Profile Form.

B. Site Control, Ground Leases, and Scattered Sites

1. An application must include one of the following documents executed by a Principal:
   a. a recorded deed;
   b. a purchase option (not options on other options) with date certain performance;
   c. a purchase contract with date certain performance;
   d. a land lease or option on a land lease either of which must not be for a term of less than fifty (50) years in term; or
   e. a legally valid assignment of one of the above.

   The Authority may require a quiet title action be completed prior to placing in service.

2. Projects intended to convert to homeownership after fifteen (15) years may not use land leases.

3. Related party land leases are not allowed without prior approval from the Authority with the exception of local government or public housing authority. The acquisition cost will not be included in the development and operations costs. In all cases the land lessor must execute the Agreement as to Restrictive Covenant.

4. The application must include a copy of the current ownership as indicated in the local tax records.

5.. Developments comprised of buildings located on noncontiguous parcels (scattered site) are ineligible for 9% LIHTCs.

C. Zoning

Applications must include proof of proper zoning being in place at the time of application submission, including approval of all necessary special/conditional uses. A letter provided from the City/County official should verify that the proposed development site currently meets the local zoning or land use restrictions.

D. Wetlands

The application must include a determination regarding the presence or absence of wetlands, including non-jurisdictional wetlands, in accordance with the 1989 Federal Manual for Identifying and Delineating Jurisdictional Wetlands. The Applicant must retain a wetland professional (i.e., biologist, soil scientist) to complete Exhibit W.

E. Applicant Qualification:

1. Applications must identify all members of the Development Team, which shall consist of the following:
   - Proposed Owner and its Principals
   - Developer and its Principals (and Junior Developer, if applicable)

   For purposes of this section, Principals include any entity or individual that holds a majority ownership interest in the entity that has material control over the party identified. If the controlling entity includes a nonprofit entity, then Principals include all members making up such controlling entity.

   All members of the Development Team must disclose all previous participation in the LIHTC program in any state.

2. No member of the Development Team may be suspended or debarred under Appendix E, Section VIII.

3. The Development Team has an obligation at application submission and an ongoing obligation (including after award) to disclose any and all identities of interest on Exhibit P. An identity of interest means any relationship between any member of the Development Team and
   - the seller of the development site/property;
   - the general contractor or its subcontractors;
   - the lender; or
   - the syndicator.

   The Authority may restrict the use of the related party and/or audit all expenditures within the ownership's entity structure.

F. Required Development Experience

In order to participate in the LIHTC program, the proposed owner's general partner(s) or managing member(s) must have experience within the last ten (10) years in

- two (2) LIHTC projects in South Carolina; or
- four (4) LIHTC projects in other states.

Each project must have received its 8609s, placed in service, and reached stabilized occupancy. The general partner or managing member must have held a controlling stake from initial application through certificate of occupancy or a minority stake of at least 25% as a Junior Developer, as reflected on Exhibit K and related documentation.

The Authority may use other criteria as necessary to evaluate whether the Development Team has sufficient experience and capacity to successfully develop the project.

G. Required Management Experience

1. The Application must identify the proposed management entity for the development and the application must include the entity's management plan. The proposed management entity must have at least three (3) LIHTC developments in their current portfolio that it has successfully and continuously managed for the past three (3) years as reflected on Exhibit Y and related documentation. Successfully managing means strict adherence to a detailed written management plan that addresses all of the following:
   a. separation of duties and adequate supervision of employees;
   b. senior management oversight and review through internal audits;
   c. staffing dedicated to compliance reviews of tenant eligibility and programmatic documentation;
   d. approval process for evictions by consensus of senior or regional managers;
   e. physical inspection policies (frequency, generation of work orders, lease violations for housekeeping or other noncompliant resident behaviors);
   f. recordkeeping (including tenant certifications, annual owner certifications, HOME Rent Approvals, if applicable);
   g. security of records containing personally identifiable and other protected information
   h. marketing plan and marketing efforts;
   i. reasonable accommodation plans and policies; and/or
   j. procedures for addressing tenant complaints.

2. The Authority may notify a management company of being ineligible to be part of an awarded application. The reasons for ineligibility include low average occupancy rates, delays in returning vacant units to market ready condition, or other poor performance. If listed in a submitted or awarded application, the Applicant must find an eligible replacement.

3. The lead contact person for the management entity must be certified as a LIHTC compliance specialist by an eligible organization, including: the National Association of Home Builders, Nan McKay, the National Affordable Housing Management Association, TheoPro Compliance & Consulting, Quadel Consulting, Spectrum Seminars, the National Center for Housing Management, Compliance Solutions (Zeffert & Co), Elizabeth Moreland Consulting, Novogradac & Company, Liz Bramlet Consulting, A.J. Johnson Consulting; and, Specialists in Housing Credit Management (SHCM), or any entity offering a functionally equivalent LIHTC certification.

H. Required Capacity

The Authority will assess the financial capacity of the individuals and/or entities proposed as managing members or general partners based on their financial statements. The Authority will accept only financial statements audited, reviewed, or compiled by an independent CPA on or after December 31, 2020. Statements prepared on the income tax basis or cash basis must disclose that basis in the report. The Authority may request additional financial documentation as deemed appropriate by Authority Staff to determine financial capacity of the parties involved as part of the project review process.

The Authority may disqualify a Development Team due to insufficient overall capacity to undertake additional commitments including but not limited to commencing construction in a timely manner, meeting the 10% expenditure test without an extension, placing in service without an extension or exchange, having no projects with recaptured LIHTCs, and meeting other statutory completion deadlines.

I. Appraisals

1. Applications must include a commercial real estate appraisal identifying the Authority as an authorized user, noting the Authority may rely on its representations.
    - The appraiser must be licensed by the South Carolina Real Estate Appraisers Board as a State Certified General Real Estate Appraiser (a temporary practice permit does not qualify). An appraiser in good standing with an active license in another state must obtain a reciprocal license with the South Carolina Real Estate Appraisers Board.
    - The appraisal must be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP).
    - Comparable properties must be located in the proposal's sub-market. If none exist, comparable properties must be located in the proposal's county or an adjacent county.
    - If a property's acquisition price exceeds the appraised value, the Authority will write down the purchase price to the appraised value.
    - The Authority may hire another appraiser at the applicant's expense.

2. For new construction developments, the appraiser must value land using acreage as a measurement without regard to any contemplated improvements/restrictions. The value must be based on comparable land sales in the sub-market or the value of the "land only" portion of improved sales in the sub-market with common zoning characteristics. Such sales may not be exclusive to previous LIHTC developments.

3. For acquisition/rehabilitation developments, the appraisal must report land value and "as is" building(s) value separately, with the As-Is Building Value provided both
    - as if market rents are in place, not considering the unique aspects of below-market financing, federal subsidies and/or LIHTCs in this value estimate, and
    - based on current restricted rents (not post rehab) taking into consideration the unique aspects of below-market financing, federal subsidies and/or LIHTCs in this value estimate.

4. For RD funded developments only, the appraisal must add together the values for "As-Is, Restricted Rents" and "Interest Credit Subsidy" to arrive at the appraised value. If the purchase price includes acquired reserves (cash), the reserves should be deducted from the purchase price before the comparison to appraised value.

5. The appraisal must disclose and quantify the valuation loss attributable to detrimental characteristic(s) in close proximity to the development being appraised.

J. City/County/Legislative Notification:

The applicant must provide signed notification letter(s) addressed to the following:
- the highest official of the locality (i.e. Mayor or County Administrator),
- the State Representative and State Senator of the district in which the development is to be located, and
- each City/County Council member.

The Authority will deliver the letters.

A form notification letter will be available on the Authority's website and must include the following:
1. The proposed Owner's name, phone number, and mailing address.
2. Development information
    - project type (rehabilitation, new construction, or adaptive reuse);

- number of units;
- acreage of proposed site;
- target population (family or elderly); and
- address of proposed site.

3. The property is applying for LIHTCs and STCs.
4. A statement offering to meet and discuss the proposed development.

K. Mandatory Site Requirements

The Authority may reject a site based on information submitted in the application, site review findings, or other information.

1. At a minimum, the sites must comply with the following:
   a. The surrounding area is residential or a mix of commercial uses appropriate to the targeted tenants; and
   b. Water and Sewer utility tie-ins are accessible and within 500 feet of the parcel line as verified by a letter from the City/County official or utility provider.

2. The following detrimental characteristics will result in an application being disqualified:
   a. Proposing to subdivide an existing development into two (2) or more developments.
   b. Proposing more than one new construction phase of the same project in the same funding cycle regardless of the tenant targeting. This includes, but is not limited to, subdividing a single parcel in the same funding cycle or proposals from the same or related members of the Development Team located adjacent to, in proximity to, or directly across the street from another proposed site.
   c. Sites where the Authority determines the slope/terrain is not acceptable for affordable housing development as indicted by combined site and site preparation costs that exceed the cost of comparable existing buildable land in the area.
   d. Any site listed on the National Priority List under the Comprehensive Environmental Response, Compensation, and Liability Act or that requires the execution of voluntary or involuntary cleanup agreements with Department of Health and Environmental Control or other third-party organizations as noted in a Phase II environmental assessment report (unless fully completed).

3. The Authority may disqualify new construction applications based on the following. Distances indicated are the shortest straight line between the boundary or property lines.
   a. Sites where a nearby active railroad causes excessive noise and vibration. The application should include a map showing the distance to any railroad tracks within 1,000 feet.
   b. Sites within 2,500 feet of a civil airport or 15,000 feet of a military airfield if the site is located within the Runway Clearzone or Protection Zone (civilian and military airports) or Accident Potential Zone (military airports);
   c. Sites within one-quarter (1/4) mile of the following:
      - an operating commercial beef/hog/chicken/turkey farm or processing plant;
      - a treatment, storage, or disposal facility for hazardous wastes, an active or inactive solid waste disposal facility and/or solid waste transfer facility; or
      - a sewage treatment plant;
   d. Sites within 500 feet of the following:
      - commercial junkyard or salvage yard; trash heap, dump pile, or other eyesore;
      - above ground commercial bulk storage (any one tank over 1,500 gallons or multiple tanks exceeding 1,500 gallons total) or distribution facilities for propane/butane gas, hazardous chemical or petroleum/gasoline;
      - adult video/entertainment clubs and stores; or

- operating industrial facility, including but not limited to steel manufacturers, oil refineries, ports, chemical plants, plastic manufacturers, automotive and engine parts manufacturers, food processing plants.

L. Market Requirements

Proposed developments must be economically viable as justified by the market study findings and meet the following requirements:

1. CAPTURE RATE

All developments must have a capture rate at or below 30%.

2. ABSORPTION/LEASE-UP PERIODS

Developments must have absorption/lease-up periods of 12 months or less.

3. SAME MARKET AREA

Applications may not be for the same tenant populations within the same defined market area of existing Authority funded developments (including but not limited to LIHTCs, tax exempt bonds, small rental development) that have vacancy rates greater than ten percent (10%) during the second and fourth quarter of the previous year's operations. The Authority may make exceptions if the reason is not a market issue.

The analyst must reach a specific conclusion regarding whether the proposal would cause a lease-up or occupancy problem for any existing or awarded (not yet built) LIHTC project in the primary market area**.**

M. Targeting, Public Housing Agency Waiting Lists, and Average Income

1. The Application must state whether the development will target families or older persons as described below.
   a. **Family Development**: For new construction developments, at least
      - twenty-five percent (25%) of the low-income units must contain three (3) or more bedrooms and
      - ten percent (10%) must be one (1) bedroom, studio, or single room occupancy.

   b. **Older Person Development**: All new construction developments are limited to studios, one (1) bedroom or two (2) bedroom units and must be accessible by elevator for all floors above ground level.

2. All developments must serve individuals on Public Housing agency waitlists. After award, the Owner must send a letter to the PHA confirming it intends to serve individuals on the PHA waiting lists.

3. Applications awarded in 2022 may utilize the average income minimum set-aside. Projects may not
   - contain market-rate units,
   - propose average designations exceeding 60% of area median income (AMI) for any bedroom type (pro-rata distribution), or
   - change a unit designation without Authority approval.

   The Authority may waive the foregoing, if necessary, for a rehabilitation application to better fit the household incomes of in-place tenants.

   For projects with more than one building, owners must select that each building is part of a multiple building set-aside on the IRS Form(s) 8609.

N. Size Requirements

New construction developments in any county may not consist of fewer than 40 affordable units and new construction developments may not consist of more than the following based on its county grouping:

- Group A Counties: ***90*** units
- Group B Counties: ***60*** units

O. Maximum LIHTCs Per Unit

The Authority will post maximums for the 9% LIHTC along with the syndication survey results.

P. Mandatory Design Criteria

Projects must comply with the applicable minimum design requirements, including for application submission, in Appendix B.

Q. Minimum Rehabilitation Hard Costs and Permanent Displacement

1. The PNA for rehabilitation projects must show a minimum of $40,000 per unit in hard construction costs, excluding major systems that have been replaced within the past seven (7) years. At least $20,000 must be attributed to the interior of the units.

2. Buildings in senior projects with units entirely on floors above the ground level must install elevators. The application must support the costs reflected in the application.

3. No more than ten percent (10%) of the existing tenants may be permanently displaced.

R. State Tax Credit (STC)

- Applicants must affirmatively demonstrate that STCs
    1. are required for financial feasibility and/or
    2. will reduce rents paid by the tenant.
- The Authority shall be the sole determinant of whether the conditions(s) above is/are met.
- Applicants must indicate that they are requesting STCs on the preliminary application.
- The Authority will take into consideration local support for the application in determining whether STCs will be awarded. The Applicant may elect to provide a statement demonstrating such evidence.

S. Financial Underwriting

1. **Development Costs**
    a. The Authority will
        - determine which new construction projects show development budget amounts outside the standard deviation, and
        - require all such applicants to provide explanations.

    Inability to explain the costs may result in disqualification of the application.

    b. The Authority will evaluate development costs and may adjust costs for reasonableness, necessity, and eligibility or disqualify applications not reflecting an efficient use of LIHTCs.

2. **Basis Boost**
   The Authority has determined that all areas of the state are eligible for a boost in eligible basis of up to 130%.

3. **Reserve Requirements**
   a. **Operating Reserves**
      Developments with loans from RD may satisfy the operating reserve requirement by establishing and maintaining the RD-required operating and maintenance capital reserve account. Developments not subject to the RD reserve requirements must establish and maintain minimum operating reserves equal to six (6) of:
      - projected operating expenses; and
      - must-pay debt service.

      The reserve must be funded prior to issuance of 8609s and must be maintained throughout the compliance period. Reserves must remain with the property at the time of the investor exit.

   b. **Replacement Reserves**
      Developments must establish and maintain minimum replacement reserves throughout the compliance period of $300 per unit annually. Any additional reserves must be required by the syndicator and verified in writing and may not exceed $450 per unit annually or the RD-required minimum. The reserves must be reflected in the development's annual audited financial statements.

      Replacement reserves must be funded with annual deposits from operational cash flow (not pre-funded) during the initial twenty (20) years.

4. **Maximum Developer Fees, Developer Overhead, and Consultant Fees** (the "Fees")
   The sum of Fees may not exceed the following:
   a. **New Construction** – the lesser of fifteen percent (15%) of Total Development Costs less Land, Consulting Fees, Developer Fees, Developer Overhead, Other Developer Costs and Reserves, or:
      - $15,000 per unit up to 48 units
      - $14,000 per unit for units 49-60
      - $13,000 per unit for units 61-90
   b. **Rehabilitation** – the lesser of twenty-five percent (25%) of the line-item for hard construction costs or $800,000.
   c. The maximum amount of Fees is capped at award and may not increase thereafter.

5. **Deferred Developer Fee**
   a. Developer fees can be deferred to cover a gap in funding sources when:
      - The entire amount will be paid pursuant to the standards required by the Code to stay in basis;
      - The deferred portion does not exceed fifty percent (50%) of the total at application submission;
      - Payment projections do not jeopardize operations; and
      - The application includes a statement describing the terms of the deferred repayment obligation, any interest rate charged, and the source of repayment.
   b. Nonprofit organizations must include a resolution from their Board of Directors authorizing a deferred payment obligation from the development.
   c. The submitted cost certification must include a Note evidencing the principal amount and terms of repayment of any deferred repayment obligation.

6. **Contractor Cost Limits and Cost Certification**
The combined total of Contractor Profit, Overhead, and General Requirements (the "Contractor Fees") shall be limited to fourteen percent (14%) of Hard Construction Costs, of which 6% is contractor profit, 2% is overhead and 6% is general requirements. For new construction developments, the contractor contingency may not exceed five percent (5%) of hard construction costs. For rehabilitation and adaptive reuse developments, the contractor contingency may not exceed ten percent (10%) of hard construction costs.

   At placed in service, all awarded Development Teams must submit a Contractor Cost Certification as to the actual costs incurred in construction of the project. A CPA must perform an audit and issue an opinion letter in accordance with Generally Accepted Accounting Principles and Generally Accepted Auditing Standards and execute the CPA Certification Form. The Cost Certification will include an audit opinion letter from a CPA certifying the contractor's actual costs. The Authority will use industry standards to determine the total actual allowable cost for construction and may reduce the LIHTC allocation.

7. **Annual Operating Expenses**
All applications must submit projected annual operating expenses between $3,500 and $5,000 per unit per year, excluding reserves, property taxes, and the annual compliance monitoring fees.

8. **Debt Coverage Ratio**
The development's first year DCR must be within the range of 1.15 to 1.45. A proposed development may exceed the maximum for financial feasibility purposes, but the Authority will use the maximum when calculating the LIHTCs. The pro-forma must demonstrate maintaining not less than a 1.10 DCR throughout the first 20 years of operations.

   The Authority will waive the 1.45 maximum if the initial projected annual Cash Flow/Unit does not exceed nine hundred dollars ($900).

9. **Expense Coverage Ratio**
For developments without repayable debt, the initial Expense Coverage Ratio must be a minimum of 1.10 and the initial projected annual cash flow per unit may not exceed $900.

10. **Funding Sources**
Applications with "soft loans" (e.g., Affordable Housing Program, Deferred Developer Fees) must adequately explain the repayment terms. Income generated by a property during the construction or rent up period may not be used as a funding source.

    If the development is eligible for historic tax credits, the application must include a detailed narrative description of the calculation of eligible basis for the historic credit.

11. **Permanent Financing**
    a. Applications must include a letter of intent for all permanent financing sources. The Authority will underwrite debt from a bank or other private sector lender at the amount determined based on a survey of lenders. The letter must clearly state:
       i. the term;
       ii. the amortization period;
       iii. how the interest rate will be indexed;
       iv. the current rate at the time of the letter;
       v. the anticipated principal amount of the loan; and
       vi. the lien position.

b. All permanent loans must have a term of at least fifteen (15) years. No balloon payment may be due prior to fifteen (15) years after conversion to permanent. All permanent loans must amortize so that debt service is paid in equal installments over a period between thirty (30) and forty (40) years (fifty (50) years for RD properties).

c. All cash flow loans and related party loans will be considered additional deferred developer fee and included for purposes of the 50% deferral limit.

12. **Annual Rent, Expense Trends and Vacancy Rates**
The Authority will increase rents two percent (2%) annually and operating expenses three percent (3%) annually. The vacancy rate will be the greater of seven percent (7%) or as represented in the market study.

13. **Other Income**
Application must clearly specify any projected income from services or charges other than monthly rental of units. Other Income projections may not exceed three percent (3%) of the total potential annual rent.

14. **Brokering / Reselling of Services to Tenants**
Applications may not include revenue and expenses resulting from acting as a broker or reseller of services to tenants.

15. **Minimum Hard Cost Requirement**
Applications must reflect a minimum hard cost ratio of not less than sixty-five percent (65%) of total development costs.

Hard Costs are the following line items on the development cost budget in the Application:

- Land
- Existing Structure
- Demolition
- Other (Land & Buildings)
- On Site Improvement
- Off Site Improvement
- Other (Site Work)
- New Building
- Rehabilitation
- Accessory Building
- Contractor Contingency

16. **Rent Allowances for Project Based Rental Developments**
Developments with HUD approved Housing Assistance Payments contracts or RD approved rental assistance contracts may increase the contract rents.

Applications for projects with RD contracts must submit a letter from the Columbia RD Office approving and setting rents above the approved contract rents.

17. **Syndication Information**
    The Authority will underwrite federal and state LIHTC investment using syndication rates determined based on a survey of equity providers and will post the results no later than 60 days before the full application deadline.

18. **Ground Leases**
    The Authority will underwrite debt related to the lease at the lesser of its actual terms or the annual debt service produced by amortizing the appraised value of the land at the same rate and terms as the permanent loan over a term of 50 years. The DCR rules in this QAP will apply.

VI. NEW CONSTRUCTION SCORING CRITERIA

A. Positive Site Characteristics

Applications may be awarded up to ***50*** points for the following positive site characteristics.

1. Up to ***30*** points for the site's Census relative tract score on the Palmetto Opportunity Index (POI), as indicated in Appendix C. The Authority will:
   - separate High Demand from General,
   - sort the POI scores in descending order,
   - award 30 points to the application with the highest total, and
   - award points to the remaining applications based on their percentage of the highest.

   If the proposed development is located in more than one tract, the score will be that of the lowest tract.

2. Up to ***10*** points based on the number of jobs paying between $1,251 and $3,333 per month in a one-mile radius for Group A counties and a two-mile radius for Group B, as displayed on the U.S. Census Bureau's OnTheMap tool for the Longitudinal Employment Household Dynamics database. The Authority will use the most current year available as of the preliminary application deadline.

   Applications will earn points as follows:
   - 10 points for at least 5,000 jobs.
   - 8 points for 4,000 to 4,999 jobs.
   - 6 points for 3,000 to 3,999 jobs.
   - 4 points for 2,000 to 2,999 jobs.
   - 2 points for 1,000 to 1,999 jobs.

3. ***5*** points for being located entirely within a Qualified Opportunity Zone (QOZ).

4. ***5*** points for <u>not</u> being located, in whole or in part, in a Racially or Ethnically Concentrated Area of Poverty (R/ECAP) as defined by the U.S. Department of Housing and Urban Development.

B. Land Donation

5 points if a local government owns the proposed project real estate as of the preliminary application deadline and the application shows no more than $5,000 in the cost line-items for land and buildings. The local government must have owned the real estate since at least July 31, 2021 and not have purchased or received any portion from a Principal.

C. Affordability

1. Applications will earn ***10*** points based on an agreeing to comply with the applicable limits in the matrix below. In order to receive points, the application must reflect one set-aside election (average income or "original" minimum set-aside (i.e. 40% at 60% or 20% at 50%) and meet the criteria below for the selected set-aside.
   - For average income, the percent shown is the average AMI among the units' designations.
   - For an original minimum set-aside (40% at 60% or 20% at 50%), at least 20% of the units must be affordable to and occupied by households at the AMI shown.

County Income Level	MINIMUM SET-ASIDE ELECTION	
	Average Income	Original
High	54%	30%
Moderate	56%	40%
Low	58%	50%

The county income levels are as follows:
- High- Beaufort; Berkeley; Charleston; Dorchester; Greenville; Lancaster; Lexington; Pickens; Richland; York
- Moderate- Aiken; Anderson; Calhoun; Chester; Darlington; Edgefield; Fairfield; Florence; Georgetown; Horry; Kershaw; Oconee; Spartanburg; Saluda; Sumter; Union
- Low- all others

Any units targeted to 20% AMI for purposes of the Supportive Housing criteria may also count towards the requirements of this section. If a reduction in rents or extension of affordability period results in the development becoming financially unfeasible, the Authority may modify elections during underwriting. The Application will not receive points as originally requested.

2. ***5*** points if the application includes a notarized letter signed by the proposed owner of the property affirming a knowing and voluntary waiver of the right to request a qualified contract from the Authority for the duration of the extended use period.

3. ***5*** points to any application where no member of the Development Team has had an ownership interest in any property that requested a qualified contract unless the owner can prove that the property was sold or transferred by the member to the owner requesting the qualified contract before September 18, 2019; or the member was contractually obligated to request the qualified contract prior to September 18, 2019, as verified by an independent third party and the Authority's review of the applicable documentation.

D. Affordable Housing Shortage

1. Up to ***10*** points based on the shortage of affordable housing in the county:

10 points –	Beaufort, Georgetown, Greenville, Greenwood, Richland, York
9 points –	Berkeley, Charleston, Chesterfield, Horry, Lexington, Oconee, Pickens
8 points –	Aiken, Anderson, Calhoun, Colleton, Dorchester, Florence, Jasper, Laurens, Orangeburg, Spartanburg
7 points –	Allendale, Cherokee, Clarendon, Darlington, Dillon, Fairfield, Hampton, Kershaw, Lancaster, Marlboro, Saluda, Sumter

6 points – Abbeville, Chester, Marion, Williamsburg
5 points – Bamberg, Barnwell, Edgefield, Lee, McCormick, Newberry, Union

2. ***5*** points to a project that is located in a county that did not receive a new construction 9% LIHTC award in 2017, 2018, 2019, 2020, or 2021.

E. Funding Sources

5 points if Authority-awarded sources (including equity for the LIHTC and STC) are less than 70% of the total.

F. Sustainable Building

Applications will earn ***5*** points for committing to meet green and energy efficiency sustainable building requirements for one of the following sustainable building certifications:

- Enterprise's Enterprise Green Communities certification program (following Enterprise Green Communities protocol under the guidance of an Enterprise Qualified TA provider);
- US Green Building Council's LEED for Homes certification program;
- Home Innovation Research Lab's National Green Building Standard, meeting Bronze level or higher; or
- Southface Energy Institute and Greater Atlanta Home Builders Association's EarthCraft certification programs, based on development type.
- High Performance Building Council of the BIA of Central SC, Certified High Performance (CHiP) HOME Program

The application must include a certification from a responsible green and/or energy professional affiliated with the certifying party selected that the project will meet such requirements.

G. Leveraging

1. Applications may earn up to ***5*** points for documented support from a source listed below.

2. Only the following sources of support qualify for the additional points:
   a. HOME or Community Development Block Grant (CDBG) funds;
   b. established local government housing development program
   c. public foundation funds from an affiliate of a local government or health care institution;
   d. a long-term ground lease from a government entity for nominal consideration as valued by the appraised value of the land less the consideration;
   e. the documented cost of infrastructure improvements or amenities funded in full by a governmental entity that are located on or adjacent to the project site that will serve the tenants and which will be constructed after application submission and completed prior to the development placing in service; and/or
   f. other support approved by the Authority in response to a request submitted at least 10 days in advance of the application deadline.

   Funding may be appropriated directly by a public entity and/or awarded by a non-profit organization financially supported by a local government, such as a local housing trust fund.

3. The application must list the source(s) in subsections (2)(a), (b), and (c) as a loan(s) and include an executed commitment letter reflecting a term of at least twenty (20) years and an interest rate less than or equal to two percent (2%). For subsection (2)(e), the application must include a signed letter

from the local government (or other public entity) itemizing the waived fees and an affirmation that these fees would have been charged in the absence of the arrangement.

4. Applications will earn points based on the total amount or value of support committed per low-income unit (excluding an employee/manager's unit):
   - ***5*** points for at least $8,000
   - ***4*** points for between $5,500 and $7,999
   - ***3*** points for between $3,500 and $5,499
   - ***2*** points for between $2,000 and $3,499
   - ***1*** point for between $1 and $1,999

H. Revitalization or Local Policies

1. An application will receive up to ***10*** points for the following for the following concerted community revitalization plan (CCRP) components:

   a. The application must include a narrative to identify the parts of the plan that fulfill the requirements and criteria listed below.

   b. A CCRP must meet the following minimum requirements to receive at least 5 points:
      - The plan was published by a local planning department or community organization. Plans written by the applicant or an affiliate will not qualify.
      - The plan clearly delineates the community (in which the proposed development is located) for reinvestment. A plan for a large jurisdiction (such as a city or county) that does not designate particular areas of that jurisdiction for targeted investment will not qualify.
      - The plan details the sources and magnitude of committed resources.
      - At least some of the planned investment is ongoing or has the necessary official permission to proceed. If not addressed in the CCRP, the application must include supporting documents.
      - The plan clearly states the community's goals and how they will be achieved.

   c. A CCRP can receive up to 4 additional points depending on the extent to which it fulfills the following criteria.
      - Participation by the general public had a substantial impact during the entire planning process.
      - Federal, state, and local partners have been involved to leverage available funds and harmonize with other projects.
      - There was a detailed investigation into the community's history, economics, and demographics. The local built environment and public services were assessed and plans made to improve them where necessary.
      - The plan accounts for how to avoid displacement, equitably benefit residents, create mixed income neighborhoods, the barriers to success and how they will be overcome. Investment will be sustained over an extended period and fund housing and non-housing developments.

   d. 1 additional point will be awarded if the proposed development is also located in a qualified census tract.

2. Alternatively, for ***5*** points, the application may include a letter detailing measures already implemented by the local government (city or town if within an incorporated area or the county if not) to increase the quantity of affordable housing and develop a resilient community. Policies include, but are not limited to,

- accessory dwelling unit legalization,
- community land trusts,
- density bonuses,
- eviction and homelessness diversion programs,
- housing trust funds,
- intergovernmental collaboration,
- sale or lease of publicly owned land for affordable housing,
- source of income laws,
- zoning reforms that expand housing choice, and
- any activities that affirmatively further fair housing.

The application must include documentation, in the form of a local government ordinance or other official publication, to verify all claims.

I. Supportive Housing

10 points for agreeing to target ten percent (10%) of the total units to persons with disabilities and either
- designating such units as affordable to and occupied by 20% AMI, or
- securing a commitment of federal project-based rent assistance (converting vouchers).

Households with only a disability source of income (such as Supplemental Security Income) will be eligible for the 20% AMI units.

One or more service providers, as coordinated by state authorities, will refer households. For a period of ninety days after the initial rent-up period begins the owner will establish a preferential leasing opportunity for referrals and thereafter will maintain a separate waiting list.

VII. TIE BREAKER CRITERIA

The following factors will be used in the order listed to break a tie.

A. An application would be all of the Development Team's only award while the tying application(s) would be the all of the Development Team's second or third.
B. A county not served in the current or previous funding cycle.
C. Projects with the lowest share of total development cost funded by the Authority.
D. Projects providing for tenant ownership at the end of the initial fifteen (15) year compliance period. The application must include a conversion plan including all homebuyer counseling programs to be provided along with the financial procedure that will be used to transfer the rental units into homeownership.
E. If projects remain tied after all above tie breakers have been applied, the Authority will utilize a lottery.

VIII. EVALUATION OF REHABILITATION APPLICATIONS

The Authority will evaluate rehabilitation applications comparatively based on the following criteria, listed in order of importance.

A. Preventing of the conversion of units to market rate and/or the loss of government housing resources (including federal project-based rent assistance);
B. The extent of physical distress, particularly with major systems, accessibility, and/or life, health and safety features, as informed by the Physical Needs Assessment and determined by the Authority. Failure to properly maintain the buildings will not enhance an application's likelihood

of award if a member of the current owner's organizational structure or a related party will remain part of the new ownership;

C. The project is within an area covered by a Concerted Community Revitalization Plan; and
D. The degree to which the project site and its surroundings support the economic empowerment of low-income households.

IX. POST AWARD AND 4% LIHTC POLICIES AND PROCEDURES

The policies and procedures applicable to projects awarded in the competitive funding cycle and to 4% LIHTC applications and awards are set forth in the Appendix E, the LIHTC Manual.

X. AMENDMENTS TO THE QUALIFIED ALLOCATION PLAN

The Authority may amend this QAP as needed. All amendments shall be fully effective and incorporated herein immediately.

APPENDIX E

2022 LOW-INCOME HOUSING TAX CREDIT MANUAL

All deadlines listed herein are for 5:00 PM Eastern Standard Time and fall to the next business day if it otherwise would occur on a holiday or weekend.

I. RESERVATION/CARRYOVER ALLOCATION PROCEDURES

Any reservation or carryover allocation obtained on the basis of false or misleading information shall be void.

A. Reservation Certificates

The Authority will mail Reservation Certificates to all funded developments upon completion of the competitive scoring process. To acknowledge acceptance of the reservation of LIHTCs, Owner must execute and return the Reservation Certificate and pay all fees then due within ten (10) business days of receipt. Upon receipt of the Reservation Fee, Construction Inspection Fees, and the executed Reservation Certificate, the Authority will execute the Reservation Certificate and forward a copy to the Owner. The date of the Reservation Certificate is the “Reservation Date.”

Once all Reservation Certificates have been executed and returned, the LIHTC Awards List will be released and posted on the Authority’s website: www.schousing.com.

Issuance of a Reservation Certificate does not guarantee that the development will receive an allocation of LIHTC in the amount stated, or at all.

Any violation of the terms and conditions of the Reservation Certification and/or an untimely submission of documentation referenced in the Reservation Certificate may result in its cancellation.

B. Carryover Allocations

Owners seeking a Placed-In-Service (PIS) allocation the year in which the reservation was made must submit a PIS application on or before the second Monday in December. Developments with a reservation of LIHTC that will PIS after December 31 of the reservation year must submit an Application for a Carryover Allocation to the Authority no later than the date specified in the Reservation Certificate.

The Authority will mail a Carryover Agreement together with a Binding Agreement for signature. The Owner must return the original documents by the due date indicated.

C. Phase I Environmental Site Assessment

Completion of a Phase I Environmental Site Assessment (ESA) report will be a condition of the allocation or must be included in the application submission for 4% LIHTC applications. The ESA will identify Historical, Controlled and Recognized Environmental Conditions (HRECS, CRECs, and RECs) that impact the suitability of the proposed site and must include the Environmental Professional’s opinion on whether the proposed site requires further examination and the rationale used in making this determination. For proposals with existing buildings built before 1978, the report must also include the results from lead-based paint testing. For any HRECs identified, the ESA must demonstrate that previous efforts to mitigate the issue have been completed to the satisfaction of the applicable regulatory authority and/or that the site under consideration meets current criteria established by the regulatory authority and can be used without mandatory controls. For sites with identified CRECs, the ESA must indicate that the REC has been addressed to the standards and satisfaction of the overseeing regulatory authority and identify the remaining controls in place to mitigate the environmental condition(s).

If the Environmental Professional recommends further examination, the application must include a Phase II ESA. The Phase II ESA must provide a narrative of how the any REC(s) identified will be mitigated using methods recognized and supported by the applicable regulatory authority and the estimated costs of such mitigation.

The report(s) must be prepared by a third-party, independent, licensed environmental professional as defined in 40 CFR § 312.10(b) and addressed to the Authority. The Environmental Professional cannot be a member or affiliate of the Development Team. The report(s) must be prepared in accordance with the American Society for Testing and Materials Practice Standards E-1527-13, or as amended.

II. VERIFICATION OF 10% EXPENDITURE

The Authority requires owners meet the Verification of Ten Percent Expenditure (10% Test) no later than six (6) months after the Carryover Allocation date. The Authority may permit an extension of this date only under circumstances beyond the Owner’s ability to control. In any event, the Authority will not grant an extension longer than ten (10) months after the Carryover Allocation date.

The 10% Test application is due to the Authority within three (3) weeks after the 10% Test deadline. Failure to submit by the due date may result in the cancellation of the LIHTC award.

If any of the required documents are missing/incomplete, the following will apply:

- Prior to the Application deadline – the missing/incomplete document(s) may be submitted without penalty.
- After the Application deadline – the missing/incomplete document(s) may be submitted upon payment of a $1,000 administrative fee for each business day after the deadline.
- If the missing/incomplete documents are not corrected and resubmitted to the Authority within seven (7) business days following the notification, the development may forfeit its allocation of LIHTCs.

III. PROGRESS MONITORING

Applicable to projects awarded in the competitive funding cycle and all 4% LIHTC applications receiving a Section 42(m) letter.

A. Progress Inspections

Developments will be subject to four (4) construction progress inspections during the construction phase (25%, 50%, 75%, and 100%).

B. Progress Deadlines

The Authority may grant an extension of the deadlines below for a fee of $1,000 for the first request. The fee for any additional request is $2,000. All extension requests must be in writing and submitted not less than one (1) week prior to the deadline along with the required fee. The Authority will only accept and grant extensions for individual categories, not an overall blanket extension for all categories.

Ten (10) Months after the Reservation Date or receipt of the Section 42(m) letter :
Final architect certified development plans and specifications for LIHTC developments are due to the Authority not later than ten (10) months after the reservation date. Final plan and specification requirements are outlined in Appendix B Development Design Criteria.

The Owner entity must have title to the land as evidenced by a copy of the recorded deed and/or land lease.

Twelve (12) Months after the Reservation Date or receipt of the Section 42(m) letter:
The following documents are due not later than twelve (12) months after the Reservation Date:

- a certified copy of the executed, recorded, FINAL construction mortgage document with the recorder's clock mark date stamp showing the date, book, and page number of recording;
- the original executed and recorded Restrictive Covenants(if applicable); and
- the executed binding commitment for syndication.

Owners must provide evidence that their development is listed on the South Carolina Housing Search website, www.SCHousingSearch.com.

Fifteen (15) Months after the Reservation Date or receipt of the Section 42(m) letter:

All developments must be under construction. New construction developments must have all footings or a monolithic slab in place as evidenced by photographs submitted with a Progress Report certified by the development architect or engineer. Rehabilitation developments must have begun actual rehabilitation of the units, as evidenced by photographs submitted with a Progress Report certified by the development architect. Rehabilitation and new construction must be continuous and progressive from this date to completion.

IV. PLACED IN SERVICE ALLOCATION PROCEDURES

The owner must submit a Placed-In-Service (PIS) application and all supporting documentation listed on Exhibit A – Placed in Service Checklist on or before the second Monday in December. Applications not received by this due date may be submitted until the last business day in December, upon payment of an administrative fee equal to $1,000 for each business day after the second Monday in December.

The Authority will review PIS applications in the order received. If the application is incomplete, the following will apply:

- Prior to the second Monday in December – the documents may be submitted without penalty.
- After the second Monday in December – the documents may be submitted upon payment of a $1,000 administrative fee for each business day after notification until the documents are submitted.
- If the Authority does not receive the corrected or missing documents and administrative fee within ten (10) business days following December 31, the development may lose its allocation of LIHTCs.

The PIS application must include a Contractor Cost Certification in the form outlined in Exhibit J-2 as to the actual costs incurred in construction of the project. A Certified Public Accountant must perform an audit and issue an opinion letter in accordance with Generally Accepted Accounting Principles and Generally Accepted Auditing Standards and execute the CPA Certification Form. The development team must certify that all costs have been reported for inclusion in the cost certification.

The certification must include a statement that a final copy of all costs incurred has been reviewed and is in accordance with the requirements of the LIHTC Program, and that after careful review and investigation into the eligible basis, the costs that are not includable have been excluded from the eligible basis. The Authority may require an attorney opinion for costs that are questionable as to their eligibility for LIHTC purposes.

The Authority will use industry standards to determine the total actual allowable cost for construction and may reduce the LIHTC allocation. If either the audit or Authority staff finds that the Contractor's actual allowable costs for construction are less than budgeted costs at application and as amended by any approved change order requests, then the Authority may reduce the eligible basis and decrease the amount of LIHTCs. The Authority assumes no responsibility for determining which costs are eligible.

Once submitted Owners may not modify or resubmit a certification. All underwriting decisions based on the submitted certification are final.

After receipt of a complete PIS application, the Authority will inspect the development. All units to be one hundred percent (100%) complete and available for immediate occupancy by the placed in service deadline, as documented by the Certificates of Occupancy or an equivalent provided by the local government entity. Failure to meet either criterion may result in cancellation of the LIHTC allocation.

If the PIS application is complete, the Authority will execute and mail Form 8609(s), but not until the last building in a multi-building development has been placed in service.

V. PROJECT CHANGES, TRANSFERS AND RETURN OF CREDITS

A. Material Changes Prohibited

If, upon the submission of the Carryover Allocation Documents, the 10% Test application or the PIS application, the Authority determines that the development is not substantially the same as described in the original Tax Credit Application, the development may not receive an allocation of LIHTCs.

At all times after award, the owner is responsible for promptly informing the Authority of any changes or alterations which deviate from the final plans and specifications approved at award.

B. Transfers

Neither reservations nor carryovers are transferable without the prior written consent of the Authority.

No change in the makeup or identity of a GP in a partnership or its equivalent in a limited liability company is permitted without the prior written consent of the Authority. Without limitation, this prohibition includes indirect transfers through the admission of any "special limited partner(s)" that leads to the eventual exit of a GP or its equivalent in a limited liability company. LIHTCs allocated to developments whose ownership is altered in violation of this provision shall be subject to revocation by the Authority.

C. Return of Credits and Returned Credit Allocation Procedures

LIHTC allocations may be returned only on a date agreed upon by the Authority and the Owner.

VI. COMPLIANCE MONITORING PROCEDURES

The procedures the Authority will follow in monitoring are outlined in the LIHTC Compliance Monitoring Manual on the Authority's website. The manual includes but is not limited to procedures that address the following areas: record keeping and record retention; certification and review; on-site inspection; and notification as to noncompliance.

Additionally, all LIHTC developments must comply with the following:

A. Mandatory Compliance Training Session for On-Site Management Staff

Once a development reaches 75% construction completion, the Owner must schedule required attendance at a compliance training session for on-site management staff charged with handling the daily tasks of property management and program eligibility determinations.

B. Rent Increases:

Developments cannot increase rent levels without approval from the Compliance Monitoring Department. Rent increases in excess of 5% annually may not be approved.

C. Annual Audited Financial Statements:

All developments, regardless of when funded, must submit audited financial statements and operating expense information not later than June 1st of each year through the appropriate Authority platform. A late fee of $1,000 will be assessed for each month the statements are not received.

VII. DEVELOPMENTS UTILIZING NON-COMPETITIVE TAX CREDITS WITH TAX EXEMPT BOND FINANCING

Developments proposed for financing by private activity bonds may be eligible to receive 4% LIHTCs if eligible to receive a LIHTC allocation under the QAP for the year in which the application for bond financing is filed with the Authority. The Authority will issue a preliminary, non-binding response to an application for the 4% LIHTC stating whether the development is eligible. After the development places in service, the owner will submit a PIS application.

A. Application Process

The Authority will accept 4% non-competitive applications by issuers other than SC Housing a minimum of 120 days prior to the scheduled State Fiscal Accountability Authority meeting. and issue a preliminary, non-binding statement as to whether the development is eligible.

B. Requirements

All developments utilizing 4% non-competitive tax credits must meet all threshold criteria in the QAP, except the following:

1. SCATTERED SITE:

Scattered site developments are eligible if the development meets all the following:

- All buildings must be under the ownership of one entity;
- All units must be managed by one management entity;
- All buildings must be developed under one plan of financing and considered a single development by all funding sources;
- The development must be appraised as a single proposed development;
- Each noncontiguous parcel must be located within the same county; and
- Each noncontiguous parcel must contain at least four (4) units per parcel.

2. PORTFOLIO TRANSACTIONS:

Applications pooling together multiple properties for acquisition/ rehabilitation under one bond issuance must be:

- separate for each property, and include an appraisal for that single property;
- developed under one plan of financing and considered a single development by all funding sources; and
- entirely managed by one management entity.

3. REQUIRED DEVELOPMENT EXPERIENCE FOR RAD CONVERSIONS:

An application proposing to convert public housing developments through the Rental Assistance Demonstration (RAD) program, may request a waiver of the required development experience if the Development Team contracts for the services of an LIHTC consultant who has experience on previous RAD conversions.

4. TARGETING REQUIREMENTS

For New Construction family developments, the development must contain a minimum of the following three (3) or more bedroom units: the lesser of twenty-five percent (25%) of the total low-income units or 35 units.

5. SIZE REQUIREMENTS

There is no maximum number of units in any county.

6. MAXIMUM LIHTCS PER UNIT

There is no maximum amount of LIHTCs.

7. MANDATORY DESIGN CRITERIA

The applicant must request any waiver of the mandatory design criteria specified in the QAP and Appendix B prior to the application submission. Any waivers requested after the submission of the application must be due to changed circumstances and must include compelling evidence demonstrating the need for the waiver and why it could not be requested prior.

8. AUTHORITY-ADMINISTERED HOME FUNDING

Tax exempt bond developments are not eligible to apply for HOME funds.

9. DEVELOPER FEE

For both new construction and rehabilitation developments, developer fee is limited to the lesser of (1) $3 million or (2) 15% of Total Development Costs less Land, Consulting Fees, Developer Fees, Developer Overhead, Other Developer Costs and Reserves. Deferred Developer Fee: The deferred portion of the developer fee may not exceed fifty percent (50%) of the total at application submission.

All developments utilizing 4% non-competitive tax credits by issuers other than SC Housing must meet all criteria in the 2022 Low-Income Housing Tax Credit Manual, except the following:

1. Reservation Certificates
2. Carryover Allocations
3. Verification of 10% Expenditure

C. Fees

Developments utilizing non-competitive tax credits will be responsible for the following:

- Application Fee - $4,500
- Market Study Review Fee- $600
- Missing Documents Fee - $1,000 assessed for the first missing items and an additional $500 for each additional.
- Plan Review and Construction Inspections Fees - $5,850 due 14 calendar days after receipt of the Section 42(m) letter.
- Reservation Fee: 10% of the LIHTC award amount due 14 calendar days after receipt of the Section 42(m) letter.
- Compliance Monitoring Fees - $50 per unit annually, plus an additional $50 per unit annually for projects using the average income minimum set-aside. All compliance monitoring fees must be paid to the Authority within 30 days of the date on which the first building is placed in service and on or before the first day of February of each succeeding year throughout the remainder of the 15 year compliance period and any extended use period. The Authority will assess a ten percent (10%) late fee of the total outstanding balance for payments received after thirty (30) days from the date due. The minimum late fee will be $50. The Authority may adjust the amount of the fee at any time. Such an adjustment shall not be treated as a QAP amendment.
- Reprocessing of Form 8609 Fee - $100 per Form 8609 for errors in the final cost certification by either the developer or certified public accountant resulting in Authority staff re-underwriting a development.
- Re-underwriting Fee - $2,000 if the Authority has to re-underwrite a development due to a change at any time

VIII. PROGRAM SUSPENSION AND DEBARMENT

A. The following events may result in suspension from participating for funding from any of the Authority administered programs for a period of three (3) years:
   1. Developments that fail to meet the 10% Test by the date specified in the carryover document or place-in-service by the Code deadline.
   2. Removal of the General Partner or its equivalent in a limited liability corporation. The Authority may make exceptions due to death, bankruptcy, or cessation of business operations.

3. Providing a false or inaccurate certification.
4. Failure of a development to remain in compliance with all rules and regulations imposed by the Tax Credit Assistance Program (TCAP) funds or Exchange Program.
5. Interference with a LIHTC application for which an individual or an entity is not a part of the Development Team.

B. Any of the following actions may result in the permanent debarment from participating for funding from any of the Authority administered programs:
   1. Any Development Team member who provides false or misleading information to the Authority or the Hearing Officer with regard to a development seeking LIHTC, regardless of when such false or misleading information is discovered.
   2. Any partnership formation and/or developer agreement, whether written or otherwise, that attempts to circumvent Authority requirements, regardless of when the violation is discovered.
   3. For nonprofit sponsored developments, breach of the requirement for continuous and ongoing material participation. Debarment applies to the nonprofit and all of its officers and directors.

C. The Authority may disqualify an application from the current or upcoming application cycle for any of the reasons below.
   1. Member(s) of the Development Team or person(s) on behalf of a development team member(s) contacting Board members from the LIHTC preliminary application submission date through the date of award regarding
      - the scoring or evaluation of any applications,
      - interpretation or implementation of the QAP or Appendices, or
      - the award of LIHTCs.
   2. Any of the following applies to a member of the Development Team:
      - debarment from any federal or state program;
      - submission of fraudulent information to the IRS or any federal or state affordable housing program;
      - failure to meet a requirement resulting in full recapture of LIHTCs;
      - failure to comply with laws governing fair housing and accessibility for persons with disabilities resulting in a U.S. Department of Justice finding;
      - default on a loan resulting in foreclosure or deed in lieu of foreclosure that leads to premature termination of a mandatory affordability period*;
      - abandonment or forfeiture of an affordable housing property*;
      - failure to comply with restrictive covenants*;
      - removal or withdrawal as General Partner or Managing General Partner of a LIHTC property*; and/or
      - return of LIHTCs to an allocating agency*.

      *Items denoted with an asterisk are events for which the applicant may request a waiver no later than January 31, 2022.
   3. A member of the Development Team is responsible for prior instances of any of the following in the previous ten (10) years without a waiver from the Authority requested no later than January 31, 2022:
      - Forms 8823s and/or health and safety issues not cured within the established period;
      - default or arrearage of at least three months in an affordable housing mortgage or loan;
      - outstanding flags in HUD's 2530 National Participation system;
      - deferred maintenance, mold, building code violations or other evidence of poor maintenance at properties monitored by the Authority;
      - failure to pay Compliance Monitoring Fees;
      - failure to submit rent rolls, annual owner certifications, or other required reporting;

- failure to report to the Authority any common areas, buildings or dwelling units that has been out of service for a period exceeding 30 days due to damage or disrepair; and/or
- failure to notify the Authority of a change in property ownership or management.

D. The Authority may determine other acts that require suspension or debarment. Suspensions or debarments based on such acts not otherwise defined shall be conducted as outlined in the Authority's Debarment and Program Suspension Policy.

AGENCY: Joint Bond Review Committee

SUBJECT: Recommendations for Resolution of Certain Multi-Family Housing Transactions

During its meeting on June 21, 2022, the Joint Bond Review Committee expressed an interest in advancing and expediting resolution for certain multi-family housing transactions pending on December 31, 2021, that had not received requisite approvals necessary for inclusion in Section 1.B.1 of Act 202 of 2022. The Committee requested that Committee staff, in consultation with staff of the State Housing Finance and Development Authority and staff of the State Fiscal Accountability Authority, develop recommendations that would support that objective.

Background. Section 1.B.1 of Act 202 of 2022 provided for a one-time authorization of South Carolina Housing Tax Credits for qualified projects approved before December 31, 2021, by the State Fiscal Accountability Authority or the South Carolina State Housing Finance and Development Authority, as applicable, with any allocation of South Carolina Housing Tax Credits made pursuant to this provision subject to the review and comment of the Joint Bond Review Committee. The State Housing Authority made a timely submission of its report in accordance with the provisions of the Act, which report reflected a total of $98,902,427 in South Carolina Housing Tax Credits recommended for consideration by the Committee as subject to the authorization made by Section 1.B.1 of the Act.

The Committee concurred with the recommendation of the State Housing Authority for all projects that definitively established compliance with the approval requirements of the Act, but withheld concurrence on 8 of the developments until compliance with the approval requirements of the Act had been definitively established by the State Housing Authority and provided to the Committee. Of those 8 developments, the State Housing Authority subsequently provided to the Committee determinations of definitive compliance with the approval requirements of the Act for 5 of those developments.

The Committee also withheld concurrence on 7 of the developments for which the State Housing Authority had issued a preliminary determination of eligibility for the State Housing Tax Credit, but which had not received ceiling allocation, or issuance approval by the Fiscal Accountability Authority, or both; as these developments had not received requisite approvals by December 31, 2021, as required by the Act.

Recommendations. Responsive to the expression of the Committee, the State Housing Authority will conduct a State Tax Credit cycle with up to $12 million in annual State Housing Tax Credits made available pursuant to Act 202 and the proposed Plan for Administration of State Housing Tax Credits for Calendar Year 2022.

Projects eligible for consideration for inclusion in this cycle will be those projects that were ineligible for allocation of State Housing Tax Credits pursuant to Section 1.B.1 of Act 202, but had by December 31, 2021, received a preliminary determination of State Housing Tax Credits, a project-specific carryforward allocation of state ceiling, or an allocation of carryforward state ceiling from the State Housing Authority.

The following 10 projects meeting these criteria have been uniformly evaluated and qualified by the State Housing Authority as to conformance with the provisions of Act 202 of 2022 and ranked in accordance with the Plan for Administration of State Housing Tax Credits as proposed for consideration by the Committee at this meeting.

Development	Proposed Annual State Housing Tax Credits
573 Meeting Street (Charleston)	$ 1,072,662
Archer Apartments (Charleston)	1,257,430
Dillon Graded School Senior Apartments (Dillon)	670,420
Dunbar Place (Rock Hill)	1,282,496
Dunean Mill Apartments (Greenville)	873,262
Esau Jenkins Village (Charleston)	423,360
Hope Road Apartments (Spartanburg)	2,017,035
Lowline Housing (Charleston)	1,155,000
Magnolia Branch (North Charleston)	2,028,194
Shannon Park Apartments (Goose Creek)	1,011,720
Total	$ 11,791,579

The annual state housing tax credits reflected above are preliminary and subject to change. Additionally, these preliminary determinations must be made contingent on public hearings conducted in accordance with the provisions of Act 202 of 2022 as soon as practicable.

Effect of Action. Favorable review of these recommendations will:

- Resolve the remaining 3 of 8 developments on which the Committee withheld concurrence until compliance with the approval requirements of the Act had been definitively established by the State Housing Authority.
- Resolve the 7 developments on which the Committee also withheld concurrence for which the State Housing Authority had issued a preliminary determination of eligibility for the State Housing Tax Credit, but which had not received ceiling allocation, or issuance approval by the Fiscal Accountability Authority, or both.
- Reduce the amount of State Housing Tax Credits applicable to projects qualified for the authorization under Section 1.B.1 of Act 202 by up to $11,791,579, for a total of $87,110,848 in projects qualified for inclusion pursuant to that provision.
- Exhaust up to $11,791,579 of the $12 million limit on Calendar Year 2022 State Housing Tax Credits applicable to projects proposing use of the 4% Federal Tax Credit.

COMMITTEE ACTION:

Review and provide comment on the proposed resolution for certain multi-family housing transactions pending on December 31, 2021, that had not received requisite approvals necessary for inclusion in Section 1.B.1 of Act 202 of 2022.

ATTACHMENTS:

1. Project Rankings Spreadsheet prepared by South Carolina State Housing Finance and Development Authority.
2. Letter dated June 21, 2022, of F. Richard Harmon, Jr., Research Director for the Committee.

Development	Location	USDA Rural Eligibility	Issuance Approval Date	Annual State Housing Tax Credits	10 Year State Housing Tax Credits	State Historic Tax Credit	State Abandoned Building Credit	State Ceiling Allocation	Total Project Costs	Residential Project Costs	Net New Units	Residential Square Footage	Total Bedrooms	Total Units	Estimated Tenants	Total State Resources
Hope Road Apartments	Spartanburg	Y	TBD	$ 2,017,035	$ 20,170,348	$ -	$ -	$ 27,000,000	$ 55,765,734	$ 55,765,734	192	304,023	726	192	1,452	$ 47,170,348
Esau Jenkins Village	Charleston	N	TBD	423,360	4,233,600	-	-	7,529,846	16,752,177	16,752,177	72	68,916	83	72	166	11,763,446
Magnolia Branch	North Charleston	N	TBD	2,028,194	20,281,940	-	-	21,600,000	34,642,580	34,642,580	162	157,483	337	162	674	41,881,940
Dunbar Place	Rock Hill	N	TBD	1,282,496	12,824,960	-	-	17,750,000	23,481,785	23,481,785	100	98,300	200	100	400	30,574,960
Dunean Mill	Greenville	N	TBD	873,262	8,732,624	-	-	16,000,000	20,481,107	20,481,107	60	77,584	150	60	300	24,732,624
Shannon Park Apartments	Goose Creek	N	TBD	1,011,720	10,117,201	-	-	20,000,000	30,888,115	30,888,115	-	83,864	194	96	388	30,117,201
Lowline Housing	Charleston	N	TBD	1,155,000	11,550,000	-	-	7,250,000	14,253,682	14,253,682	55	43,495	87	55	174	18,800,000
Archer Apartments	Charleston	N	1/25/2022	1,257,430	12,574,300	-	3,052,525	23,000,000	32,345,098	32,345,098	89	67,453	100	89	200	38,626,825
Dillon Graded School	Dillon	Y	TBD	670,420	6,704,197	4,316,702	3,428,962	12,000,000	19,137,961	14,767,161	37	29,492	37	37	74	26,449,861
573 Meeting Street	Charleston	N	TBD	1,072,662	10,726,620	-	-	14,000,000	26,173,926	18,260,859	70	52,488	74	70	148	24,726,620
			TOTAL:	**$ 11,791,579**				**$ 166,129,846**								

				Adjustments			State Resources per				Ranking: State Resources per					
Development	Location	USDA Rural Eligibility	Total State Resources	USDA Rural Eligibility	New Construc-tion	ADJUSTED Total State Resources	Residential Square Foot	Bedroom	$ of Total Project Costs	Potential Tenant	Residential Square Foot	Bedroom	$ of Total Project Costs	Potential Tenant	Total	**Overall**
Hope Road Apartments	Spartanburg	Y	$ 47,170,348	30%	10%	$ 28,302,209	$ 93.09	$ 38,984	50.8%	$ 19,492	1	1	1	1	4	**1**
Esau Jenkins Village	Charleston	N	11,763,446	0%	10%	10,587,101	153.62	127,555	63.2%	63,778	2	3	2	3	10	**2**
Magnolia Branch	North Charleston	N	41,881,940	0%	10%	37,693,746	239.35	111,851	108.8%	55,925	3	2	7	2	14	**3**
Dunbar Place	Rock Hill	N	30,574,960	0%	10%	27,517,464	279.93	137,587	117.2%	68,794	4	4	8	4	20	**4**
Dunean Mill	Greenville	N	24,732,624	0%	10%	22,259,361	286.91	148,396	108.7%	74,198	5	5	6	5	21	**5**
Shannon Park Apartments	Goose Creek	N	30,117,201	0%	0%	30,117,201	359.12	155,243	97.5%	77,622	6	6	3	6	21	**5**
Lowline Housing	Charleston	N	18,800,000	0%	10%	16,920,000	389.01	194,483	118.7%	97,241	7	7	9	7	30	**7**
Archer Apartments	Charleston	N	38,626,825	0%	10%	34,764,143	515.38	347,641	107.5%	173,821	9	9	5	9	32	**8**
Dillon Graded School	Dillon	Y	26,449,861	30%	10%	15,869,917	538.11	428,917	107.5%	214,458	10	10	4	10	34	**9**
573 Meeting Street	Charleston	N	24,726,620	0%	10%	22,253,958	423.98	300,729	121.9%	150,365	8	8	10	8	34	**9**

Capital Improvements
Joint Bond Review Committee

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ADMINISTRATIVE ASSISTANT
803-212-6677
FAX: 803-212-6690

June 21, 2022

Ms. Bonita Shropshire
Executive Director
South Carolina State Housing Finance and Development Authority
300-C Outlet Pointe Boulevard
Columbia, South Carolina 29210

Re: Report Required Pursuant to Act 202 of 2022

Dear Ms. Shropshire:

At its meeting today, the Joint Bond Review Committee reviewed the report submitted by the South Carolina State Housing Finance and Development Authority pursuant to Section 1.B.1 of Act 202 of 2022, which provides for a one-time authorization of South Carolina Housing Tax Credits for qualified projects approved by December 31, 2021, with any allocation of the tax credits made pursuant to this provision subject to the review and comment of the Joint Bond Review Committee. The report was due on June 15, 2022, and was timely submitted by the State Housing Authority on June 14, 2022.

The report reflected a total of $98,902,427 in South Carolina Housing Tax Credits for 104 developments identified and recommended by the State Housing Authority for consideration by the Committee as subject to the authorization made by Section 1.B.1 of the Act. Except as noted herein, the Committee generally concurred with the projects included in the report and status determinations made by the State Housing Authority.

The State Housing Authority suggested that thirteen (13) developments with $7,329,872 in associated State Housing Tax Credits should be considered as pre-dating Act 202; however, the Act did not make this distinction, and the Committee determined that these projects are proper for inclusion under Section 1.B.1 of the Act.

Included in the report were eight (8) developments with $11,428,418 in associated State Housing Tax Credits that did not include information definitively establishing compliance with the approval requirements prescribed by the Act. The Committee withheld concurrence for inclusion of these developments until compliance with the approval requirements of the Act has been definitively established by the State Housing Authority and provided to the Committee.

Ms. Bonita Shropshire
South Carolina State Housing Finance and Development Authority
June 21, 2022
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Also included in the report were seven (7) developments with $8,093,754 in associated State Housing Tax Credits for which allocations of state ceiling, bond issuance authorizations, or both, had not been approved by the State Fiscal Accountability Authority. The Committee withheld concurrence for inclusion of these developments, as these developments had not received requisite approvals by December 31, 2021, as required by the Act.

Notwithstanding these exceptions, the Committee expressed an interest in expediting plans to advance the projects described above to an orderly resolution, and directed Committee staff, in cooperation with the executive staff of the State Fiscal Accountability Authority and the State Housing Authority, to develop a plan for their resolution and the Committee's further consideration not later than, and preferably prior to, the August meeting of the Committee. In this connection, Committee staff will contact the executive staff of the State Fiscal Accountability Authority and the State Housing Authority to undertake this process as soon as practicable following the meeting of the State Fiscal Accountability Authority on June 28, 2022.

Please advise if you have any questions or need clarification.

Very truly yours,

F. Richard Harmon, Jr.
Director of Research

c: Mr. Grant Gillespie
Executive Director
State Fiscal Accountability Authority

AGENCY: Joint Bond Review Committee

SUBJECT: Future Meeting

The next meeting of the State Fiscal Accountability Authority is tentatively scheduled for Tuesday, November 1, 2022.

2022

January

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COMMITTEE ACTION:

Schedule next meeting.

ATTACHMENTS:

None.