

Capital Improvements  
Joint Bond Review Committee

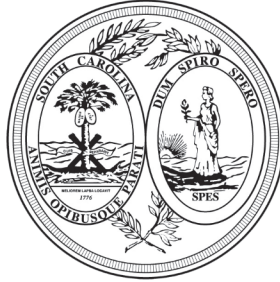
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JOINT BOND REVIEW COMMITTEE MEETING  
Tuesday, October 10, 2023 – 1:00 p.m.  
105 Gressette Building

AGENDA

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AGENCY: South Carolina Department of Corrections

SUBJECT: Contraband Interdiction

Responsive to a request by the Committee at its meeting on August 22, 2023, Department of Corrections Director Bryan Stirling will make a presentation concerning contraband interdiction efforts at the state's correctional institutions.

COMMITTEE ACTION:

Receive this report as information.

ATTACHMENTS:

None.

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AGENCY: South Carolina Public Service Authority

SUBJECT: Proposed Acquisition of Real Property  
Cherokee County Cogeneration Partners, LLC

The South Carolina Public Service Authority requests approval to acquire approximately 107 acres located in Cherokee County in connection with its acquisition of 100% of the ownership interests of Cherokee County Cogeneration Partners, LLC. The subject property is the site on which is situated a natural gas-fired electric generation facility, which has been approved by the Authority's board for acquisition at a total purchase price of \$17 million.<sup>1</sup> The fairness of the acquisition price was determined using a comparative approach to alternatives, including the value as compared with other publicly available generation options and other available market purchases; and the value of the resource in ensuring reliable capacity on the Authority's system.

The transaction has been structured as an entity purchase to facilitate the Authority's acquisition of unencumbered title to all real property, the natural gas plant and generation equipment, and other fixed assets on the property; and to assume all contracts and permits applicable to operation of the generation facility. The Authority has been purchasing since July 2022 approximately 98 megawatts of electricity output by the generation facility to supplement the Authority's capacity needs.

The Authority has conducted extensive due diligence in connection with the acquisition, which includes among other things environmental and facility condition assessments, neither of which revealed significant areas of concern. The purchase price includes considerations for age and condition of the generation facility, which is expected to remain in service through 2028.

Cherokee Cogeneration Partners pays a fee in lieu of taxes to Cherokee County under terms of an agreement with the County that has been in place since the property was purchased and the generation facility was constructed in 1998. Properties owned by the Authority are not subject to property taxes; however, the Authority is statutorily obligated to make payments in lieu of taxes and payments to counties in which generating assets are located. At the time of submission, the Authority had not determined the difference between the fee paid in lieu of taxes by the existing owner, and the statutory amount the Authority is required to make.

An ice manufacturing plant is constructed on property immediately adjacent to the generation facility that is leased to a third party, which also uses steam and energy produced by the generation facility. The lease was originally subject to expiration in 2022 but has been maintained on a short-term basis until the proposed transaction could be evaluated and finalized. There are approximately 17 Reddy Ice employees working at the ice manufacturing plant. The Authority expects to continue discussions with the third party to negotiate a long-term lease under a similar structure following closing of the proposed acquisition. The long-term lease will be subject to Committee review and approval.

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<sup>1</sup> The acquisition price of the facility will be funded from proceeds of short-term debt obligations issued by the Authority, and fits comfortably within existing capacity of the Authority's short-term and revolving credit facilities. The issuance of short-term debt and revolving credit obligations is exempt from Committee review and approval pursuant to Section 58-31-240(A)(1) of the South Carolina Code.

The current generation facility is staffed through a contracted service agreement utilizing approximately 13 individuals and the Authority's acquisition plan contemplates no structural changes in the personnel or service agreement at the generation facility over the short term; accordingly, the Authority expects no present implications on state pension and other benefit plans as a consequence of the acquisition.

Acquisition of the generation facility by the Authority is subject to approval of the Public Service Commission of South Carolina, and the Authority filed with the Commission on July 9, 2023, a petition for approval of its acquisition of the generation facility. The South Carolina Office of Regulatory Staff, Central Electric Power Cooperative, Inc., and Reddy Ice, Inc. intervened in the proceeding, and filed letters supporting the Authority's petition. The Commission approved the Authority's petition on September 28, 2023.

COMMITTEE ACTION:

In accordance with Section 58-31-240(B)(2) of the South Carolina Code,<sup>2</sup> review and approve, reject, or modify the Authority's request to acquire approximately 107 acres in connection with its acquisition of the ownership interests of Cherokee County Cogeneration Partners, LLC.

ATTACHMENTS:

1. Letter dated September 20, 2023, of Mr. J. Martine Watson, Chief Commercial Officer, Santee Cooper.
2. Maps of the subject property and locations of the facilities.

AVAILABLE:

1. Presentation to the Power Resource & Financial Planning Committee of the Authority.
2. Resolution of the Board of Directors of the Authority.
3. Executive Summary of an Updated Phase 1 Environmental Study and Executive Summary of the GE Inspection and GT Borescope Report Evidencing the Extent and Findings of Due Diligence Performed by the Authority in Connection with the Acquisition.

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<sup>2</sup> Section 58-31-240(B)(2) of the South Carolina Code provides that a transfer of any interest in real property by the South Carolina Public Service Authority, regardless of the value of the transaction, requires approval, rejection, or modification by the Joint Bond Review Committee.

September 20, 2023

The Honorable Harvey S. Peeler, Jr.  
Chairman, Joint Bond Review Committee  
South Carolina Senate  
111 Gressette Building  
Columbia, SC 29201

Re: Purchase of tracts totaling 107 +/- acres located in Cherokee County, South Carolina

Dear Chairman Peeler:

The South Carolina Public Service Authority ("Santee Cooper") requests that the Joint Bond Review Committee approve the purchase of two tracts of real property totaling approximately 107 acres as depicted on Attachment A (the "Property"). Maps of the Property have been attached as Attachment A. The Property is owned by Cherokee County Cogeneration Partners, LLC ("Cherokee Cogen"), and Santee Cooper would acquire the Property indirectly through its purchase of 100% of the ownership interests in Cherokee Cogen. The Property is the site of a natural gas-fired electric generating station (the "Facility"). The purchase price for Cherokee Cogen and its assets is \$17 million. Santee Cooper's Board of Directors declared the purchase of Cherokee Cogen and the continued operation of the Facility was in the best interest of Santee Cooper and authorized that management proceed with all necessary and required approvals. The presentation to the Power Resource and Finance Committee and the Santee Cooper Board Resolution for approval of moving forward with the transaction are attached as Attachments B and C. Santee Cooper will fund the transaction with short-term debt.

### **Structure of the Transaction**

This transaction is structured as an "entity" purchase rather than an "asset only" purchase, which is the typical structure for transactions of this kind. The entity purchase enables Santee Cooper to obtain unencumbered title to all real property, natural gas generation equipment, and other fixed assets on the Property, and to assume all ongoing contracts and permits applicable to the operation of the Facility. Santee Cooper has been receiving roughly 98 MW of electricity output, generated by the Facility, via Purchase Power Agreements since July 2022. The electric output of the Facility will supplement other resources within the Santee Cooper electricity resource portfolio and the acquisition of the Facility will maintain in operation a natural gas plant fully and completely operated within the State of South Carolina. Santee Cooper plans to operate the Facility through 2028. There are no new pipelines, transmission lines or other infrastructure required for continued operation of the Facility. As a condition of closing on the acquisition, the seller is required to provide an authorized statement from all lenders that any and all liens or other financial debt owed on the Property and the Facility by the seller (and any affiliated or other entity) has been fully and securely satisfied as a result of payment of the purchase price, and any and all liens, mortgages, or bank debt will have been released and cleared from the title to the Property and Cherokee Cogen.

Santee Cooper negotiated the purchase price for Cherokee Cogen based on an analysis of several points of consideration, including comparing various publicly available generation options, the value of the resource to ensure reliable capacity on the Santee Cooper system, and the value of the Facility in comparison to other available market purchases of combined cycle facilities. This analysis demonstrated that a purchase price of approximately \$17 million was reasonable for a facility the vintage of the Facility providing this output of electricity.

### **Due Diligence**

Santee Cooper has performed substantial due diligence since July 2022. That due diligence included an environmental assessment of the Property as well as physical inspection of the Facility and equipment, both from an operational perspective and a regulatory and compliance perspective. The environmental assessment of the Property found no issues of concern. Internal Santee Cooper experts and external consultants inspected the Facility and determined that, overall, it is in good condition, though some components are at the end-of-life cycle due to age and use. There is an issue with a turbine generator that was identified, which along with the availability and routine maintenance of component parts, Santee Cooper factored into the negotiated purchase price.

### **Existing Lease**

The original owners of the Facility constructed an ice manufacturing plant on a portion of the Property immediately adjacent to the Facility. That portion of the Property and the ice manufacturing equipment are leased to a third party, Reddy Ice, Inc., who also uses steam and energy from the Facility for its ice manufacturing plant. The lease was set to expire in 2022, but has been extended on a short-term, month-to-month basis, until Santee Cooper could perform all necessary due diligence, all required regulatory approvals have been obtained, and formal agreements could be finalized. It is the intent of both Santee Cooper and Reddy Ice, Inc. to continue discussions on terms and conditions of a new, long-term lease for continuing the operations of the ice manufacturing plant along a similar structure that currently exists. It would be Santee Cooper's intention upon approval of the acquisition to bring a final, negotiated lease back to the Committee for its review and approval as required by statute.

### **Payments to Cherokee County**

Cherokee Cogen has been paying a fee in lieu of taxes to Cherokee County based on terms of an agreement that has been in place since the Property was purchased and financed and the Facility was originally constructed in 1998. Santee Cooper does not pay property taxes but is statutorily obligated to make payments in lieu of taxes for property it owns and to counties in which generating assets are located. Santee Cooper is currently in the process of reviewing data and will determine what, if any, difference exists between the existing fee paid in lieu of taxes and the statutorily mandated payment that Santee Cooper is required to make.

### **Regulatory Approval**

The Facility acquisition must be approved by the Public Service Commission of South Carolina (the "PSC"). Pursuant to state statute, the PSC must determine the proposed acquisition is a more cost-effective means for servicing direct and wholesale customers compared to other reasonably available means and provides less ratepayer risk while also maintaining safe and reliable electric service compared to other feasible alternatives. Further, the PSC must consider and find that the overall transaction is in the best interests of Santee Cooper's direct and wholesale customers. On July 9, 2023, at Docket No. 2023-189-E, Santee Cooper filed a petition with the PSC seeking approval of the purchase and requested that the PSC act on Santee Cooper's Petition by September 22, 2023. As of the date of this letter, the PSC has not issued a decision on the Petition. Three parties intervened in the proceeding: the S.C. Office of Regulatory Staff, Central Electric Power Cooperative, Inc., and Reddy Ice, Inc. Central Electric Power Cooperative filed a letter with the PSC supporting the transaction and all three interveners stipulated on the record that the Petition and testimony provided by Santee Cooper met the statutory requirements.

Santee Cooper respectfully asks the Committee to approve its acquisition of the Property.

Sincerely,



J. Martine Watson

### **Attachments**

Attachment A-1 – GIS Map of Property owned by Cherokee County Cogeneration Partners, LLC with Parcel Numbers Identified

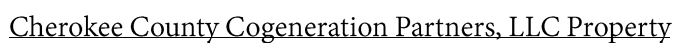
Attachment A-2 – GIS Map of Property owned by Cherokee County Cogeneration Partners, LLC with Parcels combined

Attachment B – Santee Cooper Power Resource & Financial Planning Committee Presentation

Attachment C – Santee Cooper Board Resolution



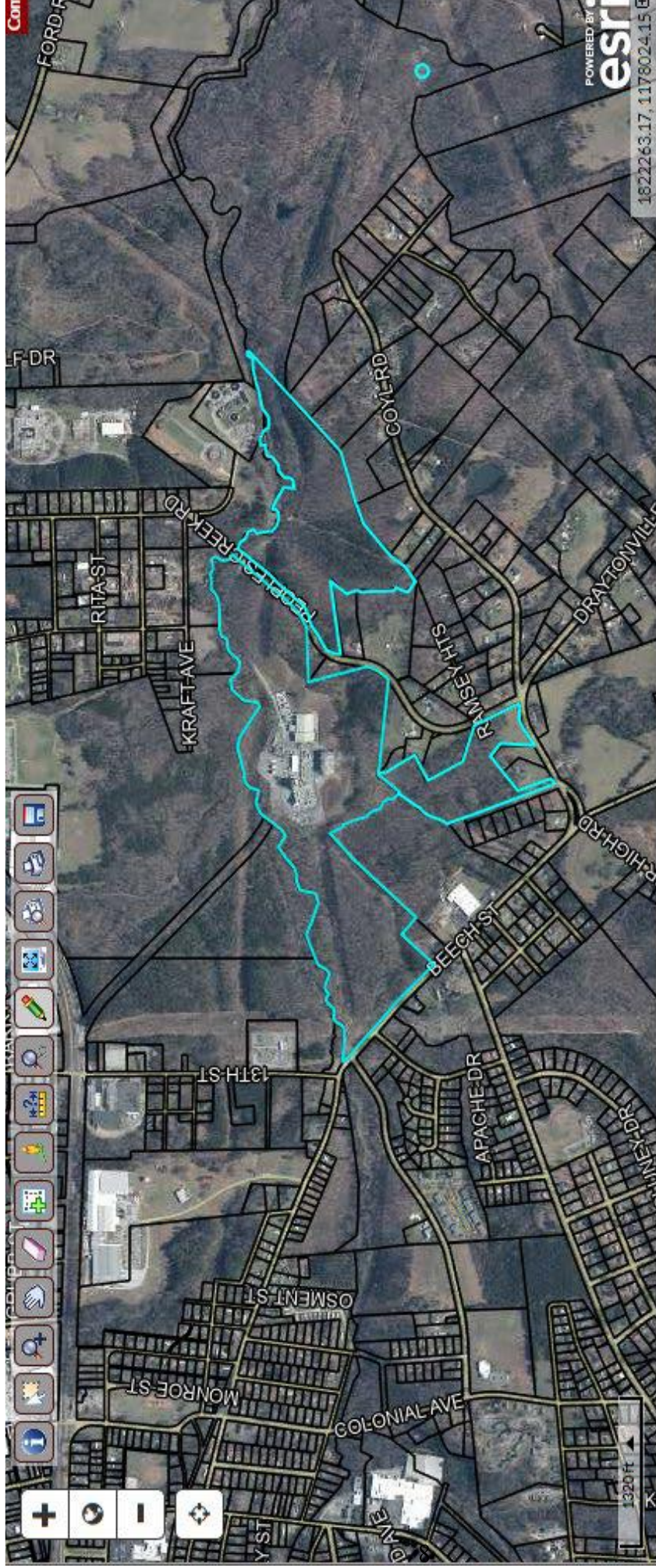
Cherokee County Cogeneration Partners, LLC – Parcel Identification Map (Cherokee County GIS)



Blue Highlight = Parcel Number 119-00-00-065.003



Exhibit A-2  
Cherokee County Cogeneration Partners, LLC



Parcel ID 118-00-00-063.000, roughly .93 +/- acres with the Facility, and Parcel ID 119-00-00-065.003 --- Combined

April 21, 2023

AUTHORIZATION TO ACQUIRE A  
98MW GENERATING RESOURCE  
IN CHEROKEE COUNTY

Adopted   ✓  

Rejected       

Postponed       

R E S O L U T I O N

WHEREAS, The State of South Carolina is expected to experience an increase in economic growth due to planned industry and increasing population; and

WHEREAS, Through the Joint Planning Committee (the “JPC”) the South Carolina Public Service Authority (the “Authority”) and Central Electric Power Cooperative, Inc. (“Central”) have determined there is a capacity need beginning in the winter of 2024 and continuing through 2028; and

WHEREAS, The Authority has identified a 98-MW combined cycle natural gas power plant located in the town of Gaffney, South Carolina owned by Cherokee County Cogeneration Partners, LLC (“Cherokee Co-Gen”) (the “Unit”) as an attractive resource to fill a portion of the capacity need; and

WHEREAS, The Unit qualifies as a PURPA Qualifying Facility and sells its excess thermal energy to a laterally connected refrigeration and packaging operation operated by an ice manufacturer; and

WHEREAS, The Unit is connected to the Transco natural gas pipeline and is well situated related to Authority’s existing transmission system through interconnection with Duke Energy Carolinas’ transmission system; and

WHEREAS, South Carolina Code Ann. § 58-31-30(A)(4) vests the Authority with the powers to acquire, purchase, hold, use, lease, mortgage, sell, transfer and dispose of any property, real, personal, or mixed; and

WHEREAS, South Carolina Code Ann. § 58-31-30(A)(15) allows the Authority to endorse or otherwise guarantee the obligations of a corporation all of the voting stock of which the Authority may own or acquire; and

WHEREAS, The Authority and the authorized subordinate entity of the owner and seller signed a Letter of Intent on July 11, 2022 related to the Authority’s potential acquisition of 100% of the equity interests in Cherokee Co-Gen or, alternatively, all of the assets of Cherokee Co-Gen; and

WHEREAS, The Authority in conjunction with Central has conducted extensive due diligence analyzing the relevant areas of operations, financial, governance, and compliance structure of Cherokee Co-Gen and the Unit; and

WHEREAS, The Power Resource and Financial Planning Committee (the “Committee”) of the Authority’s Board of Directors (the “Board of Directors”) has received ongoing updates on the status of due diligence and the potential purchase of the Unit since July 2022; and

WHEREAS, The Authority’s Management proposes acquiring 100% of the equity interests in Cherokee Co-Gen for a purchase price of \$17 Million Dollars, subject to substantially similar terms and conditions of the draft, proposed Purchase and Sale Agreement provided to the Board of Directors (the “Proposed Transaction”); and

WHEREAS, On April 20, 2023 the JPC confirmed that there is a need for immediate action to procure available capacity to adequately address the near-term capacity need and the Proposed Transaction falls within that specific planning effort. Further, the Authority and Central voted to approve the Unit as a Proposed Shared Resource under the Coordination Agreement; and

WHEREAS, The Authority’s Management requests approval of the Proposed Transaction; and

WHEREAS, South Carolina Code Ann. § 58-33-185(A) requires that the Authority obtain approval of the Public Service Commission of South Carolina (the “PSC”) prior to entering into any contract for the acquisition of a major utility facility; and

WHEREAS, South Carolina Code Ann. § 58-31-240(B)(2) requires that a transfer in any interest in real property by the Authority requires approval, rejection, or modification by the South Carolina Joint Bond Review Committee (“JBRC”); and

WHEREAS, The Authority’s Management requests authorization to seek the required PSC and JBRC approvals related to the Proposed Transaction; and

WHEREAS, The Board of Directors has had the opportunity to consult with the Authority’s Management and discuss all relevant considerations and risks with Authority’s Management concerning the Proposed Transaction; and

WHEREAS, The Board of Directors has had the opportunity to review the terms of the Proposed Transaction and has received and relied upon briefings, opinions, and information presented by the President and CEO of the Authority along with the Chief Commercial Officer and Chief Public Affairs Officer & General Counsel; and

WHEREAS, Upon the recommendation of the Authority’s Management, and in reliance upon the information provided to the Board of Directors as set forth herein, the Board of Directors has considered and appropriately balanced the factors set forth in S.C. Code Ann. § 58-31-55(A)(3) and determined the approval of the Proposed Transaction is in the best interests of the Authority; and now, therefore, be it

RESOLVED, That the Board of Directors hereby Authorizes the Proposed Transaction, subject to the approval of the PSC and JBRC; and be it further

RESOLVED, Upon approval of the Central Board of Directors, the Authority's Management is hereby authorized to seek the required approvals from the PSC and subsequently, the JBRC related to the Proposed Transaction; and be it further

RESOLVED, The Board of Directors hereby authorizes a \$17 million increase to the approved 2023 capital budget if the transaction is consummated; and be it further

RESOLVED, The President and CEO of the Authority, or his designee, is hereby authorized to take such further actions and execute such further agreements or instruments as may be necessary to carry out the foregoing Resolution.

*\*If approved by the Committee, this resolution will be referred to the full Board for approval.  
**This resolution was referred to and approved by the full Board.***

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AGENCY: Department of Administration  
Facilities Management and Real Property Services

SUBJECT: Proposed Lease  
South Carolina Law Enforcement Division  
School Facility Lease at 314 Main Street, Gilbert

The South Carolina Law Enforcement Division requests review of its proposal to lease the site of the former Gilbert Elementary School located at 314 Main Street, Gilbert, from Lexington County School District One. The site consists of approximately 30.9 acres of land and 7 buildings totaling 115,654 square feet, and will be used for the establishment of a Center for School Safety and Targeted Violence.

The term of the proposed lease is 20 years, with 2 optional 5-year extended terms. As consideration for the lease, the Division will pay \$200,000 to Lexington County School District One to support the expansion of preschool classes at the new Gilbert Elementary School site. Funding for this consideration will be made from a \$2.6 million appropriation designated by the General Assembly for establishment of a Center for School Safety and Targeted Violence. The remaining funding from the appropriation will be used to upfit the facility for use. The Division will also maintain the premises, including capital costs, throughout the lease term at an estimated \$310,000 annually that will be funded from the Division's annual operating budget.

The Department of Administration reports that the agency's submission represents that funding for payments will be sufficient throughout the lease term.

No option to purchase the property is included in the lease.

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 September 13, 2023, of Mr. Mark A. Keel, Chief, South Carolina Law Enforcement Division.



## JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

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Meeting Scheduled for: October 10, 2023

Regular Agenda

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**1. Submitted by:**

- (a) Agency: Department of Administration  
(b) Authorized Official Signature:

*Ashlie Lancaster*  
Ashlie Lancaster, Director

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**2. Subject:** South Carolina Law Enforcement Division Lease at 314 Main Street in Gilbert for the Center for School Safety and Targeted Violence

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**3. Summary Background Information:**

The South Carolina Law Enforcement Division (SLED) is requesting to lease the site of the former Gilbert Elementary School located at 314 Main Street in Gilbert, consisting of approximately 5.51 acres of land and 7 buildings totaling approximately 115,654 square feet from Lexington County School District One for the establishment of a Center for School Safety and Targeted Violence.

The lease term will be twenty (20) years beginning on the Effective Date, which is anticipated to be November 1, 2023, with two optional 5-year extended terms.

The General Assembly provided SLED with funding in the amount of \$2,607,900 for the establishment of a Center for School Safety and Targeted Violence in Proviso 118.19(B)(46)(d) of the 2023-2024 Appropriations Act. As consideration for the lease, SLED will pay Lexington County School District One \$200,000 to support the location of portable unit(s) to the new Gilbert Elementary School site, in furtherance of adding two additional classrooms, which will facilitate the initiation of two preschool classes at Gilbert Elementary School for the 2023-2024 school year. The remaining funds will be used to upfit the facility for use. SLED will also maintain the premises, including capital costs, throughout the lease term. Maintenance and operations costs are estimated at \$310,000 annually, which has been appropriated to SLED as recurring dollars in SLED's annual operating budget.

There are adequate funds for the lease according to the Budget Approval Form submitted by SLED on September 13, 2023. No option to purchase the property is included in the lease.

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- 4. What is the JBRC asked to do?** Approve the proposed lease for twenty-years, with two optional five year extensions, for the South Carolina Law Enforcement Division for 314 Main Street in Gilbert from Lexington County School District One.
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- 5. What is recommendation of the division of Facilities Management and Property Services?** Approve the proposed lease for twenty-years, with two optional five year extensions, for the South Carolina Law Enforcement Division for 314 Main Street in Gilbert from Lexington County School District One.

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**6. List of Supporting Documents:**

- (a) Letter from Agency



## South Carolina Law Enforcement Division

P.O. Box 21398  
Columbia, South Carolina  
29221-1398

*Henry D. McMaster, Governor*  
*Mark A. Keel, Chief*

*Tel: (803) 737-9000*

September 13, 2023

South Carolina Joint Bond Review Committee  
South Carolina Statehouse  
1100 Gervais Street  
Columbia, SC 29201


Re: Request for Lease Approval

Dear Joint Bond Review Committee:

The South Carolina Legislature enacted 2023 South Carolina Laws Act 79 (H.3360) establishing within the South Carolina Law Enforcement Division (SLED) a Center for School Safety and Targeted Violence (Center). The purpose of this Center will be “to provide extensive training, education, and expertise in the fields of school safety and targeted violence.” See S.C. Code Ann. § 23-3-1500(A). SLED has worked with the officials at Lexington County School District One to secure the former Gilbert Elementary School located at 314 Main Street in Gilbert, South Carolina as the location for the Center. As a former school building with offices, hallways, classrooms, stairways, a cafeteria, and other school features, this facility is uniquely situated to host the Center. In that regard, SLED is requesting the approval of a lease for this location, which consists of approximately 5.51 acres of land and 7 buildings totaling approximately 116,000 square feet. The negotiated lease term will be twenty (20) years beginning on the Effective Date, which is anticipated to be November 1, 2023, with two optional 5-year extended terms. In addition to establishing the Center in S.C. Code Ann. § 23-3-1500, the Legislature also provided SLED with funding in the amount of \$2,351,900.00 for the Center in Proviso 118.19(B)(46)(d) of the 2023-2024 Appropriations Act. As consideration for the lease, SLED will pay Lexington County School District One \$200,000 to support the re-location of portable unit(s) to the new Gilbert Elementary School site, in furtherance of adding two additional classrooms, which will facilitate the initiation of two preschool classes at Gilbert Elementary School for the 2023-2024 school year. The remaining funds will be used to upfit the facility for use. SLED will also maintain the premises, including capital costs, throughout the lease term and will budget appropriately.

Accordingly, as the Chief of SLED, I hereby respectfully request that SLED be allowed to proceed with a lease to secure the site of the Center for School Safety and Targeted Violence in South Carolina.

Sincerely,



Mark A. Keel  
Chief of SLED



*An Accredited Law Enforcement Agency*



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AGENCY: Department of Administration  
Executive Budget Office

SUBJECT: Financing Proposal for Permanent Improvements  
Clemson University  
Jervey Athletic Center Renovations and  
Performance & Wellness Center Addition

Clemson University requests Phase II review to construct an addition to and renovate a portion of the Jervey Athletic Center. The project will be funded with athletic gifts and donations, and proceeds from the issuance of athletic facilities revenue bonds.

Permanent Improvement Project. The project was established in May 2023 with a Phase I budget of \$750,000, funded with athletic gifts and donations. This request will increase the project budget to \$50,000,000, funded by \$30,000,000 in athletic gifts and donations, and \$20,000,000 in proceeds from the issuance of athletic facilities revenue bonds.

The University proposes to construct a 50,600 square foot addition and renovate 18,850 square feet within the existing Athletic Center that will support the volleyball and track and field programs. Facility improvements will include updated locker rooms for home and visiting teams and officials, and will further include showers, nutrition, bistro, lounge, and film rooms. Additional improvements will include modernization of restrooms, concessions, seating, and playing areas; elevating the roof above the playing court, and additional equipment. The facilities will support 445 students and staff.

Execution of the construction contract is expected in November 2023, with completion of construction in March 2025.

Athletic Facilities Revenue Bonds. Clemson proposes funding all or a portion of the permanent improvements with not exceeding \$20,750,000 of Athletic Facilities Revenue Bonds, including expenses associated with issuance of the bonds.

Athletic Facilities Revenue Bonds are payable from and secured by a pledge of the Net Revenues of the Athletic Department, and the gross receipts from the imposition of an Admissions Fee. Athletic Facilities Revenue Bonds are further secured by, but the University does not currently impose, any Special Student Fee. The full faith and credit of the State will not be pledged to the payment of the proposed bonds; nor will any mortgage or lien be given on any real property of the institution or the state.

Pledged Revenues for the fiscal year ended June 30, 2023, totaled \$37,452,990. Maximum annual debt service on existing and proposed bonds is not expected to exceed \$14,324,204, with debt service coverage ranging from 2.61 to 29.31 times annual debt service throughout the term of the University's existing and proposed debt.

Section 59-119-940 of the Code of Laws limits the amount of the University's athletic revenue bonds that may be outstanding at any time to \$200,000,000. Athletic revenue bonds outstanding

following issuance of previously authorized bonds and the proposed bonds will not exceed \$197,635,000.

Documentation supporting submission states that no student tuition or fee increase will be required as a direct consequence of the permanent improvement project. Moreover, Clemson does not impose a student fee to pay debt service on athletic facilities revenue bonds, but does collect an admissions fee on certain tickets to athletic events.

The University submission indicates that it prudently and rigorously manages its athletic operations and debt to ensure that revenues pledged to athletics remain well in excess of debt service obligations. In the event that revenues were insufficient to pay debt service, the University's Athletic Department could request additional support from IPTAY. In no event would student tuition or academic fees be used to pay debt service on the bonds.

The term of the proposed bonds will be 30 years.

COMMITTEE ACTION:

1. Review and make recommendation regarding the University's request to establish full design and construction for the permanent improvement project, to be funded with \$30,000,000 in athletic gifts and donations, and proceeds from the issuance of not exceeding \$20,750,000 Athletic Facilities Revenue Bonds.
2. Review and make recommendation regarding the University's request to issue not exceeding \$20,750,000 Athletic Facilities Revenue Bonds.

ATTACHMENTS:

1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
2. Letter dated September 11, 2023, of Gary T. Pope, Jr., Pope Flynn, LLC, Bond Counsel.
3. Bond Information Report and Exhibits.

AVAILABLE:

1. Constitutional and Statutory References: Article X, §13(9) of the South Carolina Constitution; Article 9, Chapter 119 of Title 59 of the South Carolina Code of Laws (Athletic Facilities Revenue Bonds).
2. Board of Trustees resolution requesting issuance of the bonds pursuant to Article 9, Chapter 119 of Title 59 of the South Carolina Code of Laws.
3. Form of State Fiscal Accountability Authority resolution authorizing issuance of the bonds.



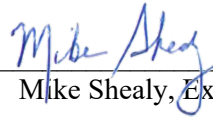
## JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: **October 10, 2023**

**Regular Agenda**

**1. Submitted By:**

- (a) Agency: Department of Administration  
(b) Authorized Official Signature:

  
Mike Shealy, Executive Budget Office

**2. Subject:**

Clemson University - Jervey Athletic Center Renovations/Performance & Wellness Center Addition

**3. Summary Background Information:**

Project: Clemson University  
H12.9968: Jervey Athletic Center Renovations/Performance & Wellness Center Addition

Request: Establish Phase II Full Construction Budget to construct an addition to and renovate a portion of the Jervey Center.

Included in CPIP: Yes – 2023 CPIP Priority 6 of 7 in FY24 (estimated at \$50,000,000)

Phase I Approval: May 2023 (estimated at \$50,000,000) (SFAA)

CHE Approval: 09/07/23

Supporting Details: Pages

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Athletic Revenue Bonds				20,000,000	20,000,000
Other, Athletic Gifts & Donations	750,000		750,000	29,250,000	30,000,000
All Sources	<u>750,000</u>		<u>750,000</u>	<u>49,250,000</u>	<u>50,000,000</u>

Summary of Work: The project will construct an approximately 50,600 square foot addition and renovate approximately 18,850 square feet within the existing Athletic Center, including improvements for the volleyball and track and field programs. The facility improvements will include updated locker rooms for officials, Clemson and visiting teams, including showers, nutrition, bistro, lounge, and film room spaces. Modernization of restrooms, concessions, seating and playing areas, raising the roof above the playing court, and additional equipment will also be included. The existing 1.5” metal deck roof on the Jervey Athletic Center will be replaced with a tapered polyisocyanurate insulation system on metal deck with a TPO roofing membrane. The roof to be installed on the new Performance and Wellness Center addition will also be a tapered polyisocyanurate insulation system on metal deck with a TPO roofing membrane. The new roofs will come with a 20-year material and workmanship warranty.

Rationale: With the addition of Women’s Gymnastics and Women’s Lacrosse, additional square footage is needed beyond the capacity of existing Performance and Wellness facilities. The existing facility needs significant improvements and modernization of all lower-level areas, per the university. The renovation and addition were determined to be more cost effective than the alternative of replacing the facility with all new construction.

Facility Characteristics: The existing facility is 85,000 square feet and was constructed in 1972 (51 years old). Approximately 18,180 square feet of the facility will be renovated in this project. The addition to be constructed will be approximately 50,600 square feet. The facility currently provides services for all Clemson student-athletes but serves as the primary home of Women's Volleyball and Men's and Women's Track and Field. In addition, it provides locker rooms for visiting volleyball teams, baseball teams, and officials/umpires. The improvements to the Jervey Performance and Wellness Center will be utilized by approximately 400 students and 45 staff.

Financial Impact: This phase of the project will be funded from Athletic Revenue Bonds to be issued) and Athletic Gifts & Donations (uncommitted balance \$30 million at July 18, 2023). Revenues to this fund are received from individuals, corporations, and other entities that are to be expended for their restricted purposes. The project is expected to result in an increase of \$328,900 (year 1), \$338,767 (year 2), and \$348,930 (year 3) in annual operating expenses. The addition will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$749,196 over a 30-year period. 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 not increased for the academic years 2019-2020 to 2023-2024. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$50,000,000 funded by Athletic Revenue Bond and Athletic Gifts and Donations. Contract execution is expected in November 2023 and completion of construction in March 2025.

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#### **4. What is JBRC asked to do?**

Consider approval of the Permanent Improvement Project Phase II.

---

#### **5. What is the recommendation of the Department of Administration?**

The item is complete and ready for JBRC review.

---

#### **6. List of Supporting Documents:**

1. Permanent Improvement Project Jervey Athletic Center Renovations/Performance & Wellness Center Addition
2. Clemson University Bond Information Report



Pope Flynn, LLC  
1411 Gervais Street, Suite 300  
Post Office Box 11509 (29211)  
Columbia, SC 29201  
MAIN 803.354.4900  
FAX 803.354.4899  
www.popeflynn.com

September 11, 2023

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

Re: Not Exceeding \$20,750,000 Clemson University, South Carolina Athletic Facilities  
Revenue Bonds, Series 2023

Dear Rick:

On behalf of Clemson University (the "University"), we respectfully request that the Joint Bond Review Committee review the above-referenced bonds (the "Bonds") pursuant to Section 59-119-940 of the Code of Laws of South Carolina 1976, as amended, at its meeting scheduled for October 10, 2023. The Bonds are being issued to defray a portion of the costs of the University's proposed Jervy Athletic Center Renovations and Performance and Wellness Center Addition Project (the "Project"), which Project is also being proposed for consideration at the October 10, 2023 Joint Bond Review Committee and October 17, 2023 State Fiscal Accountability Authority meetings. In connection with the requested Project approval, the University has proposed that a portion of the budget for the Project include proceeds of the Bonds. In accordance with the policy adopted by the Joint Bond Review Committee on October 7, 2014, as amended on September 13, 2016, regarding any agency or institution request for a project approval that results in the addition of bond funds to the project budget, please find enclosed the required documentation detailing the proposed financing of the proposed Project. On behalf of the University, we respectfully request that the Joint Bond Review Committee review the issuance of the Bonds under Section 59-119-940 of the Code of Laws of South Carolina 1976, as amended, and consider the request for the use of proceeds from the proposed Bonds in connection with Project at its meeting currently scheduled for October 10, 2023.

Please let us know should you require anything further or if you have any questions regarding the enclosed.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'G. Pope, Jr.', is written over a printed name.

Gary T. Pope, Jr.

c: Rick Petillo, Chief Financial Officer, Clemson University  
Robert Macdonald, Director, Debt Management Division, Office of State Treasurer  
Enclosures

## Clemson University Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding \$20,750,000 of Clemson University, South Carolina  
Athletics Facilities Revenue Bonds, Series 2023

October 2023 Joint Bond Review Committee Meeting

*Amount and Type of Bond.* Clemson University (the “University” or “Clemson”) is seeking review by the Joint Bond Review Committee and approval by the South Carolina State Fiscal Accountability Authority for the issuance of not exceeding \$20,750,000 of Clemson University, South Carolina Athletic Facilities Revenue Bonds, Series 2023 (the “Bonds”), the proceeds of which may be applied for the purposes of: (1) paying the costs of, and reimbursing the University for capital expenditures previously made in connection with, the Project (as defined below); (2) paying the principal of and interest on any Series 2023 Notes (as defined below) whether at maturity or early redemption; and (3) paying certain costs of issuance of the series 2023 Bonds, including any credit enhancement thereof. The Project is defined to include the costs to construct, improve, expand, renovate, and equip Athletic Facilities on the campus of the University, including (i) University, visiting team, and officiating professionals locker room facilities, (ii) sports medicine, nutrition and strength and conditioning facilities, (iii) fan amenities, and (iv) competition venues, and infrastructure related thereto on the campus of the University.

*Revenues Pledged to Pay the Bonds.* The University’s Athletic Facilities Revenue Bonds are payable from, and are secured by a pledge of, the Net Revenues of the Athletic Department and the gross receipts from the imposition of the Admissions Fee and any Special Student Fee (“Pledged Revenues”) as contemplated in the enabling act authorizing Clemson’s athletic facilities revenue bonds. The University does not impose any Special Student Fee. Such Pledged Revenues for the fiscal year ended June 30, 2023, totaled \$37,452,990 (unaudited). The estimated debt service requirements on all existing, authorized, and proposed Athletic Facilities Revenue Bonds are attached as Exhibit A. Exhibit B reflects estimated maximum annual debt service of \$14,324,204 in the fiscal year ending June 30, 2025, and debt service coverage ranging from 2.61 to 29.31 times annual debt service.

*New Revenue Generation.* The primary purposes of this project are to provide expansion space for the recently added sports of Women’s Gymnastics and Women’s Lacrosse, and to modernize and enhance existing 51-year-old facilities, rather than additional revenue generation. The University does anticipate fundraising opportunities in connection with the facility and associated programs, however it is not relying on any new revenues in connection with the Project.

*Other Funds Available to Pay Bonds.* The University prudently and rigorously manages both its athletic debt portfolio and operations to ensure that athletic Pledged Revenues remain well in excess of debt service obligations. Over the past five years these Pledged Revenues have yielded debt service coverage in excess of two times annual debt service. In the improbable event that athletic Pledged Revenues were insufficient to pay debt service, the University’s Athletic Department could request additional support from IPTAY. Student tuition and fees would not be used to pay debt service on the bonds.

*No Special Student Fees. No Credit of the State. No Mortgage.* Neither the full faith and credit of Clemson University nor the State of South Carolina has been pledged to the payment of Athletic Facilities Revenue Bonds. Further, no mortgage or lien has been or will be given on any real property of Clemson University. Currently an Admissions Fee is charged on certain tickets to athletic events. The University does not currently impose a Special Student Fee, and no such fee is currently contemplated, in connection with the payment of the Bonds.

Prepared September 11, 2023



# Exhibit A

## Athletics Facilities Revenue Bonds - Debt Service

			Debt Service on			
			Proposed Bond Issue			
			Debt Service On			
Existing Debt			Authorized but		Total Composite	
Fiscal Year	Service		Unissued Bonds	Principal	Interest	Debt Service
6/30/2024	\$	13,046,176	\$ -	\$ -	\$ -	\$ 13,046,176
6/30/2025		13,048,226	-	340,000	935,978	14,324,204
6/30/2026		10,623,326	-	355,000	920,641	11,898,967
6/30/2027		10,619,411	-	370,000	904,628	11,894,039
6/30/2028		10,621,511	-	390,000	887,938	11,899,449
6/30/2029		10,619,599	-	405,000	870,347	11,894,946
6/30/2030		10,626,069	-	425,000	852,078	11,903,147
6/30/2031		10,615,919	-	440,000	832,907	11,888,826
6/30/2032		10,620,444	-	460,000	813,060	11,893,504
6/30/2033		10,620,694	-	485,000	792,311	11,898,005
6/30/2034		10,621,619	-	505,000	770,434	11,897,053
6/30/2035		10,626,669	-	530,000	747,655	11,904,324
6/30/2036		10,621,706	-	550,000	723,748	11,895,454
6/30/2037		10,617,681	-	575,000	698,939	11,891,620
6/30/2038		10,617,413	-	600,000	673,002	11,890,415
6/30/2039		10,622,325	-	630,000	645,937	11,898,262
6/30/2040		10,622,763	-	660,000	617,520	11,900,283
6/30/2041		10,625,000	-	690,000	587,749	11,902,749
6/30/2042		10,611,550	-	720,000	556,625	11,888,175
6/30/2043		10,616,375	-	750,000	524,148	11,890,523
6/30/2044		10,615,263	-	785,000	490,317	11,890,580
6/30/2045		10,623,013	-	820,000	454,908	11,897,921
6/30/2046		4,818,150	-	855,000	417,920	6,091,070
6/30/2047		3,848,163	-	895,000	379,353	5,122,516
6/30/2048		3,177,825	-	935,000	338,982	4,451,807
6/30/2049		3,176,875	-	980,000	296,806	4,453,681
6/30/2050		3,178,125	-	1,025,000	252,601	4,455,726
6/30/2051		3,177,500	-	1,070,000	206,366	4,453,866
6/30/2052		-	-	1,115,000	158,101	1,273,101
6/30/2053		-	-	1,170,000	107,807	1,277,807
6/30/2054		-	-	1,220,000	55,031	1,275,031
Totals	\$	259,879,390	\$ -	\$ 20,750,000	\$ 17,513,835	\$ 298,143,225

## Exhibit B

### Athletic Facilities Revenue Bonds - Coverage

Fiscal Year	FY23 Revenues		Coverage Ratio Based on FY23 Pledged Revenues	Pro Forma		Pro Forma Coverage Ratio
	Composite Debt Service	Pledged to Debt Service*		Pledged Revenues	Total Pro Forma Pledged Revenues	
6/30/2024	\$ 13,046,176	\$ 37,452,990	2.87	-	\$ 37,452,990	2.87
6/30/2025	14,324,204	37,452,990	2.61	-	37,452,990	2.61
6/30/2026	11,898,967	37,452,990	3.15	-	37,452,990	3.15
6/30/2027	11,894,039	37,452,990	3.15	-	37,452,990	3.15
6/30/2028	11,899,449	37,452,990	3.15	-	37,452,990	3.15
6/30/2029	11,894,946	37,452,990	3.15	-	37,452,990	3.15
6/30/2030	11,903,147	37,452,990	3.15	-	37,452,990	3.15
6/30/2031	11,888,826	37,452,990	3.15	-	37,452,990	3.15
6/30/2032	11,893,504	37,452,990	3.15	-	37,452,990	3.15
6/30/2033	11,898,005	37,452,990	3.15	-	37,452,990	3.15
6/30/2034	11,897,053	37,452,990	3.15	-	37,452,990	3.15
6/30/2035	11,904,324	37,452,990	3.15	-	37,452,990	3.15
6/30/2036	11,895,454	37,452,990	3.15	-	37,452,990	3.15
6/30/2037	11,891,620	37,452,990	3.15	-	37,452,990	3.15
6/30/2038	11,890,415	37,452,990	3.15	-	37,452,990	3.15
6/30/2039	11,898,262	37,452,990	3.15	-	37,452,990	3.15
6/30/2040	11,900,283	37,452,990	3.15	-	37,452,990	3.15
6/30/2041	11,902,749	37,452,990	3.15	-	37,452,990	3.15
6/30/2042	11,888,175	37,452,990	3.15	-	37,452,990	3.15
6/30/2043	11,890,523	37,452,990	3.15	-	37,452,990	3.15
6/30/2044	11,890,580	37,452,990	3.15	-	37,452,990	3.15
6/30/2045	11,897,921	37,452,990	3.15	-	37,452,990	3.15
6/30/2046	6,091,070	37,452,990	6.15	-	37,452,990	6.15
6/30/2047	5,122,516	37,452,990	7.31	-	37,452,990	7.31
6/30/2048	4,451,807	37,452,990	8.41	-	37,452,990	8.41
6/30/2049	4,453,681	37,452,990	8.41	-	37,452,990	8.41
6/30/2050	4,455,726	37,452,990	8.41	-	37,452,990	8.41
6/30/2051	4,453,866	37,452,990	8.41	-	37,452,990	8.41
6/30/2052	1,273,101	37,452,990	29.42	-	37,452,990	29.42
6/30/2053	1,277,807	37,452,990	29.31	-	37,452,990	29.31

\* Unaudited

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AGENCY: Department of Administration  
Executive Budget Office

SUBJECT: Financing Proposal for Permanent Improvements  
Clemson University  
Bryan Mall High Rise Renovations

Clemson University requests Phase II review to establish full design and construction to renovate Manning Hall, as the second building in the Bryan Mall High Rise Renovations project. The project will be funded with proceeds from the issuance of Higher Education Revenue Bonds.

Permanent Improvement Project. The project was established in December 2021 with a Phase I budget of \$1,500,000 funded by housing improvement funds. The project budget was increased in November 2022 to \$52,350,000 for renovation of Byrnes Hall. This request will increase the project budget by \$52,000,000 to \$104,350,000, funded by proceeds from the issuance of not exceeding \$59,000,000 Higher Education Revenue Bonds. The full construction budget for all phases of the project is estimated at \$155 million.

The project will include repairing building envelopes, improving accessibility, installing new fire sprinkler systems, replacing plumbing, HVAC, electrical, and roofing systems, and abating hazardous materials. The buildings total 306,000 square feet and were constructed between 1963 and 1972, with minimal renovations since construction. They provide 1,450 beds for freshman housing. The proposed renovations will bring the facilities up to current standards and extend their useful life.

Execution of the construction contract for this phase of the project is expected in March 2024, with construction completed in August 2025.

Higher Education Revenue Bonds. The University proposes funding the permanent improvements with proceeds from the issuance of not exceeding \$59,000,000 Higher Education Revenue Bonds. The University is authorized pursuant to Chapter 147 of Title 59 (Higher Education Revenue Bond Act) to issue bonds for the purpose of financing or refinancing in whole or in part the cost of acquisition, construction, reconstruction, renovation and improvement of land, buildings, and other improvements to real property and equipment for the purpose of providing facilities serving the needs of the University.

The Bonds will be payable from and secured solely by a pledge of Net Revenues and Additional Funds (as described in the Bond Resolution). The University states that no increases in student fees or tuition are needed to support the project.

The term of the proposed bonds is anticipated to be 30 years. Exhibit B included in the supporting documentation reflects the debt service requirements for all of the University's existing and proposed Revenue Bonds, with maximum composite debt service projected at \$24,239,160. Based on current collections, revenue coverage of debt service following issuance of the bonds is projected to range from 1.79 to 6.34 times throughout the term of the University's existing and proposed debt.

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Supporting documentation indicates that, while the University intends to pay debt service from Net Revenues, bonds are secured by both Net Revenues and Additional Funds, as those terms are defined in the University's bond resolutions. Additional funds comprise receipts of the University Fee, which totaled \$484.4 million for the fiscal year ended June 30, 2023.

The full faith and credit of neither the University nor the state will be pledged to the payment of the proposed bonds. Furthermore, no mortgage or lien will be given on any real property of the University.

COMMITTEE ACTION:

1. Review and make recommendation regarding the University's request to establish Phase II full design and construction for the permanent improvement project, to be funded with proceeds from the issuance of not exceeding \$59,000,000 Higher Education Revenue Bonds.
2. Review and make recommendation regarding the University's request for issuance of not exceeding \$59,000,000 Higher Education Revenue Bonds.

ATTACHMENTS:

1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
2. Letter dated September 11, 2023, of Gary T. Pope, Jr., Pope Flynn, LLC, Bond Counsel.
3. Bond Information Report and Exhibits.

AVAILABLE:

1. Statutory reference: Chapter 147 of Title 59 (Higher Education Revenue Bond Act).
2. Resolution of the University's Board of Trustees providing for the issuance and sale of the bonds.
3. Form of Resolution of the State Fiscal Accountability Authority approving the issuance and sale of the bonds.

## JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: **October 10, 2023**

**Regular Agenda**

**1. Submitted By:**

- (a) Agency: Department of Administration  
(b) Authorized Official Signature:

  
Mike Shealy, Executive Budget Office

**2. Subject:**

Clemson University – Bryan Mall High Rise Renovations

**3. Summary Background Information:**

Project: Clemson University  
H12.9953: Bryan Mall High Rise Renovations

Request: Revise Scope and Increase Phase II Full Construction Budget to renovate Manning Hall, as the second building in the Bryan Mall high rise renovation plans.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 7 in FY24 (estimated at \$100,000,000)  
Phase I Approval: December 2021 (estimated at \$100,000,000) (SFAA)  
Revise Scope &  
Phase II Approval: November 2022 (estimated at \$52,350,000) (SFAA)  
CHE Approval: 09/07/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds		52,350,000	52,350,000	52,000,000	104,350,000
Other, Housing Improvement	1,500,000	(1,500,000)			
All Sources	<u>1,500,000</u>	<u>50,850,000</u>	<u>52,350,000</u>	<u>52,000,000</u>	<u>104,350,000</u>

Summary of Work: The project was established to renovate Byrnes Hall, Manning, and Lever residence halls. The first building to be renovated, Byrnes Hall, was previously approved and is under renovation. The focus of this stage of the project is Manning Hall. The renovations will include repairing the building envelopes, improving accessibility, installing new fire sprinkler systems, replacing plumbing, HVAC, electrical and roofing systems, and abating hazardous materials. Additionally, the project will include renovating interior spaces, bathrooms and common spaces to accommodate modern student preferences. Approximately 70 interior core bed spaces will be converted into student lounge and programmed space. A new corner and central stairwell will be constructed that will improve functionality and egress. New interior restroom suites will be added with ADA accommodation. The existing SBS-Modified Bitumen membrane roof with Granule-Surfaced Cap Sheet will be replaced with a white 60 mil TPO roofing with a minimum of 4-inch-thick R-20 Polyisocyanurate base insulation board at roof drains or another insulation with similar thickness and equivalent R-Value. The new roof will come with a minimum 20-year material and workmanship warranty.



Rationale:	The buildings have had minimal renovations since construction. Many building systems are past their useful lives and the buildings no longer meet the preferences of students in key areas of bathroom privacy, common study, and social space. While maintenance is performed annually on the buildings, the building systems are old, not energy efficient and are not compliant with current code requirements. The interior spaces are not conducive to modern student needs and require updating. The proposed renovations will bring the facilities up to current standards and extend their useful lives for another 40 years.
Facility Characteristics:	The three Bryan Mall high rise facilities total 306,000 square feet and were constructed between 1963 (60 years old) and 1972 (51 years old). Manning Hall is 102,000 square feet and was constructed in 1967 (56 years old). The roof was installed in 2004 (19 years old) and is being replaced as a part of the proposed complete renovation of the existing building. The roof has not failed. As a result of the Phase I analysis, BOURDREAUX's recommendation that the demolition and new construction scope of work on this project, and the resulting construction traffic that will occur on the roof deck, justifies a complete replacement of this roof versus working to protect, salvage, patch and repair the existing roof. Such work would most likely nullify any remaining warranty period on the existing roof. The facilities have 1,450 bed spaces for freshman housing and a staff of 58, including 54 resident advisors, 2 graduate community directors, and 2 community directors.
Financial Impact:	This phase of the project will be funded from Revenue Bonds. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$1,164,028 over a 30-year period. The project is not expected to result in any change in annual operating expenditures. 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 not increased for the academic years 2019-2020 to 2023-2024. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.
Full Project Estimate:	\$104,350,000 funded by Revenue Bonds. The total estimated cost to complete Bryan Mall, Lever and Manning is \$155,000,000. Contract execution for this phase of the project is expected in March 2024 with construction completion in August 2025.

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#### **4. What is JBRC asked to do?**

Consider approval of the Permanent Improvement Project Phase II.

---

#### **5. What is the recommendation of the Department of Administration?**

The item is complete and ready for JBRC review.

---

#### **6. List of Supporting Documents:**

1. Permanent Improvement Project Bryan Mall High Rise Renovations
2. Clemson University Bond Information Report



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September 11, 2023

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

Re: Not Exceeding \$59,000,000 Clemson University, South Carolina Higher Education  
Revenue Bonds, Series 2023

Dear Rick:

Clemson University (the "University") plans to request project review and approval of proposed improvements related to its Manning Hall Project at the October 10, 2023 Joint Bond Review Committee and October 17, 2023 State Fiscal Accountability Authority meetings, and in connection with such request will propose that a portion of the budget for such project include proceeds of the above-referenced bonds (the "Bonds"). In accordance with the policy adopted by the Joint Bond Review Committee on October 7, 2014, as amended on September 13, 2016, regarding any agency or institution request for a project approval that results in the addition of bond funds to the project budget, please find enclosed the required documentation detailing the proposed financing of the proposed project. On behalf of the University, we respectfully request that the Joint Bond Review Committee consider the request for the use of proceeds from the proposed Bonds in connection with its consideration of the proposed project at its meeting currently scheduled for October 10, 2023.

Please let us know should you require anything further or if you have any questions regarding the enclosed.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'G. Pope, Jr.', written over the typed name.

Gary T. Pope, Jr.

c: Rick Petillo, Chief Financial Officer, Clemson University  
Robert Macdonald, Director, Debt Management Division, Office of State Treasurer

Enclosures

## Clemson University Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding \$59,000,000 of Clemson University, South Carolina  
Higher Education Revenue Bonds, Series 2023 (Manning Hall Project)

October 2023 Joint Bond Review Committee Meeting

*Amount and Type of Bond.* Clemson University (the “University” or “Clemson”) is seeking review by the Joint Bond Review Committee and approval by the South Carolina State Fiscal Accountability Authority for the issuance of not exceeding \$59,000,000 of Clemson University, South Carolina Higher Education Revenue Bonds, Series 2023 (the “Bonds”), the proceeds of which may be applied for the purposes of: (1) paying the costs of, and reimbursing the University for capital expenditures previously made in connection with, the Project (as defined below); (2) paying the principal of and interest on any Series 2023 Notes whether at maturity or early redemption; (3) paying capitalized interest on the Series 2023 Bonds; and (4) paying the costs of issuance of the Series 2023 Bonds, including any credit enhancement thereof. The Project is defined to include the costs to construct, reconstruct, renovate, improve, and equip a portion of the Bryan Mall student housing facilities on the campus of the University, including the Manning Hall high-rise residence hall, and related infrastructure and improvements.

*Revenues Pledged to Pay the Bonds.* The University’s Higher Education Revenue Bonds are payable from, and are secured by a pledge of, the Net Revenues and Additional Funds (“Pledged Revenues”). Under the bond resolution governing the issuance of the University’s Higher Education Revenue Bonds the University must maintain Net Revenues at least equal to composite debt service on all outstanding Higher Education Revenue Bonds. The Net Revenues for the fiscal year ended June 30, 2023, totaled \$42,727,938 (unaudited). The estimated debt service requirements on all existing, authorized, and proposed Higher Education Revenue Bonds are attached as Exhibit A. Exhibit B reflects estimated maximum annual debt service of \$24,239,160 in the fiscal year ending June 30, 2027, and debt service coverage ranging from 1.79 to 6.34 times annual debt service.

*New Revenue Generation.* The primary purpose of the Project is to renovate, rather than expand, existing student housing facilities. However, the University does expect approximately \$686,000 in additional annual revenue at Project occupancy based on housing rates applicable to renovated housing facilities and after taking into account room configurations.

*Other Funds Available to Pay Bonds.* While the University intends to pay debt service on the Bonds from the Net Revenues, both the Net Revenues and the Additional Funds comprise the Pledged Revenues that secure the Bonds. Additional Funds are defined in the Bond Resolution to include the gross receipts from the “University Fee,” which is defined as the total academic fee charged all persons in attendance at any regular or summer session and enrolled for credit, excluding special student fees, tuition imposed to pay State Institution Bonds, and matriculation fees. The Additional Funds totaled \$484,455,571 (unaudited) for the fiscal year ended June 30, 2023. Pursuant to Section 59-147-110 of the Code of Laws of South Carolina 1976, as amended, the Bonds are not payable from State appropriations or student tuition and fees pledged to the payment of State Institutions Bonds. Also, certain specific revenues pledged to the payment of

specific obligations, such as Athletic Facilities Revenue Bonds, are likewise unavailable for payment on the Bonds and are not a component of Pledged Revenues.

*No Special Student Fees. No Credit of the State. No Mortgage.* The University does not currently impose a Special Student Fee, and no such fee is currently contemplated, in connection with the payment of the Bonds. Neither the full faith and credit of Clemson University nor the State of South Carolina has been pledged to the payment of Higher Education Revenue Bonds. Further, no mortgage or lien has been or will be given on any real property of Clemson University.

Prepared September 11, 2023

# Exhibit A

## Clemson University, South Carolina Higher Education Revenue Bonds - Debt Service

Fiscal Year	Existing Debt Service	Debt Service On Authorized but Unissued Bonds	Debt Service on Proposed Bond Issue			Total Composite Debt Service
			Principal	Interest	Capitalized Interest	
6/30/2024	\$ 19,627,207	\$ -	\$ -	\$ -	\$ -	\$ 19,627,207
6/30/2025	19,633,164	-	-	2,626,826	(2,626,826)	19,633,164
6/30/2026	19,633,164	-	1,035,000	2,626,826	(2,626,826)	20,668,164
6/30/2027	20,578,414	-	1,080,000	2,580,746	-	24,239,160
6/30/2028	19,575,664	-	1,130,000	2,532,661	-	23,238,325
6/30/2029	19,572,889	-	1,180,000	2,482,351	-	23,235,240
6/30/2030	19,574,639	-	1,235,000	2,429,814	-	23,239,453
6/30/2031	19,575,594	-	1,290,000	2,374,829	-	23,240,423
6/30/2032	19,576,944	-	1,345,000	2,317,395	-	23,239,339
6/30/2033	19,574,194	-	1,405,000	2,257,512	-	23,236,706
6/30/2034	19,572,744	-	1,465,000	2,194,958	-	23,232,702
6/30/2035	19,572,044	-	1,535,000	2,129,733	-	23,236,777
6/30/2036	19,576,444	-	1,600,000	2,061,391	-	23,237,835
6/30/2037	19,571,363	-	1,670,000	1,990,155	-	23,231,518
6/30/2038	19,575,813	-	1,745,000	1,915,802	-	23,236,615
6/30/2039	19,578,263	-	1,825,000	1,838,111	-	23,241,374
6/30/2040	19,577,913	-	1,905,000	1,756,857	-	23,239,770
6/30/2041	19,578,913	-	1,990,000	1,672,042	-	23,240,955
6/30/2042	19,575,213	-	2,080,000	1,583,442	-	23,238,655
6/30/2043	19,576,013	-	2,170,000	1,490,835	-	23,236,848
6/30/2044	19,570,613	-	2,270,000	1,394,221	-	23,234,834
6/30/2045	19,574,413	-	2,370,000	1,293,155	-	23,237,568
6/30/2046	14,026,013	-	2,475,000	1,187,637	-	17,688,650
6/30/2047	3,186,413	-	2,585,000	1,077,444	-	6,848,857
6/30/2048	3,185,013	-	2,700,000	962,353	-	6,847,366
6/30/2049	3,184,813	-	2,820,000	842,143	-	6,846,956
6/30/2050	3,185,613	-	2,945,000	716,589	-	6,847,202
6/30/2051	3,183,825	-	3,075,000	585,471	-	6,844,296
6/30/2052	3,187,500	-	3,215,000	448,564	-	6,851,064
6/30/2053	3,186,225	-	3,355,000	305,424	-	6,846,649
6/30/2054	-	-	3,505,000	156,051	-	3,661,051
Totals	\$ 468,147,037	\$ -	\$ 59,000,000	\$ 49,831,341	\$ (5,253,653)	\$ 571,724,725

## Exhibit B

### Clemson University, South Carolina Higher Education Revenue Bonds - Coverage

Fiscal Year	Composite Debt Service		FY23 Net Revenues to Debt Service*		Ratio Based		Pro Forma Coverage Ratio
					on FY23 Net Revenues	Pro Forma Net Revenues	
6/30/2024	\$	19,627,207	\$	42,727,938	2.18	\$ -	2.18
6/30/2025		19,633,164		42,727,938	2.18	-	2.18
6/30/2026		20,668,164		42,727,938	2.07	686,000	2.10
6/30/2027		24,239,160		42,727,938	1.76	686,000	1.79
6/30/2028		23,238,325		42,727,938	1.84	686,000	1.87
6/30/2029		23,235,240		42,727,938	1.84	686,000	1.87
6/30/2030		23,239,453		42,727,938	1.84	686,000	1.87
6/30/2031		23,240,423		42,727,938	1.84	686,000	1.87
6/30/2032		23,239,339		42,727,938	1.84	686,000	1.87
6/30/2033		23,236,706		42,727,938	1.84	686,000	1.87
6/30/2034		23,232,702		42,727,938	1.84	686,000	1.87
6/30/2035		23,236,777		42,727,938	1.84	686,000	1.87
6/30/2036		23,237,835		42,727,938	1.84	686,000	1.87
6/30/2037		23,231,518		42,727,938	1.84	686,000	1.87
6/30/2038		23,236,615		42,727,938	1.84	686,000	1.87
6/30/2039		23,241,374		42,727,938	1.84	686,000	1.87
6/30/2040		23,239,770		42,727,938	1.84	686,000	1.87
6/30/2041		23,240,955		42,727,938	1.84	686,000	1.87
6/30/2042		23,238,655		42,727,938	1.84	686,000	1.87
6/30/2043		23,236,848		42,727,938	1.84	686,000	1.87
6/30/2044		23,234,834		42,727,938	1.84	686,000	1.87
6/30/2045		23,237,568		42,727,938	1.84	686,000	1.87
6/30/2046		17,688,650		42,727,938	2.42	686,000	2.45
6/30/2047		6,848,857		42,727,938	6.24	686,000	6.34
6/30/2048		6,847,366		42,727,938	6.24	686,000	6.34
6/30/2049		6,846,956		42,727,938	6.24	686,000	6.34
6/30/2050		6,847,202		42,727,938	6.24	686,000	6.34
6/30/2051		6,844,296		42,727,938	6.24	686,000	6.34
6/30/2052		6,851,064		42,727,938	6.24	686,000	6.34
6/30/2053		6,846,649		42,727,938	6.24	686,000	6.34

\* Unaudited



AGENCY: Department of Administration  
Capital Budget Office

SUBJECT: Permanent Improvement Project Proposals

The Department of Administration has submitted 55 proposals for Permanent Improvement Projects on behalf of agencies, summarized as follows:

	Items	Existing Budget	Proposed Budget Change	Estimated Total Project Cost
Higher Education				
H12 - Clemson University	1	-	600,000	40,000,000
H15 - College of Charleston	2	50,475,000	18,525,000	69,000,000
H47 - Winthrop University	2	-	130,000	14,420,000
H59 - Denmark Technical College	1	59,400	1,060,600	1,120,000
H59 - Piedmont Technical College	1	-	300,000	20,000,000
H59 - Spartanburg Community College	1	-	30,000	2,332,500
Higher Education Total	8	50,534,400	20,645,600	146,872,500
Agencies				
D50 - Department of Administration	10	279,500	7,769,876	13,153,129
E24 - Office of the Adjutant General	3	2,268,732	2,759,090	6,505,322
J12 - Department of Mental Health	4	683,500	1,161,840	2,534,840
J16 - Department of Disabilities & Special Needs	17	246,875	2,025,841	14,535,966
N04 - Department of Corrections	3	-	48,500	5,464,863
P24 - Department of Natural Resources	6	13,500	1,202,750	9,656,000
R60 - Department of Employment & Workforce	1	3,350	401,040	404,390
U12 - Department of Transportation	3	9,150	1,012,200	1,307,000
Agencies Total	47	3,504,607	16,381,137	53,561,510
Grand Total	55	54,039,007	37,026,737	200,434,010

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, Permanent Improvements Proposed by Agencies - Summary 2-2024 covering the period June 24, 2023, through August 11, 2023.

1. Project: Clemson University  
H12.9970: Littlejohn Coliseum and Swann Pavilion Renovation
- Request: Establish Phase I Pre-Design Budget to make improvements to Littlejohn Coliseum and Swann Pavilion.
- Included in CPIP: Yes – 2023 CPIP Priority 7 of 7 in FY24 (estimated at \$40,000,000)
- CHE Approval: 09/07/23
- Supporting Details: Pages 43-54

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Athletic Gifts & Donations				600,000	600,000
All Sources				<u>600,000</u>	<u>600,000</u>

Summary of Work: The project includes an interior refresh of 34,600 square feet of existing basketball program spaces, interior reconstruction of 17,000 square feet of shared service spaces, and construction of a new 29,600 square feet basketball practice facility. Anticipated facility improvements include an interior refresh of updated finishes and technology in the Women's Basketball team spaces, practice gym, offices and recruiting room. Additionally, the strength and conditioning, nutrition, and sports medicine spaces will be expanded and modernized. Lastly, the new construction will provide spaces for the Men's Basketball team, offices, and a practice facility. Modified site circulation on the exterior, along with a new expanded basketball patio and plaza at the corner of the facility will also be included. All roof material options will be evaluated during the Phase I process.

Rationale: Per the university, with the addition of Gymnastics, as well as the use of Littlejohn Coliseum for other university events, an additional practice facility space is needed. Additionally, the size of the existing shared service spaces is lacking capacity to serve all student-athletes in the facility.

Facility Characteristics: Littlejohn Coliseum is 83,772 square feet and was constructed in 1968 (55 years old.). Swann Pavilion is 42,761 square feet and was constructed in 2016 (7 years old). Littlejohn Coliseum serves as the primary home for Clemson Men's and Women's basketball. It will also serve as the competition venue for Women's Gymnastics beginning in 2024. Littlejohn Coliseum features a main competition floor and Swann Pavilion includes a practice floor with a permanent wood court. The new 29,600 basketball practice facility will be designed to meet either LEED Silver or Two Green Globes certification standards. The renovation and expansion will be used by approximately 50 students and 40 staff and will attract over 100,000 visitors each year.

Financial Impact: The project will be funded from Athletic Gifts and Donations (uncommitted balance \$7.4 million on July 13, 2023). Revenues to this fund are received from individuals, corporations, and other entities that are to be expended for their restricted purposes. The project is expected to result in an increase of \$192,400 (year 1), \$198,172 (year 2), and \$204,117 (year 3), in annual operating expenditures. 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 not increased for the academic years 2019-2020 to 2023-2024. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$40,000,000 (internal).

2. Project: College of Charleston  
 H15.9676: Central Energy Facility and Piping Infrastructure Upgrades
- Request: Establish Phase II Full Construction Budget and Revise Scope to update this to an annualized project to repair the building envelope, add a cooling tower, replace the structural steel for two existing cooling towers, and replace the roof.
- Included in CPIP: Yes – 2023 CPIP Priority 4 of 10 in FY24 (estimated at \$19,000,000)
- Phase I Approval: January 2022 (estimated at \$19,000,000) (SFAA)
- CHE Approval: 09/07/23
- Supporting Details: Pages 55-72

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project	475,000		475,000		475,000
Other, College Fees				14,525,000	14,525,000
All Sources	<u>475,000</u>		<u>475,000</u>	<u>14,525,000</u>	<u>15,000,000</u>

Summary of Work: This annualized project will be divided into two stages. This stage will focus on the Central Energy Facility building and contents, which includes demolition, building envelope, electrical infrastructure, fire alarms, and equipment replacement. The existing granular-surfaced modified bitumen roof system will be replaced with a granular surfaced two-ply modified bitumen roof system and will come with a minimum 20-year material and workmanship warranty. The second stage, which will be added at a later time, will finalize the Central Energy Facility building, content upgrades and infrastructure installs throughout campus, which includes testing/balancing, underground pipe replacement, termination point upgrades, and underground vault upgrades.

Rationale: The expected useful life for carbon steel and polypropylene piping is 40 and 50 years, respectively. Frequent outages are required to repair leaks, pausing dehumidification control, cooling, and domestic hot water for 17 major buildings. Hot water loss affects food service operations and personal hygiene. Chilled water loss has adversely affected temperature-sensitive lab experiments. Outages have disrupted operations and canceled classes.

Facility Characteristics: The Central Energy Facility (CEF) is a two-level, 9,277 gross square foot structure constructed in 1973 (50 years old), last renovated in 1992 (31 years ago). The campus steam and water distribution systems are networks of underground piping, installed in tandem in the early 1970's (44+ years ago). The steam system delivers heat and dehumidification to twelve buildings via 4,000 linear feet of steam and condensate piping. The chilled water system delivers water to 17 buildings via 8,400 linear feet of piping. The project will benefit the entire College of Charleston community of 10,133 students, 809 faculty, 1,203 staff, clients, visitors, parents, and potential students.

Financial Impact: This phase of the project will be funded from College Fee Funds (uncommitted balance \$28.34 million on August 28, 2023). Revenues to this fund are generated by the portion of the student bill not specifically earmarked/dedicated for debt service, auxiliary enterprises, nor student clubs/activities. The project is expected to result in a decrease of \$19,450 (year 1), \$23,340 (year 2), and \$28,000 (year 3), in annual operating expenditures. 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 not

increased for the academic years 2019-2020 to 2023-2024. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$20,000,000 funded by Capital Improvement Project and College Fee Funds. Contract execution is expected in July 2024 and completion of construction in July 2027.

3. Project: College of Charleston  
 H15.9650: Simons Center for the Arts Renovation/Expansion

Request: Increase Phase II Full Construction Budget to cover pandemic and post-pandemic cost inflation, as well as to cover unforeseen circumstances.

Included in CPIP: Yes – 2023 CPIP Priority 10 of 10 in FY24 (estimated at \$54,000,000)

Phase I Approval: June 2012 (estimated at \$21,000,000) (B&CB)

Phase I Increase: May 2015 (estimated at \$21,000,000) (Admin)

Phase II & Change Source of Funds

Approval: August 2019 (estimated at \$50,000,000) (SFAA)

CHE Approval: 09/07/23

Supporting Details: Pages 73-84

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds		45,000,000	45,000,000		45,000,000
Appropriated State, FY15 Proviso 118.16 (B) (19) (b)		529,781	529,781		529,781
Other, College Fees	315,000		315,000		315,000
Other, Capital Improvement Project		4,155,219	4,155,219	4,000,000	8,155,219
All Sources	<u>315,000</u>	<u>49,685,000</u>	<u>50,000,000</u>	<u>4,000,000</u>	<u>54,000,000</u>

Summary of Work: This project was established for the renovation and expansion of the Simons Center for the Arts. The building requires infrastructure renovation/replacement, upgrades to meet current building accessibility codes and space utilization alterations to meet current and future program needs. Specifically, the project will provide a small satellite central energy plant to power this building and two adjacent structures; a state-of-the-art black box theater; expanded storage and studio space for the costume shop; renovated support spaces for performance areas; renovated Emmett Robinson Theater; upgrades to printmaking, sculpture, and painting studios; new computer and design labs; a radio and music production studio; and faculty/staff offices. The additional funds being added to the project will cover additional mechanical, electrical and plumbing infrastructure updates, ceiling height revisions to accommodate the new fire suppression system, structural upgrades to existing window openings, connection of building roof drains to the new storm water detention system, and additional foundation work to support the new building shear walls due to poor soil conditions.

Rationale: All infrastructural systems have exhausted their life cycles and their hub locations are susceptible to flooding. The main lobby violates occupant codes for assembly space outside of the three performance venues. The satellite central energy facility will relieve overcapacity from the main energy plant and provide service to the Simons Center as well as two adjoining buildings. The self-contained facility will negate the need for under-street piping and subsequent repairs that usually involve public street closures and pavement resurfacing.

Facility Characteristics: The Simons Center is a four-level, 83,328 gross square foot facility constructed in 1979 (44 years old). 66,025 gross square feet will be renovated in this project. 14,562 gross

square feet of existing space will be selectively demolished and rebuilt in the existing footprint. 10,113 gross square foot of additional space will be constructed in/over an existing courtyard. The newly renovated/constructed gross square footage will total 90,700 square feet. No significant renovations have occurred since original construction. The facility will house curricular programs for Art History, Arts Management, Music, Studio Art, and Theatre & Dance. All of these programs, along with supporting faculty/staff offices, will inhabit the facility once renovated. The facility will house a minimum of 35 faculty and 5 staff in permanent office space. About 55 roster faculty and 35 adjunct faculty will use instructional and communal space, plus students. Approximately 720 guests may attend performances in the theatre and performance hall at any given time.

**Financial Impact:** This phase of the project will be funded from Capital Improvement Project Funds (uncommitted balance \$36.26 million on July 21, 2023). Revenues to this fund are generated by the Capital Improvement Fee that exceed current annual debt service related to bonds issued under S.C. Code of Laws Section 59-130 Article 5. The project is expected to result in a decrease of \$54,284 (year 1), \$56,998 (year 2), and \$59,848 (year 3), in annual operating expenditures. This project will be constructed to meet two Green Globes Certification standards with anticipated energy savings of \$605,258 over a 30-year period. 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 not increased for the academic years 2019-2020 to 2023-2024. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

**Full Project Estimate:** \$54,000,000 funded by Revenue Bonds, FY15 Appropriated State (nonrecurring), College Fees, and Capital Improvement Project Funds. Construction completion is anticipated in March 2024.

4. Project: Winthrop University  
 H47.9612: Winthrop Lake Dam Renovation
- Request: Establish Phase I Pre-Design Budget to renovate the Winthrop Lake Dam.
- Included in CPIP: Yes – 2023 CPIP Priority 10 of 12 in FY24 (estimated at \$4,000,000)
- CHE Approval: 08/22/23
- Supporting Details: Pages 85-94

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY24 Proviso 118.19 (B) (18)				110,000	110,000
All Sources				<u>110,000</u>	<u>110,000</u>

Summary of Work: The project will replace the outfall structure, emergency spillway, and remove the vegetation across the face of the dam.

Rationale: The existing dam outfall has partially collapsed/is clogged impacting the regulation of the water level in the lake. Winthrop is working with SC DHEC Dam Safety regarding the condition of the dam.

Facility Characteristics: The earthen dam was constructed in the early 1950's (73 years old), and it impounds the 9-acre Winthrop Lake. The lake is used for academic research on the wetlands and wildlife is stocked with fish and so is used by Winthrop and locals for fishing (DNR does regular fish surveys). It is also the backdrop for some of the Come See Me festival and the US Disc Gold championships.

Financial Impact: This phase of the project will be funded from Appropriated State (nonrecurring) Funds (uncommitted balance \$1 million on August 22, 2023). The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$543 per student per semester, and has decreased from \$523 for academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$4,000,000 (internal). Phase II will be funded by \$890,000 in Appropriated State (nonrecurring), and funds requested in the FY24-25 budget process. If additional funds are not appropriated, the project will be funded by Institutional Funds. The Phase I amount requested is 2.75% of the estimated cost to complete the project, and the additional funds will be used to rent a pump, plus the cost of fuel, to control the water level per SC DHEC dams program.



5. Project: Winthrop University  
 H47.9613: Courtyard Apartment Purchase
- Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of the 4.58 acres including the Courtyard Apartments in York County.
- Included in CPIP: Yes – 2023 CPIP Priority 6 of 12 in FY24 (estimated at \$11,500,000)
- CHE Approval: 08/22/23
- Supporting Details: Pages 95-106

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Revenue				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: The university manages the accounting for the Courtyard, for a management fee, and therefore it has to maintain both GASB and FASB rules which can be burdensome to the universities Finance Department. The management fee will be discontinued after the purchase. Additionally, the university has modeled its potential auxiliary borrowing both with and without the Courtyard and the university can borrow more with the Courtyard when it is owned by Winthrop,

Characteristics: The 4-story apartment building is 103,495 square feet and was constructed in 2002 (21 years old). The building includes 2 and 4 bed apartment style units, with a total occupancy of 401, and is located on the boundary of campus. The building is solely used for Winthrop student housing.

Financial Impact: The property is offered by Winthrop University Real Estate Foundation for the proposed purchase price of \$10,400,000. The due diligence activities will be funded from Housing Revenue Funds (uncommitted balance \$11.76 million on June 30, 2023). Revenue to this fund is derived from excess housing funds accumulated from multiple prior years. The project is expected to result in a decrease of \$235,000 (years 1 thru 3), in annual operating expenditures. If the property is acquired, approximately \$3,000,000 in renovations are anticipated to be required. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$543 per student per semester, and has increased from \$523 for academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$10,420,000 (internal). The Final Land Acquisition will be funded by bonds.

6. Project: Denmark Technical College  
H59.6259: Campus Roof Replacements
- Request: Establish Phase II Full Construction Budget for roof replacements on three facilities.
- Included in CPIP: Yes – 2023 CPIP Priority 7 of 7 in FY24 (estimated at \$1,120,000)
- Phase I Approval: May 2023 (estimated at \$1,120,000) (Admin)
- CHE Approval: 07/31/23
- Supporting Details: Pages 107-122

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Appropriated State, Proviso 118.18 (B) (27) (d)	59,400		59,400	580,700	640,100
Other, Extension Grant				280,000	280,000
Other, USDA Grant				199,900	199,900
All Sources	<u>59,400</u>		<u>59,400</u>	<u>1,060,600</u>	<u>1,120,000</u>

Summary of Work: The project will replace the roofs on Rhoad Hall, Blatt Hall, and Smith Hall. The existing roof on Rhoad Hall is a modified roof membrane system. The existing roof on Blatt Hall is a thermoplastic roof membrane over a built-up roof membrane system. The existing roof on Smith Hall is a smooth built-up roof membrane system. Due to limited availability and excessive lead times on certain materials, either a two-ply modified bitumen roof membrane system or a thermoplastic roof membrane system will be installed on the three buildings. All three roofs will come with a minimum 20-year material and workmanship warranty.

Rationale: The roofs' conditions have deteriorated and need replacement. New roofs will improve the aesthetic and appeal of the campus and help increase retention of students, per the college. Additionally, the roof replacements will mitigate any potential safety concerns or hazards.

Facility Characteristics: Rhoad Hall is 14,192 square feet and was constructed in 1985 (38 years old). Blatt Hall is 22,958 square feet and was constructed in 1975 (48 years old). Smith Hall is 18,018 square feet and was constructed in 1975 (48 years old). The existing roofs are estimated to be original to the buildings. All academic programs housed on the main campus will benefit from this renovation. An estimated 1,200 students, faculty, and staff utilize these facilities each semester.

Financial Impact: This phase of the project will be funded from FY22 Appropriated State (nonrecurring) (uncommitted balance \$938K on June 7, 2023), Extension Grant (uncommitted balance/commitment \$280K on July 28, 2022), and USDA Grant Funds (uncommitted balance/commitment \$200K on September 27, 2022). The project is not expected to result in any change in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. Currently, there is no portion of tuition designated for capital improvements.

Full Project Estimate: \$1,120,000 funded by FY22 Appropriated State (nonrecurring), Extension Grant, and USDA Grant Funds. Contract execution is expected in April 2024 and completion of construction in July 2024.

7. Project: Piedmont Technical College  
 H59.6272: Family Life and Conference Center
- Request: Establish Phase I Pre-Design Budget to renovate and construct a space on the Greenwood County Campus to provide space to host events.
- Included in CPIP: Yes – 2023 CPIP Priority 1 of 5 in FY24 (estimated at \$20,000,000)
- CHE Approval: 09/07/23
- Supporting Details: Pages 123-132

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College				300,000	300,000
All Sources				<u>300,000</u>	<u>300,000</u>

Summary of Work: The project will renovate the 21,000 square foot facility and construct an approximately 23,000 square foot addition. The new facility will be a total of 44,000 square feet of combined renovated and new space which will have total of 18,000 square feet of flexible meeting space. The meeting spaces can be configured into sizes from, 1,500 square feet up to 18,000 square feet. These flexible meeting configurations will allow the college to accommodate large and small meetings and gatherings to include seating for up to 1,296. All roofing material options will be evaluated during the Phase I process.

Rationale: This facility will meet community needs throughout the region without the need to take their dollars out of the region to a larger metropolitan area or to compromise on the format of their meetings to accommodate space limitations and will directly provide space for student activities and college events.

Facility Characteristics: The existing Medford Family Event Center is 21,000 square feet and was constructed in 1980 (43 years old). It is primarily comprised of a single large 14,000 square foot meeting space with support spaces that include a stage, restrooms and small storage spaces. The college will utilize the renovated and expanded facility for graduation, pinning ceremonies, student award recognitions, scholarship events, convocation, and college-wide training. Of the 30,000 attendees served last year, approximately 10,000 were students, staff, and faculty, making up 29 of the 97 events at the current facility.

Financial Impact: This phase of the project will be funded from College Funds (uncommitted balance \$10.51 million on June 30, 2023). The project is expected to result in an increase of \$30,000 (years 1 thru 3), in annual operating expenditures. The renovations and new construction will be designed to meet Two Green Globes certification standards. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$150 per student per semester, and not increased for academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$20,000,000 (internal). Phase II will be funded by FY23 Appropriated State (nonrecurring), FY23 Capital Reserve, and College Funds.

8. Project: Spartanburg Community College  
 H59.6273: SCC - P Dan Hull Building Reroof Project
- Request: Establish Phase I Pre-Design Budget to remove and replace the roof on the P Dan Hull Building on the Giles Campus.
- Included in CPIP: Yes – 2023 CPIP Priority 5 of 11 in FY24 (estimated at \$1,900,000)
- CHE Approval: 09/07/23
- Supporting Details: Pages 133-142

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College Plant				30,000	30,000
All Sources				<u>30,000</u>	<u>30,000</u>

Summary of Work: The project will remove and replace the existing built-up roof system. It is anticipated that the new roof will be either a 60-mil TPO membrane, or a two-ply modified bitumen roof membrane system, although all roofing material options will be evaluated during the Phase I process.

Rationale: The existing roof has outlived its useful life and has frequent leaks.

Facility Characteristics: The P Dan Hull Building is 94,431 square feet and was constructed in 1963 (60 years old). The existing roof was installed in 1992 (31 years old). The building houses the HVAC program, mechatronics program, machine tool program, process control program, and custodial department. Approximately 37 faculty and staff, and 130 students utilize the building on a daily basis.

Financial Impact: This phase of the project will be funded from College Plant Funds (uncommitted balance \$6.69 million on August 29, 2023). The project is expected to result in a decrease of \$2,700 (years 1 thru 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, there is no portion of tuition designated for capital improvements.

Full Project Estimate: \$2,332,500. Phase II will be funded by FY24 Appropriated State (nonrecurring) and FY23 Capital Reserve Funds.

9. Project: Department of Administration  
D50.6123: FM Energy Facility – Replace Boiler #2
- Request: Establish Phase I Pre-Design Budget to replace boiler #2, located at 1121 College Street in Columbia.
- Included in CPIP: Yes – 2023 CPIP Priority 2 of 38 in FY24 (estimated at \$638,781)
- CHE Approval: N/A
- Supporting Details: Pages 143-152

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State				14,852	14,852
All Sources				<u>14,852</u>	<u>14,852</u>

- Summary of Work: The project will replace the boiler and associated piping, controls and electrical.
- Rationale: The boiler has exceeded its life expectancy and parts for repairs and maintenance are difficult to source. If the boiler were to fail, only one boiler would remain to provide heating to the entire Capitol Complex.
- Facility Characteristics: The FM Energy Facility is 18,572 gross square feet and serves approximately 1,144,287 gross square feet of buildings, which include the FM Energy Facility, SC State House, Gressette Building, Dennis Building, Blatt Building, Brown Building, Calhoun Building, Wade Hampton Building, SC Supreme Court Building, and the Sumter Street Building. The existing boiler being replaced was installed in 1964 (54 years old). Approximately 2,660 staff and various visitors utilize the Capital Complex.
- Financial Impact: The project will be funded from FY24 Appropriated State Funds (uncommitted balance \$10.47 million on August 8, 2023). The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$638,781 (internal) funded by FY24 Appropriated State Funds. The Phase I amount is 2.32% of the estimated cost to complete the project and the additional amount will be used for hazardous material testing.

10. Project: Department of Administration  
 D50.6124: Gressette Building – VAV Replacement
- Request: Establish Phase I Pre-Design Budget to replace identified VAV terminal hot water systems in the building.
- Included in CPIP: Yes – 2023 CPIP Priority 6 of 38 in FY24 (estimated at \$950,000)
- CHE Approval: N/A
- Supporting Details: Pages 153-162

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve				14,250	14,250
All Sources				<u>14,250</u>	<u>14,250</u>

- Summary of Work: The project will address the VAVs and associated controls throughout the Marion Gressette Building that have not been replaced. The existing associated ceiling and lighting system, which will be completely demoed in order to install the new VAVs, will also be replaced.
- Rationale: The VAV systems are original to the building, frequently require repairs, and parts are becoming obsolete.
- Facility Characteristics: The Marion Gressette Building is 81,737 gross square feet and was constructed in 1976 (47 years old). The building houses SC State Senate offices, conference, and meeting rooms. The building is utilized by 166 employees and visitors daily.
- Financial Impact: This phase of the project will be funded from Depreciation Reserve Funds (uncommitted balance \$8.21 million on August 8, 2023). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is expected to result in additional annual operating cost savings, but those amounts have not yet been determined.
- Full Project Estimate: \$950,000 (internal). Phase II will be funded by FY24 Appropriated State, and Depreciation Reserve Funds.

11. Project: Department of Administration  
 D50.6125: SC Archives and History Building – Replace 2 Boilers

Request: Establish Phase I Pre-Design Budget to replace two boilers in the building.

Included in CPIP: Yes – 2023 CPIP Priority 9 of 38 in FY24 (estimated at \$665,000)

CHE Approval: N/A

Supporting Details: Pages 163-170

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State				12,975	12,975
All Sources				<u>12,975</u>	<u>12,975</u>

Summary of Work: The project will replace two boilers in the Archives and History Building.

Rationale: The boilers are original to the building, past their life expectancy, and continue to have operational issues. As the boilers continue to fail, it will be difficult to regulate the temperature in the building.

Facility Characteristics: The SC Archives and History Building is approximately 143,709 square feet and was constructed in 1997 (26 years old). The building is utilized by the SC Department of Archives and History, SC Department of Health and Environmental Control, and the SC Department of Education. The building is utilized by approximately 85 staff and various visitors daily.

Financial Impact: The project will be funded from FY24 Appropriated State Funds (uncommitted balance \$10.47 million on August 8, 2023). The project is expected to result in additional annual operating cost savings, but those amounts have not yet been determined.

Full Project Estimate: \$665,000 (internal).



12. Project: Department of Administration  
 D50.6126: SC Archives and History Building – Replace VAV Boxes

Request: Establish Phase I Pre-Design Budget to replace VAV boxes in the building.

Included in CPIP: Yes – 2023 CPIP Priority 23 of 38 in FY24 (estimated at \$690,950)

CHE Approval: N/A

Supporting Details: Pages 171-178

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State				10,365	10,365
All Sources				<u>10,365</u>	<u>10,365</u>

Summary of Work: The project will replace VAV boxes in the Archives and History Building.

Rationale: The VAV boxes are original to the building, past their life expectancy, are inefficient, and continue to have operational issues. As the boilers continue to fail, it will be difficult to regulate the temperature in the building.

Facility Characteristics: The SC Archives and History Building is approximately 143,709 square feet and was constructed in 1997 (26 years old). The building is utilized by the SC Department of Archives and History, SC Department of Health and Environmental Control, and the SC Department of Education. The building is utilized by approximately 85 staff and various visitors daily.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State Funds (uncommitted balance \$10.47 million on August 8, 2023). The project is expected to result in additional annual operating cost savings, but those amounts have not yet been determined.

Full Project Estimate: \$690,950 (internal). Phase II will be funded by FY24 Appropriated State, and Depreciation Reserve Funds.

13. Project: Department of Administration  
 D50.6127: SC Data Center - Redundant Cooling System for Computer Room

Request: Establish Phase I Pre-Design Budget to provide a redundant cooling system to the computer room.

Included in CPIP: Yes – 2023 CPIP Priority 35 of 38 in FY24 (estimated at \$500,000)

CHE Approval: N/A

Supporting Details: Pages 179-186

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Division of Technology				17,361	17,361
All Sources				<u>17,361</u>	<u>17,361</u>

Summary of Work: The project will replace the existing redundant cooling system which will include 5 – 20 ton DX computer room AC Units, 1 – 7.5 ton DX computer room (B side UPS DC Coil) AC Unit, 6 condensers and associated pumps, piping, and insulation, as well as installation of instrumentation and controls, electrical work, site work, and minor general construction.

Rationale: The existing computer room air conditioning units are original to the building and have reached the end of their life expectancy. A redundant cooling system is needed to avert a shutdown of the computer room IT systems due to a loss of cooling by the existing system.

Facility Characteristics: The SC Data Center is approximately 76,021 square feet and was constructed in 1999 (24 years old). The building is utilized by approximately SC Division of Technology staff plus varying numbers of customers and visitors daily.

Financial Impact: The project will be funded from Division of Technology Funds (uncommitted balance \$5.11 million on August 4, 2023). The project is expected to result in additional annual operating costs, but those amounts have not yet been determined.

Full Project Estimate: \$1,157,400 (internal).

14. Project: Department of Administration  
 D50.6128: SC State Library – Electrical Distribution System
- Request: Establish Phase I Pre-Design Budget to replace the electrical distribution equipment in the building.
- Included in CPIP: Yes – 2023 CPIP Priority 7 of 38 in FY24 (estimated at \$375,000)
- CHE Approval: N/A
- Supporting Details: Pages 187-194

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State				7,775	7,775
All Sources				<u>7,775</u>	<u>7,775</u>

- Summary of Work: The project will replace the electrical distribution equipment. This includes all original electrical boards and panels, dry-type transformers, and associated feeder wiring.
- Rationale: The equipment is original to the building, has exceeded its life expectancy, and parts for repairs and maintenance are difficult to source.
- Facility Characteristics: The SC State Library is approximately 60,494 square feet and was constructed in 1969 (54 years old). The building is utilized by approximately 45 SC State Library staff and various visitors daily.
- Financial Impact: The project will be funded from FY24 Appropriated State Funds (uncommitted balance \$10.47 million on August 8, 2023). The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$375,000 (internal).

15. Project: Department of Administration  
 D50.6129: Wade Hampton Building - Replace Fan Coil Units

Request: Establish Phase I Pre-Design Budget to replace fan coil units in the building.

Included in CPIP: Yes – 2023 CPIP Priority 4 of 38 in FY24 (estimated at \$720,000)

CHE Approval: N/A

Supporting Details: Pages 195-202

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State				15,800	15,800
All Sources				<u>15,800</u>	<u>15,800</u>

Summary of Work: The project will replace all obsolete fan coil units, relevant piping, electrical, controls, and insulation.

Rationale: A number of the fan coil units within the building have exceeded their life expectancy, and parts for repairs and maintenance are difficult to source.

Facility Characteristics: The Wade Hampton Building is approximately 121,141 square feet and was constructed in 1938 (85 years old). On average, the fan coil units were installed in 1974 (49 years old). The building is utilized by the Department of Administration, SC Commission on Prosecution, Judicial Branch, SC Commission for the Blind, Governor's Office, SC State Treasurer's Office, SC Comptroller General Office, SC Adjutant General's Office, and SC Department of Agriculture, and the State Fiscal Accountability Authority. The building is utilized by approximately 275 staff and various visitors daily.

Financial Impact: The project will be funded from FY24 Appropriated State Funds (uncommitted balance \$10.47 million on August 8, 2023). The project is expected to result in additional annual operating cost savings, but those amounts have not yet been determined.

Full Project Estimate: \$720,000 (internal).

16. Project: Department of Administration  
 D50.6113: SLED Pee Dee Office Construction

Request: Establish Phase II Full Construction Budget to construct an office building in the Pee Dee region.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 3 in FY24 (estimated at \$6,769,464)

Phase I Approval: November 2022 (estimated at \$4,000,000) (Admin)

Phase I Increase

Approval: March 2023 (estimated at \$4,000,000) (Admin)

CHE Approval: N/A

Supporting Details: Pages 203-218

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, SLED FY23 Appropriated State, Proviso 118.19 (B)(53)(g)	60,000	20,000	80,000	3,920,000	4,000,000
Other, SLED Record Search Fees				2,769,464	2,769,464
All Sources	<u>60,000</u>	<u>20,000</u>	<u>80,000</u>	<u>6,689,464</u>	<u>6,769,464</u>

Summary of Work: The project will construct a new approximately 9,700 square foot regional office for SLED in the Pee Dee region. This new facility will serve as the district office as well as a regional training facility and a forward command center in the event of a hurricane or similar crisis event in this area of the state. The roof to be installed on the building will be a Thermoplastic Roofing Membrane (60 mil PVC) and will come with a minimum 20-year material and workmanship warranty.

Rationale: Assessments by the district determined the current location to be inadequate, both in terms of the actual office facility and its location. Storm events require the facility to accommodate a surge of additional personnel and the downtown location is not readily accessible to travelling personnel. After the expiration of the lease of the space in the downtown Florence area, SLED conducted a solicitation for an alternate location. Negotiations with the most advantageous respondent ended when the respondent withdrew the offer. Other offers were outside acceptable cost parameters. The agency is currently operating under a one-year lease extension at its current location.

Facility Characteristics: The current leased space is 5,504 square feet, and is leased from Florence Business Technology Center, LLC (BTC) at 181 East Evans Street in Florence. The BTC is a community of tenants including law firms, a dialysis center, small businesses, and other local/state agencies. The new approximately 9,700 square foot office to be constructed, on property donated by Francis Marion University, and will continue to be used primarily to conduct the day-to-day operations of the Investigative Services Division in the Pee Dee region of South Carolina. The office also supports Community Relations, Alcohol Enforcement, Narcotics, Arson, Bomb, and any other SLED functional area needing operation resources in the Pee Dee region. The Pee Dee Regional Office supports the following twelve counties of South Carolina: Chesterfield, Clarendon, Darlington, Dillon, Florence, Georgetown, Horry, Lee, Marlboro, Marion, Sumter, and Williamsburg.

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Financial Impact:	This phase of the project will be funded from SLED FY23 Appropriated State (nonrecurring) (uncommitted balance \$3,920,000 on July 31, 2023), and SLED Record Search Fee Funds (uncommitted balance \$13.57 million on July 31, 2023). Record Search Fees are derived from payments received from other agencies, and companies to run criminal history record searches. The project is expected to result in an increase of \$17,000 (year 1), \$26,000 (year 2), and \$35,000 (year 3), in annual operating expenditures.
Full Project Estimate:	\$6,769,464 funded by SLED FY24 Appropriated State (nonrecurring) and SLED Record Search Fee Funds. Contract execution is expected in March 2024 and completion of construction in January 2025.

17. Project: Department of Administration  
 D50.6121: Data Center - Replace Automatic Transfer Switches & Emergency Breaker  
 Retrofit ATS #4 & #5
- Request: Establish Phase II Full Construction Budget to replace Automatic Transfer Switches and retrofit the associated emergency breakers.
- Included in CPIP: Yes – 2023 CPIP Priority 18 of 38 in FY24 (estimated at \$503,534)  
 Phase I Approval: May 2023 (estimated at \$503,534) (JBRC)  
 CHE Approval: N/A  
 Supporting Details: Pages 219-228

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, DTO	12,500		12,500	491,034	503,534
All Sources	<u>12,500</u>		<u>12,500</u>	<u>491,034</u>	<u>503,534</u>

- Summary of Work: The project will replace Automatic Transfer Switches #4 & #5 and retrofit the associated emergency breakers, which are utilized to ensure the operation of the computer room air conditioning equipment at the SC Data Center.
- Rationale: The Automatic Transfer Switches are required to keep the Data Center's Server Room cooling equipment in operation to ensure the computer rooms stay at a set temperature and all server equipment functions properly. The switches have exceeded their life expectancy, replacement parts are unavailable, and the manufacturer no longer provides support.
- Facility Characteristics: The SC Data Center is approximately 76,021 square feet and was constructed in 1999 (24 years old). The Automatic Transfer Switches are original to the building. Approximately 205 SC Division of Technology (DTO) staff plus varying numbers of customers and visitors utilize the building daily.
- Financial Impact: The project will be funded from SC Division of Technology Funds (uncommitted balance \$5.11 million on July 31, 2023). The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$503,534 (internal) funded by SC Division of Technology Funds. Contract execution is expected in March 2024 and completion of construction in June 2025.



18. Project: Department of Administration  
 D50.6100: Parking Lot Repair/Replacement (Annualized)
- Request: Increase Phase II Full Construction Budget to proceed with the second annualized phase of the Senate Street Building Parking Lot Improvements.
- Included in CPIP: Yes – 2023 CPIP Priority 8 of 38 in FY24 (estimated at \$812,000)
- Phase I Approval: August 2022 (estimated at \$220,500) (JBRC Staff)
- Phase II Approval: April 2023 (estimated at \$187,000) (JBRC Staff)
- CHE Approval: N/A
- Supporting Details: Pages 229-236

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State				225,000	225,000
Other, Depreciation Reserve	22,781	164,219	187,000	271,000	458,000
All Sources	<u>22,781</u>	<u>164,219</u>	<u>187,000</u>	<u>496,000</u>	<u>683,000</u>

Summary of Work: The project will be completed in two annualized phases. The first annualized phase included completing all engineering and geo-technical work associated with both annualized phases of the project. The second annualized phase includes final design and construction of the visitor parking area located on the south side of the building along Bull Street, and construction of the staff parking area located on the west side of the building, along Senate Street.

Rationale: The asphalt is past its life expectancy, is in poor condition, and is a trip hazard to the customers and employees that utilize the building on a daily basis.

Facility Characteristics: The Senate Street Building is approximately 46,488 square feet and was constructed in 1958 (65 years old), with an approximately 14,700 square foot asphalt parking area. The Senate Street Building is utilized by approximately 40 staff members from the Department of Administration Fleet Management, and University of South Carolina staff, plus various students, and visitors.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State (nonrecurring) (uncommitted balance \$10.47 million on August 8, 2023), and Depreciation Reserve Funds (uncommitted balance is \$8.21 million on August 8, 2023). Depreciation Revenues received are derived from the rent account, which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$683,000 funded by FY24 Appropriated State and Depreciation Reserve Funds. Contract execution is expected in February 2024 and completion of construction in June 2024.

19. Project: Office of the Adjutant General  
 E24.9850: Office of the Adjutant General Facility Upgrades

Request: Establish Phase I Pre-Design Budget for repairs/replacements at the facility.

Included in CPIP: Yes – 2023 CPIP priority 19 of 19 FY24 (estimated at \$1,500,000)

CHE Approval: N/A

Support Details: Pages 237-246

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				10,575	10,575
Federal, National Guard Bureau				11,925	11,925
All Sources				<u>22,500</u>	<u>22,500</u>

Summary of Work: The project will repair or replace interior finishes/flooring, individual workspace partition repair/replacement, doors and storefront systems, lighting, and site improvements.

Rationale: The finishes are original to the facility and the facility is in poor condition and does not meet current Security & Force Protection standards.

Facility Characteristics: The building is approximately 54,000 square feet and was constructed in 1987 (35 years old). The building is used by both State Civilian Employees, Federal Civilian Employees, Federal Technicians and National Guard Army and Air Employees. Approximately 130 individuals utilize this building daily.

Financial Impact: The project will be funded from Appropriated State, Operating (uncommitted balance \$3.5 million on August 1, 2023), and National Guard Bureau Funds (uncommitted balance \$1.5 million on August 1, 2023) Revenue to the National Guard Bureau Fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,500,000 (internal).

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

Request: Establish Phase II Full Construction Budget to convert existing Privately Owned Vehicle parking to Military Vehicle Parking.

Included in CPIP: Yes – 2023 CPIP Priority 8 of 19 in FY24 (estimated at \$915,928)

Phase I Approval: August 2022 (estimated at \$782,845) (JBRC)

CHE Approval: N/A

Supporting Details: Pages 247-256

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	202,179	205,115
Federal, National Guard Bureau	8,809		8,809	606,535	615,344
All Sources	<u>11,745</u>		<u>11,745</u>	<u>808,714</u>	<u>820,459</u>

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 (45 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 Appropriated State (uncommitted balance \$3.5 million on August 1, 2023) and National Guard Bureau Funds (uncommitted balance \$1.5 million on August 1, 2023) and 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 expected to result in an increase of \$100 (year 1), and \$200 (year 2), and \$300 (year 3), in annual operating expenses.

Full Project Estimate: \$820,459 funded by Appropriated State and National Guard Bureau Funds. Contract execution is expected in November 2023 and completion of construction in February 2024.

21. Project:	Office of the Adjutant General E24.9797: McEntire AASF Runway Improvements
Request:	Revise Scope and increase Phase II Full Construction Budget to add the construction for Part 2 of the runway.
Included in CPIP:	Yes – 2023 CPIP Priority 7 of 19 in FY24 (estimated at \$2,300,000)
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)
Phase II Increase Approval:	August 2022 (estimated at \$2,256,987) (SFAA)
CHE Approval:	N/A
Supporting Details:	Pages 257-268

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	2,234,071	2,256,987	1,927,876	4,184,863
All Sources	<u>22,916</u>	<u>2,234,071</u>	<u>2,256,987</u>	<u>1,927,876</u>	<u>4,184,863</u>

**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. The previously approved request added the design of part 2 and part 3 of the remaining runway, which has also been completed. This request will begin construction for Part 2 of the remaining runway which is approximately 1,000 linear feet in length and 75 feet wide. 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. Part 3 of the remaining runway, which is also approximately 1,000 linear feet in length and 75 feet wide, will be completed once funding is received.

**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 overlaid 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.

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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 \$1.5 million on August 1, 2023). 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: \$4,184,863 funded by National Guard Bureau Funds. Contract execution for this phase of the project is expected in November 2023 and completion of construction in June 2024. The total estimated cost to complete the entire runway is \$6,284,863.

22. Project: Department of Mental Health  
 J12.9858: DOAS Fire Alarm Replacement

Request: Establish Phase I Pre-Design Budget to replace the existing fire alarm system.

Included in CPIP: Yes – 2023 CPIP Priority 17 of 33 in FY24 (estimated at \$700,000)

CHE Approval: N/A

Supporting Details: Pages 269-278

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance				10,500	10,500
All Sources				<u>10,500</u>	<u>10,500</u>

Summary of Work: The project will replace the fire alarm system to include ceiling, lighting, and HVAC replacement in areas affected by the project.

Rationale: The existing system has outlived its life cycle and is no longer supported by the vendor and parts are no longer available. The system has failed its annual test and the building is on Fire Watch. A temporary fix to make the system operational should be in place prior to the October JBRC meeting, and the building will then be off Fire Watch.

Facility Characteristics: The Pee Dee Mental Health Clinic is 36,572 square feet and was constructed in 2001 (22 years old). The mental health center provides emergency services, case management, outpatient counseling, and psychiatric treatment for children, adolescents, adults, and families in Florence County and surrounding areas. The facility has 100 staff and sees 3,920 patients a month.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$20.59 million on July 28, 2023). Revenue to this 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 a decrease of \$500 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$700,000 (internal) funded by Capital Improvement & Maintenance Funds.

23. Project: Department of Mental Health  
J12.9838: Bryan Chilled Water Main Line Replacement (Phase A)

Request: Change Project Name and Establish Phase II Full Construction to replace the underground chilled water piping at the Bryan Psychiatric Hospital.

Included in CPIP: Yes – 2023 CPIP Priority 6 of 33 in FY24 (estimated at \$763,340)  
Phase I Approval: January 2023 (estimated at \$550,000) (JBRC)  
CHE Approval: N/A  
Supporting Details: Pages 279-288

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	8,250		8,250	755,090	763,340
All Sources	<u>8,250</u>		<u>8,250</u>	<u>755,090</u>	<u>763,340</u>

Summary of Work: The project will abandon in place the existing piping and replace with new wrapped and insulated carbon steel pipe.

Rationale: The existing underground chilled water piping is beyond its useful life. A small hole has developed in the piping between manholes 1 and 7 near the Bryan/Morris Village Energy Center.

Facility Characteristics: Bryan Psychiatric Hospital is 213,279 square feet and was constructed in 1977 (46 years old). The facility provides inpatient psychiatric care for 200+ patients and has 500 full time staff.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$20.59 million on July 28, 2023). Revenue to this 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 a decrease of \$2,000 (year 1), and \$200 (years 2 thru 3), in annual operating expenses.

Full Project Estimate: \$763,340 funded by Capital Improvement & Maintenance Funds. Contract execution is expected in November 2023 and completion of construction in August 2024.

24. Project: Department of Mental Health  
 J12.9842: Dorchester Clinic HVAC Replacement

Request: Establish Phase II Full Construction Budget to replace multiple HVAC split systems at the Dorchester Mental Health Clinic in Summerville.

Included in CPIP: Yes – 2023 CPIP Priority 7 of 33 in FY24 (estimated at \$300,000)

Phase I Approval: March 2023 (estimated at \$250,000) (JBRC)

CHE Approval: N/A

Supporting Details: Pages 289-298

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	3,750		3,750	296,250	300,000
All Sources	<u>3,750</u>		<u>3,750</u>	<u>296,250</u>	<u>300,000</u>

Summary of Work: The project will replace all 10 split HVAC systems, totaling 40 tons.

Rationale: The HVAC units are original to the building are becoming more costly to repair.

Facility Characteristics: The Dorchester Mental Health Clinic is 11,322 square feet and was constructed in 1996 (27 years old). The facility has 50 staff members sees an average of 240 patients a week.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$20.59 million on July 28, 2023). Revenue to this 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 \$2,000 (year 1), and \$5,000 (years 2 thru 3), in annual operating expenses.

Full Project Estimate: \$300,000 funded by Capital Improvement & Maintenance Funds. Contract execution is expected in October 2023 and completion of construction in February 2024.



25. Project: Department of Mental Health  
 J12.9834: CFSH Building 29/Kitchen HVAC & Kitchen Equipment Replacement

Request: Increase Phase II Full Construction Budget to cover bid costs received to replace heat pumps, ice builder and refrigeration unit at Building 29 on the Crafts Farrow State Hospital in Columbia.

Included in CPIP: No – The need for the increase was not determined until after the submission of the 2023 CPIP

Phase I Approval: December 2022 (estimated at \$750,400) (JBRC)

Phase II Approval: March 2023 (estimated at \$671,500) (JBRC)

CHE Approval: N/A

Supporting Details: Pages 299-306

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	11,256	660,244	671,500	100,000	771,500
All Sources	<u>11,256</u>	<u>660,244</u>	<u>671,500</u>	<u>100,000</u>	<u>771,500</u>

Summary of Work: The project will replace 2 existing heat pumps, 1 ice builder, and 1 refrigeration unit.

Rationale: The heat pumps, ice builder and refrigeration unit have reached the end of their useful life. The heat pumps and ice builder utilize R22 freon which has been banned for environmental reasons. The 25-year-old refrigeration unit is no longer reliable and replacement parts are no longer available or are hard to obtain.

Facility Characteristics: The Building 29/Kitchen is 50,570 square feet and was constructed in 1960 (63 years old). The kitchen provides meals for inpatient psychiatric hospitals and nursing homes and has 30+ full time staff.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$20.59 million on July 28, 2023). Revenue to this 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 a decrease of \$200 (year 1), and \$400 (years 2 and 3) in annual operating expenses.

Full Project Estimate: \$771,500 funded by Capital Improvement & Maintenance Funds. Contract execution is expected in October 2023 and completion of construction in May 2024.

26. Project: Department of Disabilities & Special Needs  
 J16.9946: Coastal Center - Hillside Dorms - Bathroom Renovations

Request: Establish Phase I Predesign Budget to complete finish and fixture renovations at the Hillside Dorms.

Included in CPIP: Yes - 2023 CPIP Priority 6 of 18 in FY2024 (estimated at \$600,000)

CHE Approval: N/A

Supporting Details: Pages 307-316

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				9,000	9,000
All Sources				<u>9,000</u>	<u>9,000</u>

Summary of Work: The project will complete finish and fixture renovations to consumer bathrooms to include tile work, ceiling grids, wall finishes, toilet partitions, toilets, sinks, and shower modifications in Hillside Dorms 220, 320, 420, 520, 620.

Rationale: Renovation of these bathrooms will assure continued safety for the buildings' occupants.

Facility Characteristics: Hillside Dorms 220, 320, 420, 520, and 620 are 5,725 square feet each, total 28,625 square feet, and were constructed in 1966 (57 years old). The dorms are utilized by approximately 195 faculty, staff and residents.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$600,000 (internal) funded by Excess Debt Service Funds.

27. Project: Department of Disabilities & Special Needs  
 J16.9947: Coastal Center - Hillside 220 HVAC Replacement

Request: Establish Phase I Predesign Budget to replace building systems and components at Hillside Dorm 220.

Included in CPIP: Yes - 2023 CPIP Priority 2 of 18 in FY2024 (estimated at \$300,000)

CHE Approval: N/A

Supporting Details: Pages 317-326

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				4,500	4,500
All Sources				<u>4,500</u>	<u>4,500</u>

Summary of Work: The project will replace building systems and components in the Hillside 220 Dorm to include replacing the chiller, boiler, and fan coils, with a new VRF split system and DX ventilation unit for more fresh air. The work will also include related electrical, remediation, and other associated repairs.

Rationale: The existing HVAC system is at the end of its useful life, undependable, energy inefficient, and difficult to maintain in operable condition. Fan coils are not supported by manufacturer, and chillers have multiple problems causing a constant state of repairs.

Facility Characteristics: Hillside Dorm 220 is 5,725 square feet each and was constructed in 1966 (57 years old). The dorm is utilized by approximately 42 faculty, staff and residents.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is expected to result in a decrease of \$8,208 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$300,000 (internal) funded by Excess Debt Service Funds.

28. Project: Department of Disabilities & Special Needs  
 J16.9948: Coastal Center - Hillside 620 HVAC Replacement

Request: Establish Phase I Predesign Budget to replace building systems and components at Hillside Dorm 620.

Included in CPIP: Yes - 2023 CPIP Priority 1 of 18 in FY2024 (estimated at \$300,000)

CHE Approval: N/A

Supporting Details: Pages 327-336

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				4,500	4,500
All Sources				<u>4,500</u>	<u>4,500</u>

Summary of Work: The project will replace building systems and components in the Hillside 620 Dorm to include replacing the chiller, boiler, and fan coils, with a new VRF split system and DX ventilation unit for more fresh air. The work will also include related electrical, remediation, and other associated repairs.

Rationale: The existing HVAC system is at the end of its useful life, undependable, energy inefficient, and difficult to maintain in operable condition. Fan coils are not supported by manufacturer, and chillers have multiple problems causing a constant state of repairs.

Facility Characteristics: Hillside Dorm 620 is 5,725 square feet each and was constructed in 1966 (57 years old). The dorm is utilized by approximately 42 faculty, staff and residents.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is expected to result in a decrease of \$8,208 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$300,000 (internal) funded by Excess Debt Service Funds.

29. Project: Department of Disabilities & Special Needs  
 J16.9949: Coastal Center – Highlands 110 Renovations

Request: Establish Phase I Predesign Budget to complete interior renovations to Highland Dorm 110.

Included in CPIP: Yes - 2023 CPIP Priority 1 of 18 in FY2024 (estimated at \$1,000,000)

CHE Approval: N/A

Supporting Details: Pages 337-346

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				15,000	15,000
All Sources				<u>15,000</u>	<u>15,000</u>

Summary of Work: The project will complete interior renovations to Highland Dorm 110, to include ceiling grid/tiles, wall finishes and repairs, flooring, and door replacements.

Rationale: Renovation of this facility will assure continued safety for the buildings' occupants.

Facility Characteristics: Highland Dorm 110 is 11,128 square feet each and was constructed in 1966 (57 years old). The dorm is utilized by approximately 53 faculty, staff and residents.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,000,000 (internal) funded by Excess Debt Service Funds.

30. Project: Department of Disabilities & Special Needs  
 J16.9950: Coastal Center – Highlands 110, 210, 310 Bathroom Renovations
- Request: Establish Phase I Predesign Budget to provide finish and fixture renovations in Highland Dorms 110, 210, and 310.
- Included in CPIP: Yes - 2023 CPIP Priority 4 of 18 in FY2024 (estimated at \$450,000)
- CHE Approval: N/A
- Supporting Details: Pages 347-356

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				6,750	6,750
All Sources				<u>6,750</u>	<u>6,750</u>

Summary of Work: The project will complete finish and fixture renovations to consumer bathrooms to include tile work, ceiling grids, wall finishes, toilet partitions, toilets, sinks, and shower modifications in Highland Dorms 120, 210, 310.

Rationale: Renovation of this facility will assure continued safety for the buildings' occupants.

Facility Characteristics: Highland Dorm 110 is 11,128 square feet, Highland Dorm 210 is 11,105 square feet, and Highland Dorm 310 is 11,128 square feet, and were all constructed in 1966 (57 years old). The dorms are utilized by approximately 157 faculty, staff and residents.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$450,000 (internal) funded by Excess Debt Service Funds.

31. Project: Department of Disabilities & Special Needs  
 J16.9951: Coastal Center – Developmental Services – Roof Replacement

Request: Establish Phase I Predesign Budget to replace the roof on the Developmental Services Building.

Included in CPIP: Yes - 2023 CPIP Priority 3 of 18 in FY2024 (estimated at \$450,000)

CHE Approval: N/A

Supporting Details: Pages 357-366

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				6,750	6,750
All Sources				<u>6,750</u>	<u>6,750</u>

Summary of Work: The project will remove and replace the existing asphalt shingle roof systems, low sloped bitumen, and associated metal flashing. The work will also include deck repairs. All roofing material options will be evaluated during the Phase I process.

Rationale: Roof replacement will assure continued safety for the buildings' occupants.

Facility Characteristics: The Developmental Services Building is 9,455 square feet and was constructed in 1979 (44 years old). The roof system was replaced in 1997 (26 years old). The building is utilized by approximately 100 faculty, staff and clients.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$450,000 (internal) funded by Excess Debt Service Funds.

32. Project: Department of Disabilities & Special Needs  
 J16.9952: Midland Center – Cedar Dorm Renovation

Request: Establish Phase I Predesign Budget to complete interior and exterior renovations on the Cedar Dorm.

Included in CPIP: Yes - 2023 CPIP Priority 10 of 18 in FY2024 (estimated at \$1,500,000)

CHE Approval: N/A

Supporting Details: Pages 367-376

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				22,500	22,500
All Sources				<u>22,500</u>	<u>22,500</u>

Summary of Work: The project will include exterior and interior renovations that include ceiling grid/tiles, wall finishes and repairs, flooring, door replacement, and complete replacement of the asphalt shingle roof systems, low sloped bitumen, and associated metal flashing. All roofing material options will be evaluated during the Phase I process.

Rationale: Upgrading this facility will allow this building to be used as an overflow facility while other campus buildings are renovated.

Facility Characteristics: Cedar Dorm is 11,962 square feet and was constructed in 1976 (47 years old). The roof system was replaced in 1999 (24 years old). The building is utilized by approximately 36 faculty, staff and residents.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,500,000 (internal) funded by Excess Debt Service Funds.



33. Project: Department of Disabilities & Special Needs  
 J16.9953: Midland Center - Chestnut, Juniper, Palm, Willow - Bathroom Renovations

Request: Establish Phase I Predesign Budget to complete fixture and fixture renovations in the Midland Center Dorms.

Included in CPIP: Yes - 2023 CPIP Priority 9 of 18 in FY2024 (estimated at \$850,000)

CHE Approval: N/A

Supporting Details: Pages 377-386

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				12,750	12,750
All Sources				<u>12,750</u>	<u>12,750</u>

Summary of Work: The project will complete finish and fixture renovations to consumer bathrooms to include tile work, ceiling grids, wall finishes, toilet partitions, toilets, sinks, and shower modifications in the Chestnut, Juniper, Palm, and Willow Dorms.

Rationale: Renovation of these bathrooms will assure continued safety for the buildings' occupants.

Facility Characteristics: Chestnut, Juniper, Palm, and Willow Dorms are 11,962 square feet each, totaling 47,848 square feet, and were constructed in 1976 (47 years old). The dorms are utilized by approximately 190 faculty, staff and residents.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$850,000 (internal) funded by Excess Debt Service Funds.

34. Project: Department of Disabilities & Special Needs  
 J16.9954: Midland Center – Magnolia Roof Replacement

Request: Establish Phase I Predesign Budget to remove and replace the existing roof on Magnolia Dorm.

Included in CPIP: Yes - 2023 CPIP Priority 8 of 18 in FY2024 (estimated at \$475,000)

CHE Approval: N/A

Supporting Details: Pages 387-396

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				7,125	7,125
All Sources				<u>7,125</u>	<u>7,125</u>

Summary of Work: The project will remove and replace the existing asphalt shingle roof systems, low sloped bitumen, and associated metal flashing. The work will also include deck repairs. All roofing material options will be evaluated during the Phase I process.

Rationale: Roof replacement will assure continued safety for the buildings' occupants.

Facility Characteristics: Magnolia Dorm is 11,962 square feet and was constructed in 1976 (47 years old). The roof was replaced in 2002 (21 years old). The dorm is utilized by approximately 48 faculty, staff and residents.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$475,000 (internal) funded by Excess Debt Service Funds.

35. Project: Department of Disabilities & Special Needs  
 J16.9955: Midland Center – Palm Roof Replacement
- Request: Establish Phase I Predesign Budget to remove and replace the existing roof on Palm Dorm.
- Included in CPIP: Yes - 2023 CPIP Priority 7 of 18 in FY2024 (estimated at \$475,000)
- CHE Approval: N/A
- Supporting Details: Pages 397-408

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				7,125	7,125
All Sources				<u>7,125</u>	<u>7,125</u>

Summary of Work: The project will remove and replace the existing asphalt shingle roof systems, low sloped bitumen, and associated metal flashing. The work will also include deck repairs. All roofing material options will be evaluated during the Phase I process.

Rationale: Roof replacement will assure continued safety for the buildings' occupants.

Facility Characteristics: Palm Dorm is 11,962 square feet and was constructed in 1976 (47 years old). The roof was replaced in 2002 (21 years old). The dorm is utilized by approximately 48 faculty, staff and residents.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$475,000 (internal) funded by Excess Debt Service Funds.

36. Project: Department of Disabilities & Special Needs  
 J16.9956: Pee Dee Center – Exterior Cladding/Building Envelope Repair
- Request: Establish Phase I Predesign Budget to make exterior repairs to the Pecan Dorms.
- Included in CPIP: Yes - 2023 CPIP Priority 11 of 18 in FY2024 (estimated at \$600,000)
- CHE Approval: N/A
- Supporting Details: Pages 409-418

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				9,000	9,000
All Sources				<u>9,000</u>	<u>9,000</u>

Summary of Work: The project will make exterior repairs on Pecan Buildings 201, 202, 203, 204 and 205 that include the building envelope, brick veneer, roof gables, windows, and doors.

Rationale: The exterior of these buildings are original and in need of up-fitting.

Facility Characteristics: Pecan Buildings 201, 202, 203, 204 and 205 total 33,202 square feet and were constructed in 1957 (66 years old). The dorms are utilized by approximately 230 faculty, staff and clients.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$600,000 (internal) funded by Excess Debt Service Funds.

37. Project: Department of Disabilities & Special Needs  
 J16.9957: Pee Dee Center – Gym, Therapy, Pool Building Renovations

Request: Establish Phase I Predesign Budget to make exterior and interior repairs to the buildings.

Included in CPIP: Yes - 2023 CPIP Priority 12 of 18 in FY2024 (estimated at \$2,500,000)

CHE Approval: N/A

Supporting Details: Pages 419-428

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				37,500	37,500
All Sources				<u>37,500</u>	<u>37,500</u>

Summary of Work: The project will include exterior and interior renovations that include ceiling grid/tiles, wall finishes and repairs, flooring, door replacement, and repairs to the exterior of the building. The exterior repairs will include the roof. If the roof will be replaced, all roofing material options will be evaluated during the Phase I process.

Rationale: The building finishes are original to the buildings. Additionally, the buildings will serve as an alternate facility while renovations are being done on Pee Dee Campus. These buildings can be upgraded without major disruption.

Facility Characteristics: The Gym, Therapy, and Pool Buildings total 19,944 square feet. The Gym was constructed in 1954 (69 years old). The Therapy Building was constructed in 1983 (40 years old). The Pool Building was constructed in 1985 (38 years old). The buildings are utilized by approximately 171 faculty, staff and clients.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$2,500,000 (internal) funded by Excess Debt Service Funds.

38. Project: Department of Disabilities & Special Needs  
 J16.9958: Whitten Center – Building 101 Renovations

Request: Establish Phase I Predesign Budget to make interior renovations to the building.

Included in CPIP: Yes - 2023 CPIP Priority 13 of 18 in FY2024 (estimated at \$450,000)

CHE Approval: N/A

Supporting Details: Pages 429-438

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				6,750	6,750
All Sources				<u>6,750</u>	<u>6,750</u>

Summary of Work: The project will include interior renovations that include ceiling grid/tiles, wall finishes and repairs, flooring, door replacement, and minor bathroom renovations.

Rationale: The building finishes are original to the buildings and in need of several upgrades to maintain operational status.

Facility Characteristics: Building 101 is 6,842 square feet and was constructed in 1928 (95 years old). The building is utilized by approximately 42 faculty, staff and clients.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$450,000 (internal) funded by Excess Debt Service Funds.

39. Project: Department of Disabilities & Special Needs  
 J16.9959: Whitten Center – Building 201 Renovations

Request: Establish Phase I Predesign Budget to complete interior and exterior renovations on the building.

Included in CPIP: Yes - 2023 CPIP Priority 15 of 18 in FY2024 (estimated at \$2,500,000)

CHE Approval: N/A

Supporting Details: Pages 439-446

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				37,500	37,500
All Sources				<u>37,500</u>	<u>37,500</u>

Summary of Work: The project will include exterior and interior renovations that include ceiling grid/tiles, wall finishes and repairs, flooring, door replacement, and complete replacement of the asphalt shingle roof systems, low sloped bitumen, and associated metal flashing. The buildings electrical and mechanical systems will also be renovated. All roofing material options will be evaluated during the Phase I process.

Rationale: Upgrading the facility will enhance the overall operation and allow for the continued use of the building.

Facility Characteristics: Building 201 is 14,290 square feet and was constructed in 1942 (81 years old). The roof was installed in 2002 (21 years old). The building is utilized by approximately 38 faculty, staff and clients.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$2,500,000 (internal) funded by Excess Debt Service Funds.

40. Project: Department of Disabilities & Special Needs  
 J16.9939: Pee Dee Center - Campus Wide - Fire Alarm Replacement

Request: Establish Phase II Full Construction Budget to replace the fire alarm panels to integrate the entire Pee Dee campus into a single system.

Included in CPIP: Yes – 2023 CPIP Priority 16 of 18 in FY24 (estimated at \$500,000)  
 Phase I Approval: December 2022 (estimated at \$500,000) (JBRC)  
 CHE Approval: N/A  
 Supporting Details: Pages 447-458

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service	7,500		7,500	888,466	895,966
All Sources	<u>7,500</u>		<u>7,500</u>	<u>888,466</u>	<u>895,966</u>

Summary of Work: The project will replace the fire alarm panels in approximately 25 buildings to integrate the entire campus into a single system.

Rationale: Building codes require that all buildings provide fully addressable information in the event of an emergency so that first responders can quickly locate the problem.

Facility Characteristics: The Pee Dee Center Campus buildings total 162,928 square feet and were constructed between 1997 to 2002 (21 to 26 years old). There are approximately 100 to 120 residents and 255 to 275 staff who utilize this campus.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$895,966 funded by Excess Debt Service Funds. Contract execution is expected in December 2023 and completion of construction in December 2025.



41. Project: Department of Disabilities & Special Needs  
 J16.9945: Whitten Center - Hallet, Sloan - Floor Coverings

Request: Establish Phase II Full Construction Budget to remove and replace the existing flooring and to install French drains at three buildings located on the Whitten Campus.

Included in CPIP: Yes - 2023 CPIP Priority 17 of 18 in FY24 (estimated at \$685,000)  
 Phase I Approval: May 2023 (estimated at \$225,000) (JBRC Staff)  
 CHE Approval: N/A  
 Supporting Details: Pages 459-468

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service	9,375		9,375	675,625	685,000
All Sources	<u>9,375</u>		<u>9,375</u>	<u>675,625</u>	<u>685,000</u>

Summary of Work: The project will remove the existing asbestos containing floor covering and mastics prior to replacing the flooring with new LVT, VCT, and adding French drains to prevent water intrusion around the auditorium section of the Hallet Building and carpeting at two Program Buildings.

Rationale: The removal of the existing asbestos containing floor covering and mastics will improve and provide a safer environment, per the agency. The addition of French drains around the auditorium section of the Hallett building will prohibit water intrusion into the existing facility.

Facility Characteristics: The Hallett School is 34,960 square feet and was constructed in 1962 (61 years old). The flooring will be replaced in 21,865 square feet of the building. The Sloan Library is 7,320 square feet and was constructed in 1965 (58 years old). The flooring will be replaced in 6,371 square feet of the building. There are approximately 131 clients plus 19 staff who utilize the facilities.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$685,000 funded by Excess Debt Service Funds. The estimated cost to complete the project has increased from the Phase I estimate because the project scope only included floor covering replacement. Due to some drainage and water intrusion issues discovered, the project scope was expanded to include French drains and other drainage improvements. Contract execution is expected in December 2023 and completion of construction in June 2025.

42. Project: Department of Disabilities & Special Needs  
 J16.9918: Upgrade ATS for Emergency Generators at Coastal Center Dorms

Request: Increase Phase II Full Construction Budget to cover higher than anticipated bid costs to install larger capacity automatic transfer switches in four dormitory buildings.

Included in CPIP: Yes - 2023 CPIP Priority 18 of 18 in FY24 (estimated at \$505,000)  
 Phase I Approval: September 2018 (estimated at \$230,000) (JBRC Staff)  
 Phase II Approval: May 2019 (estimated at \$230,000) (JBRC)  
 CHE Approval: N/A  
 Supporting Details: Pages 469-478

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service	3,450	226,550	230,000	275,000	505,000
All Sources	<u>3,450</u>	<u>226,550</u>	<u>230,000</u>	<u>275,000</u>	<u>505,000</u>

Summary of Work: The project will install larger capacity automatic transfer switches in dormitory buildings 310, 710, 810 and 910. This will provide emergency power to the buildings. The three existing generators to remain and the new generator are capable of improved support with upgraded automatic transfer switches.

Rationale: There were two bid openings, and the last bid came in at \$454,212. Due to the size of the current automatic transfer switches that activate the existing emergency generators which primary power fails, full building support for HVAC and other essential operations is not currently realized.

Facility Characteristics: Highland Buildings 310, 710, 810 and 910 total 30,910 square feet. Building 310 was constructed 1970 (53 years old). Buildings 710, 810, and 910 were constructed in 2005 (18 years old). There are approximately 170 residents and 394 staff who utilize the facilities.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.17 million on June 30, 2023). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$505,000 funded by Excess Debt Service Funds. Contract execution is expected in December 2023 and completion of construction in July 2025.

43. Project: Department of Corrections  
 N04.9797: AE Design Container Farm Vertical Roots - Camille
- Request: Establish Phase I Pre-Design Budget to purchase and install portable structures.
- Included in CPIP: Yes – 2023 CPIP Priority 12 of 14 in FY24 (estimated at \$350,000)
- CHE Approval: N/A
- Supporting Details: Pages 479-488

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				18,000	18,000
All Sources				<u>18,000</u>	<u>18,000</u>

Summary of Work: The project will purchase and install six (6) portable structures. These structures will be utilized under the supervision of the Agriculture Division of Operations to produce fresh leaf greens.

Rationale: The fresh leaf greens produced will offset the food cost to the agency.

Facility Characteristics: The six (6) portable structures will total 2,688 square feet and will be located at Camille Correctional Institution. SCDC feeds 16,000 inmates daily, procuring its leafy green vegetables from an outside vendor. The Agriculture Division of Operations

Financial Impact: This phase of the project will be funded from Appropriated State, Operating Funds (uncommitted balance \$97.28 million on August 1, 2023). The project is expected to result in additional annual operating costs, but those costs have not yet been determined.

Full Project Estimate: \$1,200,000 (internal). Phase II will be funded by \$350,000 in Appropriated State, Operating Funds, and a \$850,000 Donation.

44. Project: Department of Corrections  
 N04.9798: Food Processing Plant Install Boiler

Request: Establish Phase I Pre-Design Budget to purchase and install a new boiler at the food service warehouse.

Included in CPIP: Yes – 2023 CPIP Priority 11 of 14 in FY24 (estimated at \$400,000)

CHE Approval: N/A

Supporting Details: Pages 489-498

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Canteen Revenue				6,000	6,000
All Sources				<u>6,000</u>	<u>6,000</u>

Summary of Work: The project will purchase and install a new steam boiler which will cover approximately 50 square feet of floor space in the mechanical room. The work will be accomplished by a mechanical/electrical contractor.

Rationale: This boiler is used for the purpose of food processing and packaging for the agency's institutions.

Facility Characteristics: The existing boiler in the food service warehouse was installed in 1998 (25 years old). The warehouse is utilized by 2 staff and 25 inmates. The warehouse is used for packaging the vegetables from the SCDC farm that SCDC inmates consume.

Financial Impact: The project will be funded from Canteen Revenue Funds (uncommitted balance \$2.69 million on August 12 2023). 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 expected to result in additional annual operating costs, but those costs have not yet been determined.

Full Project Estimate: \$400,000 (internal).

45. Project: Department of Corrections  
 N04.9799: Manning CI - Asbestos Removal

Request: Establish Phase I Pre-Design Budget to abate asbestos from the ceilings.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 14 in FY24 (estimated at \$800,000)

CHE Approval: N/A

Supporting Details: Pages 499-508

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY23 Carryforward				12,500	12,500
All Sources				<u>12,500</u>	<u>12,500</u>

Summary of Work: The project will abate asbestos from the ceilings of Manning Administration, Training, Cafeteria and Living Quarters. Approximately 66,000 square feet is being repaired in this project. The renovations will utilize outside contractors to abate and monitor air quality during the project.

Rationale: The existing ceiling is in poor condition allowing sections of the ceiling to release the asbestos coating. This is a major health and safety issue.

Facility Characteristics: The area in the building impacted by the project is approximately 66,000 square feet. The building was constructed in 1963 (60 years old). Manning Correctional houses approximately 500 inmates and has an average of 80 staff members.

Financial Impact: The project will be funded from Appropriated State, FY23 Carryforward Funds (uncommitted balance \$11.53 million on August 3 2023). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$880,000 (internal).

46. Project:	Department of Natural Resources P24.6081: York - York Area Office Rebuild				
Request:	Establish Phase I Pre-Design Budget to replace the existing DNR York Office located in central York County.				
Included in CPIP:	Yes – 2023 CPIP Priority 19 of 47 in FY24 (estimated at \$1,350,000)				
CHE Approval:	N/A				
Supporting Details:	Pages 509-518				
Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B) (44) (i)				20,250	20,250
All Sources				<u>20,250</u>	<u>20,250</u>
Summary of Work:	The project will construct a new multipurpose, approximately 3,520 square foot office at the current location that will be designed to meet ADA accessibility standards and PCI requirements. Upon completion of the new building, the old building will be demolished.				
Rationale:	The existing building is only 1,200 square feet and has outlived its useful life. The existing building does not have sufficient space to meet the agencies needs or current security guidelines without major renovation. Additionally, the Freshwater Fisheries section had to vacate property leased from Duke Power due to the latest FERC relicensing plans. Fisheries has occupied storage and temporary office space in the interim, none of which allow for on-site wet lab work.				
Facility Characteristics:	The existing building is 1,200 square feet and was constructed in 1978 (45 years old). The new building will be approximately 3,520 square feet. The new building will enable the agency to consolidate multiple division needs into one facility that is centrally located and convenient to the public in the northern portion of the state. The new building will be utilized by 11 Department of Natural Resources staff, and 20 to 30 public visitors a day.				
Financial Impact:	This phase of the project will be funded from FY23 Appropriated State (nonrecurring) Funds (uncommitted balance \$600K on August 11, 2023). The project is not expected to result in any change in annual operating expenditures.				
Full Project Estimate:	\$1,350,000 (internal). Phase II will be funded by FY23 Appropriated State (nonrecurring), FY23 Carryforward, and Federal, US Fish & Wildlife Service Sportfish Restoration Grant Funds.				

47. Project:	Department of Natural Resources P24.6073: Lexington – Agency Storage Building
Request:	Change Source of Funds and Establish Phase II Full Construction Budget to address the new agency headquarters storage needs in Lexington County.
Included in CPIP:	Yes – 2023 CPIP Priority 12 of 47 in FY24 (estimated at \$1,120,000)
Phase I Approval:	March 2023 (estimated at \$900,000) (JBRC)
CHE Approval:	N/A
Supporting Details:	Pages 519-534

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY23 Carryforward				806,434	806,434
FY17 Appropriated State, Proviso 118.16 (B) (38) (i)				138,000	138,000
Other, Wildlife Endowment	13,500		13,500		13,500
Other, Fish & Wildlife Protection				162,066	162,066
All Sources	13,500		13,500	1,106,500	1,120,000

**Summary of Work:** The project will construct a new storage building on property currently owned by the agency at the Styx receiving compound off of Fish Hatchery Road in Lexington County. This building will enable consolidation of varied storage needs into one facility that is in close proximity to the new headquarters building. The building will also provide sufficient space for large trucks to make deliveries without obstructing the parking area at the headquarters building. The roof to be installed on the new buildings will a standing seam metal roof and will come with a minimum 20-year material and workmanship warranty.

**Rationale:** DNR headquarters will relocate from the Rembert Dennis Building to a new leased building at the State Farmer's Market on Charleston Highway. The preliminary floor plans provided by the lessor for the new building has limited storage space which is insufficient for the agency's current needs.

**Facility Characteristics:** The new storage building to be constructed will be approximately 5,500 square feet. The building will be used by Outreach Programs, Fishing & Hunting Licenses, Fisheries – District Operations, Earth Sciences, and Environmental Review to store equipment, educational materials, and other miscellaneous items.

**Financial Impact:** This phase of the project will be funded from Appropriated State, FY23 Carryforward (uncommitted balance \$807K on August 1, 2023), FY17 Appropriated State (nonrecurring) (uncommitted balance \$919K on August 1, 2023), and Fish & Wildlife Protection Funds (\$901K on August 1, 2023). Revenue received for Fish & Wildlife Protection are received for the protections, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. The project is expected to result in an increase of \$1,100 (years 1 thru 3), in annual operating expenditures.

**Full Project Estimate:** \$1,120,000 funded by Appropriated State, FY23 Carryforward, FY17 Appropriated State (nonrecurring), Fish & Wildlife Protection, and Wildlife Endowment Funds. Contract execution is expected in November 2023 and completion of construction in May 2024.

48. Project: Department of Natural Resources  
 P24.6074: Pickens - Jocassee Gorges WMA Land Acquisition (Keasler Tract)
- Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of approximately 160 acres of land in Pickens County.
- Included in CPIP: Yes – 2023 CPIP Priority 44 of 47 in FY24 (estimated at \$380,000)
- CHE Approval: N/A
- Supporting Details: Pages 535-544

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Fish & Wildlife Protection (Deer)				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

- Rationale: The acquisition of the property will protect additional habitat adjoining the Jocassee Gorges Wildlife Management Area. Acquisition of the tract will provide an additional habitat for the public to engage in outdoor activities. It will be open to the public for outdoor recreational activities.
- Characteristics: The property approximately three miles west of Sunset north of US Highway 11 in northern Pickens County. It is composed of forested uplands containing plant pine and mixed pine/hardwoods. A section of Little Eastatoe Creek and three associated streams located within the property.
- Financial Impact: The property is offered by Naturaland Trust for \$360,000. The due diligence activities will be funded from Fish & Wildlife Protection (Deer) Funds (uncommitted balance \$594K on July 31, 2023). Revenue to this fund is derived income from the sale of freshwater fisheries and wildlife licenses, permits, stamps, and tags. Revenue from this source must be expended by DNR for the protection, promotion, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. The project is expected to result in an increase of \$3,000 (year 1), \$1,500 (year 2), and \$1,000 (year 3), in annual operating expenditures.
- Full Project Estimate: \$380,000 (internal). The acquisition will be funded by Fish & Wildlife Protection (Deer) and Fish & Wildlife Protection (Timber) Funds.



49. Project: Department of Natural Resources  
 P24.6075: Pickens - Jocassee Gorges WMA Land Acquisition (Rocky Bottom Tract)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of approximately 61 acres of land in Pickens County.

Included in CPIP: Yes – 2023 CPIP Priority 45 of 47 in FY24 (estimated at \$246,000)

CHE Approval: N/A

Supporting Details: Pages 545-554

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Fish & Wildlife Protection (Timber)				16,000	16,000
All Sources				<u>16,000</u>	<u>16,000</u>

Rationale: The acquisition of the property will protect additional habitat adjoining the Jocassee Gorges Wildlife Management Area. Acquisition of this tract would support conservation efforts in the Keowee-Toxaway drainage, help protect waters that flow into the Eastatoe River and Lake Keowee and provide additional lands for the public to engage in outdoor recreational activities.

Characteristics: The property approximately one mile east of F. Van Clayton Memorial Highway north of Rocky Bottom Road. It adjoins the Jocassee Gorges Wildlife Management Area on three sides. The site contains a mixture of mixed hardwood forest with herbaceous vegetation and shrubs in the understory. Numerous perennial and ephemeral streams are located on the property, along with big and small game animal species.

Financial Impact: The property is offered by Naturaland Trust for \$230,000. The due diligence activities will be funded from Fish & Wildlife Protection (Timber) Funds (uncommitted balance \$1.43 million on July 31, 2023). Revenue to this fund is derived income from timbers harvests on DNR lands. Revenue from this source must be expended by DNR for the protection, promotion, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. The project is expected to result in an increase of \$1,500 (year 1), \$500 (year 2), and \$500 (year 3), in annual operating expenditures.

Full Project Estimate: \$246,000 (internal).

50. Project: Department of Natural Resources  
 P24.6084: Jasper-Coosawhatchie HP Land Acquisition Part II (OSI)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of approximately 1,205 acres of land in Jasper County.

Included in CPIP: Yes – 2023 CPIP Priority 43 of 47 in FY24 (estimated at \$3,870,000)

CHE Approval: N/A

Supporting Details: Pages 555-564

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USFS Forest Legacy				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: The acquisition of the property will expand a Heritage Preserve/Wildlife Management Area for the public to engage in outdoor recreational activities such as for big and small game hunting. Also, activities to promote bobwhite quail restoration, recruitment of red-cockaded woodpeckers and the expansion of gopher tortoise populations will be undertaken. If the property is acquired, it will be managed as part of the new Coosawhatchie Heritage Preserve/Wildlife Management Area.

Characteristics: The property approximately eight miles north of Ridgeland west of Interstate 95. It adjoins the west side of a 3,507-acre tract recently acquired by DNR and the east side of a 398-acre tract (project P24-6085) proposed for acquisition by DNR. The property is comprised of upland mixed pine, hardwoods, sand ridges, open areas, and wetlands. Approximately 68 priority plant and animal species are known or expected to occur in the area.

Financial Impact: The property is offered by Open Space Institute Land Trust for \$3,850,000. The due diligence activities will be funded from Forest Legacy Administrative Grant Funds (uncommitted balance \$3.02 million on July 31, 2023). The project is expected to result in an increase of \$20,000 (year 1), \$15,000 (year 2), and \$5,000 (year 3), in annual operating expenditures.

Full Project Estimate: \$3,870,000 (internal). The acquisition will be funded by \$3,020,000 in Forest Legacy Administrative Grant and \$830,000 in Heritage Land Trust Funds.

51. Project: Department of Natural Resources  
P24.6085: Jasper-Coosawhatchie HP Land Acquisition Part III (TNC)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of approximately 398 acres of land in Jasper County.

Included in CPIP: Yes – 2023 CPIP Priority 41 of 47 in FY24 (estimated at \$2,690,000)

CHE Approval: N/A

Supporting Details: Pages 565-576

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USFS Forest Legacy				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: The acquisition of the property will expand a Heritage Preserve/Wildlife Management Area for the public to engage in outdoor recreational activities such as for big and small game hunting. Also, activities to promote bobwhite quail restoration, recruitment of red-cockaded woodpeckers and the expansion of gopher tortoise populations will be undertaken. If the property is acquired, it will be managed as part of the new Coosawhatchie Heritage Preserve/Wildlife Management Area.

Characteristics: The property approximately eight miles north of Ridgeland west of Interstate 95. It adjoins the east side Possum Corner Road and the west side of a 1,205-acre parcel (project P24-6084) proposed for acquisition by DNR. The property is comprised of upland mixed pine, hardwoods, sand ridges, open areas, and wetlands. Approximately 68 priority plant and animal species are known or expected to occur in the area.

Financial Impact: The property is offered by The Nature Conservancy for \$2,670,000. The due diligence activities will be funded from Forest Legacy Funds (uncommitted balance \$3.02 million on July 31, 2023). The project is expected to result in an increase of \$5,000 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$2,690,000 (internal). The acquisition will be funded by \$1,415,000 Heritage Land Trust, \$955,000 in Forest Legacy Administrative Grant, \$150,000 in Fish & Wildlife Protection (Timber), and \$150,000 in Fish & Wildlife Protection (Deer) Funds.

52. Project: Department of Employment & Workforce  
 R60.9539: C. Lem Harper Building - Replace Generator

Request: Establish Phase II Full Construction Budget to replace the existing 30 KW generator at the C. Lem Harper Building.

Included in CPIP: Yes – 2023 CPIP Priority 4 of 5 in FY24 (estimated at \$404,390)  
 Phase I Approval: October 2022 (estimated at \$343,650) (JBRC)  
 CHE Approval: N/A  
 Supporting Details: Pages 577-586

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Contingency Assessment	3,350		3,350	401,040	404,390
All Sources	<u>3,350</u>		<u>3,350</u>	<u>401,040</u>	<u>404,390</u>

Summary of Work: The project will replace the existing 30 KW generator with a 300 KW generator capable of providing emergency power to additional loads such as the elevators, the HVAC system, the security system, lighting system, and lighting receptacles.

Rationale: The existing generator has exceeded its useful life, parts are costly, not available or difficult to obtain, and may come without a warranty.

Facility Characteristics: The C. Lem Harper Building is 47,660 square feet and was constructed in 1992 (31 years old). The generator is approximately 31 years old. The building houses the SC Department of Employment and Workforce – Lower Authority Appeals, Higher Authority Appeals, Appellate Panel, Benefits Accuracy Measurement Group, and Migrant Seasonal Farm Workers Advocacy. Approximately 90 staff utilize the facility on a full-time basis and 2,500 staff use the auditorium on an annual basis for training, seminars, and other meetings.

Financial Impact: The project will be funded from Contingency Assessment Funds (uncommitted balance is \$69.75 million on August 31, 2023). Revenue to the fund is generated from the contingency assessment portion of the tax and is accounted for in the special revenue fund which is primarily to fund the administrative costs & employment services. The project is not expected to result any change in annual operating expenditures.

Full Project Estimate: \$404,390 funded by Contingency Assessment Funds. Contract execution is expected in January 2024 and completion of construction in November 2025.

53. Project: South Carolina Department of Transportation  
 U12.9758: McCormick County Maintenance Salt Shed Construction

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

Included in CPIP: Yes – 2023 CPIP Priority 1 of 13 in FY25 (estimated at \$290,000)

CHE Approval: N/A

Supporting Details: Pages 587-595

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	=	=	=	<u>4,350</u>	<u>4,350</u>

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. Since this salt shed is going to be fabric, it does not have a traditional roof.

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 2005 (18 years old). The new salt shed will be 1,824 square feet and store 500 tons of salt. SCDOT Abbeville 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 \$3.56 million on July 20, 2023). Revenue to this fund is generated from motor fuel user fee tax collections. The project is not expected to result any change in annual operating expenditures.

Full Project Estimate: \$290,000 funded by State Highway Funds.

54. Project: Department of Transportation  
 U12.9750: Richland County Salt Shed Construction

Request: Establish Phase II Full Construction Budget to construct a heavy timber structure in Richland County.

Included in CPIP: Yes – 2023 CPIP Priority 3 of 12 in FY24 (estimated at \$420,000)  
 Phase I Approval: June 2022 (estimated at \$420,000) (JBRC)  
 CHE Approval: N/A  
 Supporting Details: Pages 596-611

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, State Highway	6,300		6,300	723,700	730,000
All Sources	<u>6,300</u>		<u>6,300</u>	<u>723,700</u>	<u>730,000</u>

Summary of Work: The project will construct a heavy timber structure 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, heavy timber support columns, and a wood framed roof with asphalt shingles. The roof to be installed will come with a minimum 20-year material and workmanship warranty.

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. The existing salt shed is structurally deficient from salt corrosion. The existing building has been repaired in the past to correct the structural deficiencies but can no longer be practically or cost effectively repaired.

Facility Characteristics: The current salt shed was constructed in 1989 (34 years old). The new salt shed will be 3,100 square feet and store 1,100 tons of salt. SCDOT Richland 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 \$3.56 million on July 20, 2023). Revenue to this fund is generated from motor fuel user fee tax collections. The project is not expected to result any change in annual operating expenditures.

Full Project Estimate: \$730,000 funded by State Highway Funds. Contract execution is expected in January 2024 and completion of construction in October 2024.

55. Project: South Carolina Department of Transportation  
 U12.9754: Laurens County Brine Building Construction

Request: Establish Phase II Full Construction Budget to construct a building for storing brine making equipment in Laurens County.

Included in CPIP: Yes – 2023 CPIP Priority 7 of 12 in FY24 (estimated at \$190,000)  
 Phase I Approval: September 2022 (estimated at \$190,000) (JBRC Staff)  
 CHE Approval: N/A  
 Supporting Details: Pages 612-620

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, State Highway	2,850		2,850	284,150	287,000
All Sources	<u>2,850</u>		<u>2,850</u>	<u>284,150</u>	<u>287,000</u>

Summary of Work: The project will construct a pre-engineered metal facility for storing salt brine making equipment. The storage facility will have a concrete slab floor with storage tanks placed outside of the structure. It will also have lighting and minimal heat only.

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 new storage facility will be 1,320 square feet and will be located near the existing 720 square foot salt shed located at the intersection of SC-49 near I-385. The storage facility will benefit Laurens County and surrounding areas and will be used by SCDOT Laurens County Maintenance Staff during snow and ice operations.

Financial Impact: The project will be funded from Other, State Highway Funds (uncommitted balance \$3.56 million on July 20, 2023). Revenue to this fund is generated from motor fuel user fee tax collections. The project is not expected to result any change in annual operating expenditures.

Full Project Estimate: \$287,000 (internal) funded by State Highway Funds. Contract execution is expected in September 2023 and completion of construction in October 2024.

AGENCY: South Carolina Office of Comptroller General

SUBJECT: Proposed Expenditures Pursuant to Proviso 117.172  
Financial Accountability and Remediation Task Force

Proviso 117.172 of the Fiscal Year 2023-24 Appropriations Act provides

For Fiscal Year 2023-24, with the funds appropriated and/or authorized to the Office of the Comptroller General, the Office shall work, in consultation with the Department of Administration, to conduct a study to evaluate the compensation and staffing of the Office. The study shall review all necessary components of compensation and staffing and shall recommend the required minimum appropriations needed for the operation of the Office. The results of the study shall be provided to the Chairman of the Senate Finance Committee, Chairman of the House Ways and Means Committee, and the Governor by December 1, 2023. The amount recommended shall be the minimum appropriations requested, net of any funding authorized in this proviso, for the Office by January 1, 2024. Of the funds appropriated for office rehabilitation, the Office of the Comptroller General shall work in conjunction with the Division of State Human Resources to present a plan for salary and staffing adjustments and other operating expenses to the Joint Bond Review Committee for review and comment. The Executive Budget Office shall not approve any transfers from office rehabilitation until the plan has been presented before the committee. Any additional FTEs necessary as part of this request shall be deemed approved upon transfer of funding.

Responsive to this Proviso, Comptroller General Gaines has provided by letter dated September 22, 2023, his proposed expenditure plan, summarized as follows:

Personal Services

Implementation of Agencywide Compensation Plan	\$ 185,686
Filling 2 Vacancies (General Counsel and Public Information Director)	192,275
Converting 3 Other Funded FTEs to General Funds	<u>260,051</u>
Total Expenses for Personal Services	\$ 638,012

Operating Expenses

New ACFR Compilation/Development Software	\$ 160,000
ACFR Process Review	172,000
Agency Operating Expenses	<u>29,988</u>
Total Operating Expenses	\$ 361,988

Total Planned Expenses \$1,000,000

Personal services expenditures include implementation of an agencywide compensation plan that contemplates salary increases for every employee of the agency; increases the minimum starting salary for the agency's accounts payable and payroll audit teams; and increases staff salaries for the accounting and financial reporting teams. The Office's plan also includes filling 2 vacancies and converting 3 FTEs from other funding to funding by the General Fund.



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Operating expenditures include development of a new ACFR system to automate the process of compilation and development of the Annual Comprehensive Financial report, which is currently collected via multiple Excel-based templates that are generated and completed manually. The system will provide for direct entry by agencies and will interface with the state's accounting system to promote efficiency while reducing risk of human error. Responsive to a directive of the Constitutional Subcommittee of the Senate Finance Committee, the plan for operating expenditures further includes engagement of an independent accounting firm to conduct a comprehensive review and audit of the ACFR compilation process.

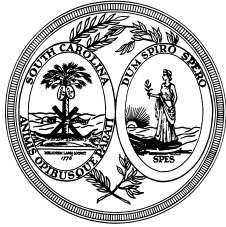
Any funds remaining following these expenditures will be used for any new or non-recurring operating expenses of the agency.

COMMITTEE ACTION:

Review and comment on the proposed expenditure plan in accordance with Proviso 117.172.

ATTACHMENT:

1. Letter dated September 22, 2023, of the Honorable Brian J. Gaines, Comptroller General.



State of South Carolina  
**Office of Comptroller General**

1200 Senate Street  
305 Wade Hampton Office Building  
Columbia, South Carolina 29201

Telephone: (803) 734-2121  
Fax: (803) 734-1765  
E-Mail: [cgooffice@cg.sc.gov](mailto:cgooffice@cg.sc.gov)

**BRIAN J. GAINES**  
COMPTROLLER GENERAL

CHIEF OF STAFF

September 22, 2023

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

Dear Mr. Harmon:

The FY 2023-24 Appropriations Act included an appropriation of \$1 million to the Office of Comptroller General (Office) entitled "Office Rehabilitation". The funding was adjoined with proviso 117.172 which, among other things, required the Office to work with the Division of State Human Resources (DSHR) to present a plan for salary and staffing adjustments and other operating expenses to the Joint Bond Review Committee for its review and comment prior to any expenditure of the appropriated funds. In compliance with this provision, the Office has worked with DSHR to develop a staff salary plan and has identified the major operating expenses for which the funds will be used in the current fiscal year. The components of the expenditure plan are as follows:

**Personal Services Expenses**

**Implementation of an Agencywide Compensation Plan**

The compensation plan provides a salary increase for every employee of the agency ranging from 3% to 38% with an average of 12% agencywide. To make the agency more marketable and competitive, it increases the minimum starting salary for the agency's Statewide Accounts Payable and Payroll Audit teams to \$50,000 and increases the staff salaries for the Statewide Accounting and Financial Reporting teams by an average of 10%.

**Filling Two Vacancies**

The expenditure plan includes the filling of two vacancies within the agency: General Counsel and Public Information Director. The agency has been without a General Counsel since 2013 and without a Public Information Director since 2019.

**Converting Three Other Funded FTEs to General Fund**

The expenditure plan includes the conversion of three FTEs in the Financial Reporting division from other funds to general fund. The Financial Reporting division is responsible for the development of the ACFR which is a statewide function that should be supported with general funds. In addition, two of the agency's other fund revenue sources, Deduction Processing Fee and Child Support Processing Fee, have declined by 28% and 36%, respectively, over the past six years. This conversion places the employees' salaries on a stable funding source.

**Operating Expenditures**

**New ACFR Compilation/Development Software**

The agency has initiated the process of procuring a new software that will be used to automate the compilation and development of the Annual Comprehensive Financial Report. Currently, the agency

collects the information needed from agencies via multiple Excel templates that are generated and completed manually. The new software will be a web-based application that will allow for direct entry by agencies and will also interface with the state's accounting system to allow for greater operational efficiencies and reduce the potential risk of human error.

#### **ACFR Process Review**

On September 1, 2023, the Constitutional Subcommittee of the Senate Finance Committee directed the State Auditor to engage an independent accounting firm to conduct a thorough review and audit of the ACFR compilation process. This review will be an end-to-end process review of the roles, responsibilities, inputs, outputs, controls, and governance of the process. Per the Subcommittee's request, the engagement is to be included in this expenditure plan.


#### **Agency Operating Expenses**

The remaining funds will be used to cover any new and/or one-time operating expenses of the agency.

I greatly appreciate the Committee's review and consideration of this request at its October 10, 2023 meeting.

Should you have any questions or require any additional information, please do not hesitate to contact me.

Sincerely,



Brian J. Gaines  
Comptroller General

Cc: The Honorable Henry D. McMaster, Governor  
The Honorable Harvey S. Peeler, Jr., Chairman, Senate Finance Committee  
The Honorable Bruce W. Bannister, Chairman, House Ways and Means Committee  
The Honorable Larry Grooms, Chairman, Senate Finance Constitutional Subcommittee  
The Honorable Chris Murphy, Chairman, House Ways and Means Constitutional Subcommittee

Enclosures  
Expenditure Plan Summary  
FY 2023-24 Appropriations Act, Proviso 117.172

**Office of Comptroller General**  
**Planned Usage of Office Rehabilitation Funding**  
Proviso 117.172 of Act 84 of 2023

**Personal Services Expenses**

Implementation of Agencywide Compensation Plan	185,686
Filling Two Vacancies (General Counsel and Public Information Director)	192,275
Converting Three Other Funded FTEs to General Funds	260,051
<b>Subtotal Personal Services Expenses</b>	<b><u>638,012</u></b>

**Operating Expenses**

New ACFR Compilation/Development Software	160,000
ACFR Process Review	172,000
Agency Operating Expenses	29,988
<b>Subtotal Operating Expenses</b>	<b><u>361,988</u></b>

**Total Planned Expenses    1,000,000**

**Note:**

Personal Services expenses based on 16 pay periods remaining this fiscal year.

**South Carolina General Assembly**  
125th Session, 2023-2024

**H. 4300**

General Appropriations Bill for Fiscal Year 2023-2024  
Ratified Version

**PART IB**

**117.172.** (GP: Comptroller General Financial Accountability & Remediation Task Force) For Fiscal Year 2023-24, with the funds appropriated and/or authorized to the Office of the Comptroller General, the Office shall work, in consultation with the Department of Administration, to conduct a study to evaluate the compensation and staffing of the Office. The study shall review all necessary components of compensation and staffing and shall recommend the required minimum appropriations needed for the operation of the Office. The results of the study shall be provided to the Chairman of the Senate Finance Committee, Chairman of the House Ways and Means Committee, and the Governor by December 1, 2023. The amount recommended shall be the minimum appropriations requested, net of any funding authorized in this proviso, for the Office by January 1, 2024.

Of the funds appropriated for office rehabilitation, the Office of the Comptroller General shall work in conjunction with the Division of State Human Resources to present a plan for salary and staffing adjustments and other operating expenses to the Joint Bond Review Committee for review and comment. The Executive Budget Office shall not approve any transfers from office rehabilitation until the plan has been presented before the committee. Any additional FTEs necessary as part of this request shall be deemed approved upon transfer of funding.

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AGENCY: South Carolina Department of Commerce

SUBJECT: Proposed Funding to Support Economic Development Project

Proviso 50.10 of the Fiscal Year 2022-23 Appropriations Act established within the South Carolina Department of Commerce the Closing Fund to encourage and facilitate economic development, and for the purpose of competitive recruitment, with use of the Fund for these purposes subject to approval by the Coordinating Council for Economic Development. Proviso 118.19(B)(46)(a) of the Fiscal Year 2022-23 Appropriations Act made provision for a \$200 million appropriation to the Closing Fund, and Proviso 118.19(B)(46.1) provided that the Department 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 from the Closing Fund.

By letter dated October 6, 2022, Secretary of Commerce Lightsey requested review and comment by the Committee of the Department's proposal to fund two (2) grants totaling \$200 million, one of which was to fund a grant of up to \$65 million, and the other of which was to fund a grant of \$135 million. Each of the projects included substantial commitments to new jobs and capital investments by the project sponsors.

By letter dated March 8, 2023, the Department of Commerce notified the Committee that, of the \$65 million grant then publicly identified as a BMW expansion project, \$12 million was anticipated to include acquisition of certain property that BMW no longer sought to acquire. Accordingly, the Department requested, and the Committee approved, deauthorization of \$12 million of the \$65 million prior grant award, which was restored to the Closing Fund for availability to future economic development projects.

By letter dated September 20, 2023, Secretary Lightsey has advised that the request for deauthorization in the amount of \$12 million was understated by \$1 million, and has requested further deauthorization of the understated amount, such that a total of \$13 million would be deauthorized from the original grant and restored to the Closing Fund for availability to other economic development projects.

In addition to the foregoing, Secretary Lightsey has advised that the Coordinating Council for Economic Development reviewed and has recommended execution of a grant award from the Closing Fund in the amount of \$13 million in support of a significant economic development project that includes substantial commitments to new jobs and capital investment.

The award and expenditure of these funds is subject to the review and comment of the Joint Bond Review Committee pursuant to Proviso 118.19(B)(46.1). If review by the Committee is favorable, all funding appropriated to the Closing Fund pursuant to the Fiscal Year 2022-23 Appropriations Act will be exhausted.

COMMITTEE ACTION:

1. Review and comment on the proposed deauthorization of an additional \$1 million in amounts previously authorized for expenditure from the South Carolina Department of Commerce Closing Fund, and restore that amount to the Closing Fund for availability to other economic development projects.
2. Review and comment on the proposed award and expenditure from the Closing Fund.

ATTACHMENTS:

1. Letter dated September 20, 2023, of Mr. Harry M. Lightsey, III, Secretary, South Carolina Department of Commerce.
2. Resolution of South Carolina Coordinating Council for Economic Development dated September 7, 2023.



**Henry McMaster**  
Governor

**SOUTH CAROLINA**  
DEPARTMENT OF COMMERCE

**Harry M. Lightsey III**  
Secretary

September 20, 2023

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 two-fold: (1) to request that the Joint Bond Review Committee (JBRC) deauthorize an additional \$1 million from a previously authorized Closing Fund grant award and (2) to identify and recommend a Closing Fund grant request for review and comment by JBRC at its October 10, 2023 meeting. The grant request concerns a significant confidential economic development project that will create substantial benefits to the State of South Carolina.

The General Assembly has established the Closing Fund at the Department of Commerce to encourage and facilitate economic development and for the purpose of competitive recruitment, subject to approval by the South Carolina Coordinating Council for Economic Development (the "Coordinating Council"). Pursuant to the provisions of Provisos 118.19(B)(46)(a) and 118.19(B)(46.1) of the Fiscal Year 2022-23 Appropriations Act, the General Assembly appropriated \$200 million to the Closing Fund, with the requirement that the Department identify and recommend potential projects for review and comment by the JBRC before any funds may be awarded by the Coordinating Council or expended.<sup>1</sup>

On March 22, 2023, Commerce requested, and JBRC approved, a request to deauthorize \$12 million of a previously authorized \$65 million grant award to support BMW's expansion because BMW was no longer seeking to acquire certain property. We have since realized that Commerce's deauthorization request was understated by \$1 million and that the March request should have been \$13 million, not \$12 million. Accordingly, Commerce now requests that JBRC de-authorize an additional \$1 million from the remaining \$53 million grant award and restore that amount to the Closing Fund leaving an available balance of \$13 million.

On September 7, 2023, the Coordinating Council reviewed a Closing Fund grant application seeking an award of \$13 million in support of a significant economic development project that includes substantial commitments to new jobs and capital investment. After making such findings as are appropriate, the Coordinating Council authorized the Executive Director of the Coordinating Council to execute a grant award agreement with the applicable local government and a performance agreement with the project after such agreements incorporate the review and comment by JBRC. See Resolution dated September 7, 2023, attached hereto. This grant request will exhaust the funds remaining in the Closing Fund from the \$200 million appropriated last year.

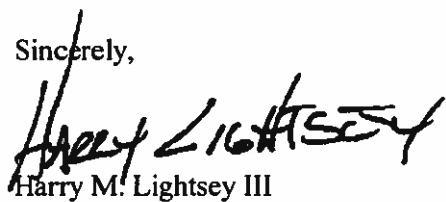
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<sup>1</sup> The appropriation included carryforward authority.



If you have any questions or require further information, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Harry M. Lightsey III". The signature is stylized with a large, prominent "H" and "L".

Harry M. Lightsey III

HMLIII/km  
Attachment

cc: F. Richard Harmon, Jr., Director of Research, Joint Bond Review Committee

**A RESOLUTION AUTHORIZING RECOMMENDATION OF A CLOSING FUND GRANT AWARD TO SUPPORT A SIGNIFICANT ECONOMIC DEVELOPMENT PROJECT WHEREBY, AFTER REVIEW AND COMMENT BY THE JOINT BOND REVIEW COMMITTEE AND INCORPORATION OF SUCH CONDITIONS AS MAY BE REQUIRED, THE SOUTH CAROLINA COORDINATING COUNCIL SHALL AWARD THE GRANT IN FURTHERANCE OF THE PROJECT**

**WHEREAS**, the South Carolina General Assembly, pursuant to Proviso 118.19 (46) contained in Part IB of the 2022-2023 Appropriations Bill, H.5150, as ratified by the General Assembly on June 16, 2022, has made a one-time appropriation of Two Hundred Million Dollars (\$200,000,000) to the Closing Fund of the South Carolina Department of Commerce ("Commerce") for the purpose of supporting the recruitment of significant economic development projects; and

**WHEREAS**, Proviso 50.10 requires that funds appropriated to the Closing Fund for competitive recruitment purposes shall be used as approved by the South Carolina Coordinating Council for Economic Development (the "Coordinating Council"); and

**WHEREAS**, Proviso 118.19 (46.1) further requires that Commerce shall identify and recommend potential projects for review and comment by the Joint Bond Review Committee before any funds may be awarded or expended from the Closing Fund; and

**WHEREAS**, Commerce has presented the confidential details of a significant economic development opportunity (the "Project") to the Coordinating Council, and the Coordinating Council has reviewed an application for a Closing Fund grant to support the Project at its meeting on September 7, 2023; and

**WHEREAS**, the Coordinating Council has determined and found, based on representations by Commerce on behalf of the Project, the grant application, and considering all relevant factors and criteria as prescribed by law that the Project is anticipated to provide substantial public benefits to the State of South Carolina through the creation of a significant number of new full-time jobs and substantial taxable investment; and, that the grant gives rise to no pecuniary liability of the State or a charge against its general credit or taxing power; that the purposes to be accomplished by the Project, i.e., economic development, keeping of jobs, and addition to the local tax base, are proper governmental and public purposes; that the inducement of the location or expansion of the Project within the State is of paramount importance; and that the benefits of the Project will be greater than the costs.

**NOW, THEREFORE, BE IT RESOLVED**, by the Coordinating Council as follows:

**Section 1.** Pursuant to the requirements in Part IB of the 2022-2023 Appropriations Bill, H.5150, that the Coordinating Council approve funding from Commerce's Closing Fund, and, with respect to the \$200 million one-time appropriation by the South Carolina General Assembly of Closing Funds, Commerce must identify and recommend potential projects to the Joint Bond Review Committee for review and comment, the Coordinating Council hereby authorizes Commerce to make such definitive recommendation to the Joint Bond Review Committee

regarding a Closing Fund Grant in the amount of Thirteen Million Dollars and No/100 (\$13,000,000.00) to support the Project.

Section 2. Any comments by the Joint Bond Review Committee shall be incorporated, as appropriate, into applicable agreements memorializing the terms of the proposed grant award, which shall include minimum job and investment commitments and performance provisions regarding same, after which the grant application shall be deemed approved by the Coordinating Council and duly awarded in support of the Project.

Section 3. The Executive Director of the Coordinating Council is hereby authorized to execute a grant award agreement with the applicable local government and a performance agreement with the Project after such agreements incorporate the review and comment by the Joint Bond Review Committee.

Section 4. After the grant has been awarded, a performance agreement has been finalized, and the Project has announced, the Secretary of Commerce, as Chairman of the Coordinating Council, shall confirm in writing to the Joint Bond Review Committee the identity and a summary of the Project as well as the minimum job and investment commitments by the Project that support the grant award, all for the purpose of inclusion of such details in the official record.

Section 5. This resolution shall take effect upon approval and execution.

Dated: September 7, 2023.

**SOUTH CAROLINA COORDINATING COUNCIL  
FOR ECONOMIC DEVELOPMENT**

By:

  
Chris Huffman, Executive Director

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AGENCY: South Carolina Office of Resilience

SUBJECT: Land Acquisition and Coordination Strategy

The South Carolina Office of Resilience requests authority to utilize a modified process for acquiring and funding certain resilience property acquisitions. The modified process is needed in certain cases for the Office to secure grant funding from federal and other non-state resources that otherwise would be foreclosed were the state to directly fund acquisition of qualified properties.

Proviso 117.182 of the Fiscal Year 2023-24 Appropriations Act directs Resource Agencies,<sup>1</sup> including the Office of Resilience, to coordinate and collaborate with the South Carolina Conservation Bank to maximize the most cost-effective options with greatest public benefit in the acquisition of interests in land for natural resource protection and rural land preservation.

In accordance with this directive, the Office proposes to utilize in certain circumstances a qualifying land trust or non-profit Non-State Entity to make the acquisition and secure the maximum non-state funding pursuant to a grant by the Office to the Conservation Bank, which will in turn loan the funds to the Non-State Entity to acquire the property and secure non-state funding.<sup>2</sup> Once opportunities to secure maximum non-state funding have been exhausted, the Non-State Entity will convey title to the acquired property to the state, along with any non-state funding secured in connection with the acquisition.

The Office further proposes modification of the Committee's policy applicable to Phase I Preliminary and Phase II Final Land Acquisitions with a single informed proposal submitted to the Committee that would meet all criteria for a Phase II Final Land Acquisition, including an appraisal of the property, and environmental and building condition assessments, all of which would be funded by the Non-State Entity at the Non-State Entity's expense and risk. The appraisal and assessments would be directed to both the Non-State Entity and the state. The Office intends that the Committee will have available at the time of its review all acquisition costs, appraisals, and assessments. In the event that the acquisition were not to proceed, the funding would be returned by the Non-State Entity to the Office.

The Office commits to diligent accounting and will provide periodic reporting as prescribed by the Committee on the status of all transactions and funds granted or loaned pursuant to this modified process.

Acquisitions of resilience properties directly by Resource Agencies will follow existing policies of the Committee.

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<sup>1</sup> Department of Natural Resources; Department of Parks, Recreation, and Tourism; Office of Resilience; and Forestry Commission.

<sup>2</sup> The Office of Resilience does not have statutory authority to grant or loan funds to non-state entities; however, the Conservation Bank does.

COMMITTEE ACTION:

Approve the modified process for acquisition of resilience properties through Non-State Entities as proposed by the Office of Resilience.

ATTACHMENTS:

1. Letter dated September 25, 2023, of Mr. Benjamin I. Duncan, II, Chief Resilience Officer.
2. Diagram of Leveraged Acquisition Strategy.

25 September 2023

Mr. F. Richard Harmon  
Director of Research  
Joint Bond Review Committee  
321 Gressette Building  
Columbia, SC 20201

Re: South Carolina Office of Resilience – Compliance with Proviso 117.182 and Resilience Property Acquisition Funding Process to Maximize Financial Leverage

Dear Mr. Harmon:

The South Carolina Office of Resilience, in coordination with the SC Conservation Bank and other resource agencies, requests authority to utilize a modified process for funding resilience property acquisitions. The requested process maintains full approval authority with the Joint Bond Review Committee and also maximizes the opportunity for the state to bring in other financial resources to ultimately reduce the acquisition cost.

The Issue

If the state acquires a piece of property, then that property would be deemed protected by other funding sources, in particular, federal grant funding sources. The state is then foreclosed from securing grant funding for the acquisition. Available grant resources include, but are not limited to, NOAA, the EPA, and the U.S. Fish and Wildlife Service. There are millions of dollars of potential grants that would be left behind if the state outright acquires a qualifying property.

FY 23-24 Proviso 117.182

Proviso 117.182 states:

Prior to entering into contracts to utilize funds appropriated or authorized by the General Assembly to acquire interests in land for natural resource protection and rural land preservation, including conservation easements, the Department of Natural Resources, Department of Parks, Recreation, and Tourism, Office of Resilience, and Forestry Commission (Resource Agencies) shall coordinate and collaborate with the SC Conservation Bank to maximize the most cost effective options available for the acquisition with the greatest public benefit. The Conservation Bank shall coordinate with the Resource Agency to ensure that the funds are used for projects that support the agency's objectives, the State's broader conservation objectives, and that demonstrate a satisfactory degree of financial leverage,

partnerships, and other indicators of quality as determined by the Bank and Resource Agency. (Emphasis added).

The Proviso requires the named resource agencies to maximize the most cost-effective options for acquisitions with the greatest public benefit.

#### Prior Resource Agency Cooperation

SCOR has been coordinating with the land conservation related agencies prior to passage of Proviso 117.182. Dating back to the Summer of 2022, SCOR and other conservation or land resource agencies participated in numerous roundtable meetings to discuss acquisition and preservation resource coordination, funding opportunities, mutually beneficial interests, and cooperative efforts. At various times the agencies involved included the SC Conservation Bank, DNR, PRT, Forestry, Ag, and SCOR.

The cooperation among resource agencies, particularly among The SC Conservation Bank, DNR, PRT, and SCOR, has been continuous and open as the entities share relevant information.

#### The Strategic Statewide Resilience and Risk Reduction Plan

In addition to the above-mentioned cooperation, the referenced agencies participated in various parts of SCOR's resilience planning process which yielded the state's first Strategic Statewide Resilience and Risk Reduction Plan (Resilience Plan), please see –

[https://scor.sc.gov/sites/scor/files/Documents/FINAL%20RESILIENCE%20PLAN\\_06282023\\_compressed.pdf](https://scor.sc.gov/sites/scor/files/Documents/FINAL%20RESILIENCE%20PLAN_06282023_compressed.pdf)

Appropriate land usage and natural flood protections from conservation are key elements of the Resilience Plan. One of the Plan's priority recommendations is to maintain natural flood protections provided by the state's wetlands and floodplains, see Resilience Plan, pp. 515-516. The landscape is the first line of defense for flood hazard mitigation as undeveloped lands provide the essential ecosystem services of water infiltration and stormwater conveyance. One way of maintaining natural flood plain protections can be achieved by land acquisitions of wetlands, lands in the floodplain, or non-floodplain lands where flooding can be expected. The various potential properties discussed amongst the Resource Agencies are worthy acquisitions and have value in one or more of the following areas: floodplain or wetlands protection; flood mitigation; conservation values identified by SC Conservation Bank; unique in landform, habitat, cultural or historical significance; or provide co-benefits with other state mission areas.

#### The Solution

Proviso 117.182 was helpful in solidifying the Resource Agencies' cooperative efforts. SCOR's proposed process solution is one outcome of the cooperative effort. A flowchart of the proposed process is attached for reference.

The solution to the issue stated at the outset is to utilize a qualifying land trust or trusted and proven non-profit (Non-State Entity or NSE), to make the acquisition and secure the maximum available leverage funding - which funding is not available to the state. However, in large scale acquisitions, the NSE would typically not have sufficient funding on hand to make a multi-million-dollar acquisition. SCOR

does not have authority to grant or loan funds to non-state entities for floodplain acquisitions. However, the Conservation Bank may do so. Therefore, upon a project-by-project approval by JBRC, SCOR can grant funds to the Conservation Bank, who can in turn loan the funds to the NSE which acquires the property and secures available leverage funding. After the leverage funding opportunities are exhausted, the NSE conveys title to the state along with the leveraged funds.

At the initial appearance before JBRC, JBRC would have all available acquisition cost information. An appraisal would have been secured by the NSE at their risk. The state would be listed as an intended user of the appraisal. An environmental analysis and, if needed, a building condition assessment would be available. All costs to the state would be known. The state would not put any additional funding into the acquisition other than as approved by JBRC.

Once approved, if the acquisition does not move forward for some reason, then the NSE will return the funding to SCOR. If the acquisition proceeds, then SCOR will later return to JBRC and report the amount of leverage funding that has been secured and returned to the state.

If no potential leverage funding is identified, SCOR and the responsible state entity follow the existing 2-stage JBRC process.

#### SCOR's Request

- 1) SCOR requests authority to utilize the modified process above, in coordination with the SC Conservation Bank and other resource agencies.
- 2) SCOR will work with Admin and the Conservation Bank to track the transfer and balances of funds and perform appropriate reconciliations.
- 3) SCOR is happy to provide status updates as preferred by JBRC.
- 4) SCOR will not be the state entity managing the acquired properties.

SCOR is open to any suggested improvements or modifications to the proposed process. SCOR has already reached out to the State Auditor's Office and requested their input to assure SCOR undertakes a compliant and verifiable process.

We thank our colleagues at the SC Conservation Bank, the other Resource Agencies, and Admin for their cooperation and collaboration on this endeavor. Our fellow state entities have been excellent partners in this endeavor to maximize state resources.

Please contact me if you have any questions, and please advise if you need further information.

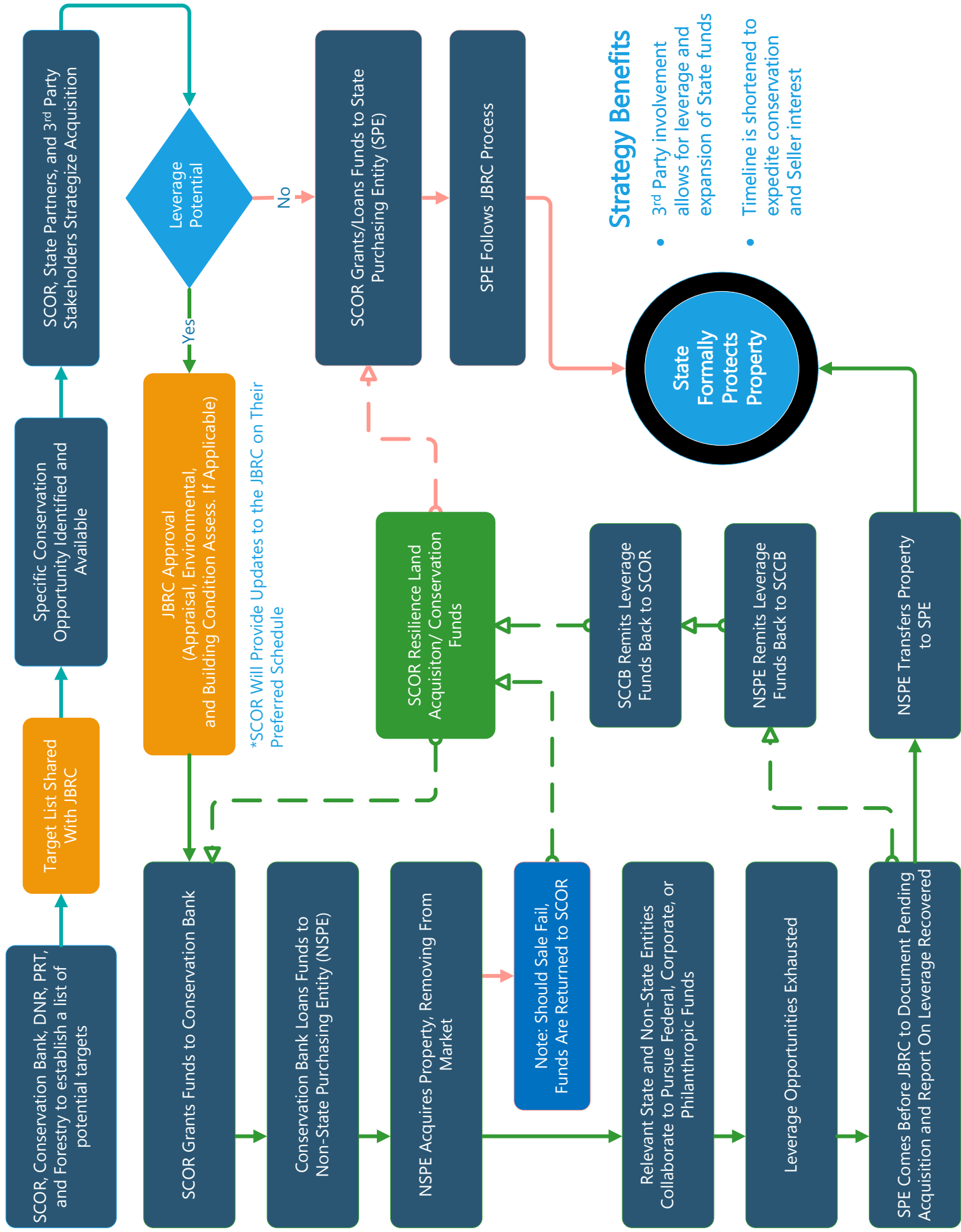
Sincerely,



Benjamin I. Duncan, II  
Chief Resilience Officer



# Leveraged Acquisition Strategy



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AGENCY: South Carolina Department of Mental Health  
South Carolina Department of Veterans' Affairs

PROJECT/SUBJECT: State Veterans Home Projects

At its meeting on August 22, 2023, the Joint Bond Review Committee finalized selection of Lexington County as the location for the next South Carolina veterans home, which is to be constructed as a 129-bed facility to in part replace capacity now served by the Stone Pavilion facility at the C.M. Tucker Nursing Care Center in Columbia, and to exhaust all remaining capacity available under the maximum number of state veterans beds established by the United States Department of Veterans Affairs.<sup>1</sup>

At the time of this action, the Committee was not aware of considerations to potentially close Stone Pavilion prior to completion of the Lexington home, which had not been contemplated within the planning process that led to the selection and other action taken by the Committee at its meetings in June and August of 2023. Further study has concluded that Stone Pavilion will remain open until construction of the Lexington facility is complete; however, the Department of Mental Health expects that immediate capital improvements will be necessary for Stone Pavilion to serve the current population and accept additional residents during the interim. The Department of Mental Health, the SC Department of Veterans' Affairs, and the Department of Administration are engaged with a third party to assess the extent of improvements and associated costs to address these immediate capital needs, and to identify any other considerations necessary to support readiness of Stone Pavilion for transfer of responsibility to the SC Department of Veterans' Affairs by the legislatively mandated transfer date of July 1, 2025.<sup>2</sup>

In addition to the foregoing, the Committee was not aware that designation of the Lexington home as a replacement facility for Stone Pavilion likely will elevate the Lexington home to a higher priority for federal funding among the other South Carolina projects that are designated as new construction projects, specifically the Horry and Orangeburg homes. The prioritization of replacement homes above new construction is established pursuant to federal regulations.<sup>3</sup>

Based on historical federal funding trends, the Department of Mental Health had forecast in June 2023 that federal funding could become available with construction beginning on the Horry project by 2028, and on the Orangeburg project by 2030. The US Department of Veterans Affairs VA State Home Construction Grants Priority List FY2023 published on June 1, 2023, reflected the Horry project ranked as 72 among 73 projects totaling more than \$1 billion, and the Orangeburg project ranked as 105 among 105 projects totaling more than \$722 million.

The impact of the Lexington project, along with other applications and grant funding priorities of the US Department of Veterans Affairs, cannot be predicted with certainty at this time, and likely will not be indicated until the next Priority List is published in June 2024.

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<sup>1</sup> Stone Pavilion is more than 50 years old and has an existing capacity of 90 beds. Following completion of State Veterans Homes presently approved for construction, there will remain available only 39 beds under the maximum number of State Veterans Home beds established by the US Department of Veterans Affairs.

<sup>2</sup> Act 60 of 2023.

<sup>3</sup> 38 CFR § 59.50 – Priority List.

COMMITTEE ACTION:

Receive updated information provided by the Department of Mental Health and the Department of Veterans' Affairs.

ATTACHMENTS:

1. Letter dated September 21, 2023, of Dr. Robert Bank, MD, Acting State Director, South Carolina Department of Mental Health.
2. Letter dated August 22, 2023, of F. Richard Harmon, Jr., Director of Research, Joint Bond Review Committee.
3. 38 CFR § 59.50 – Priority List, annotated by the South Carolina Department of Veterans' Affairs.
4. US Department of Veterans Affairs, VA State Home Construction Grants Priority List FY 2023.



## *State of South Carolina* *Department of Mental Health*

### **MENTAL HEALTH COMMISSION:**

Elliott E. Levy, MD, Chair  
Carl E. Jones, Ph.D., Vice Chair  
L. Gregory Pearce, Jr.  
Bobby H. Mann, Jr.  
Crystal A. Smith Maxwell, MD

2414 Bull Street • P.O. Box 485  
Columbia, SC 29202  
Information: (803) 898-8581

**Robert Bank, MD**  
Acting State Director

September 21, 2023

F. Richard Harmon, Jr.  
Director of Research  
Joint Bond Review Committee

Re: South Carolina Veterans Homes

Dear Mr. Harmon,

On August 22, 2023, the Joint Bond Review Committee selected Lexington County as the location of the state's next veterans nursing home. Upon its completion, this 129-bed facility will replace the capacity at Stone Pavilion at C.M. Tucker Nursing Care Center and exhaust the remaining capacity for the maximum number of state veteran beds established by the U.S. Department of Veterans Affairs.

The submission of information to the Committee's staff for the August 22, 2023 meeting failed to contain relevant information regarding the capital funding prioritization process by the federal Department of Veterans Affairs for state operated veterans nursing homes. I regret the Committee was not given an explanation of the U.S. Department of Veterans Affairs funding prioritization (see attached appendices), and I apologize for this oversight. As a result of the Lexington site being designated as a replacement for Stone Pavilion, the Lexington location will likely rise to the top priority among the site locations submitted by the State of South Carolina for federal funding consideration.

As directed in S399 (Act 60 of 2023), the organizational responsibility for our veterans nursing homes where the day-to-day operations are provided by a private contractor will be transferred to the Department of Veterans Affairs on July 1, 2024. In addition, Stone Pavilion which is currently staffed directly by the Department of Mental Health will be transferred from the Department of Mental Health to the Department of Veterans Affairs on July 1, 2025. I can assure the Committee that the Department of Mental Health will coordinate with the Department of Veterans Affairs so that any additional resource needs, both recurring funding and capital funding, will be submitted to the Governor and the General Assembly for budgetary consideration. Specifically, given the Committee's approval of the Lexington site, we will develop and submit a capital budget request for the required state match funding for the Lexington veterans nursing home for the upcoming budget

cycle. In addition, the Department of Mental Health will coordinate with the Department of Veterans Affairs on communication with the federal Department of Veterans Affairs related to federal matching funds for recurring and capital costs for South Carolina's veterans nursing homes. Coordination and collaboration are necessary for success.

There are immediate capital improvements necessary for Stone Pavilion to continue to serve the current population and accept additional residents. Our estimate of costs for those capital improvements are in the range of \$11 million to \$13 million. This is subject to a final third-party inspection, scheduled for early October, that will serve to provide a more accurate estimate. The Department of Mental Health will utilize existing resources to fund these capital improvements to the maximum extent possible and then assess whether a budget request is warranted for Fiscal Year 2024-25. Given that it is unknown when the Lexington site will become operational, the Department must plan for the possibility that Stone Pavilion will operate for multiple years, and Stone Pavilion will remain open until the Lexington facility is complete. I expect costs estimates will be finalized very soon and the differential between our internal available resources and the overall costs for Stone Pavilion will be included in our budget submission to the Executive Budget Office. Our mission is to have a space for every veteran who desires one, and the effective operation of Stone Pavilion is a key to fulfilling that mission.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert L. Bank, M.D.', with a stylized flourish at the end.

Robert L. Bank, M.D.  
Acting State Director  
South Carolina Department of Mental Health

**Capital Improvements  
Joint Bond Review Committee**

**HARVEY S. PEELER, JR.**  
SENATE  
CHAIRMAN

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

**MILLER A. SMOAK**  
ADMINISTRATIVE ASSISTANT  
803-212-6677  
FAX: 803-212-6690

August 22, 2023

Dr. Robert L. Bank, M.D.  
Acting State Director  
South Carolina Department of Mental Health  
2414 Bull Street  
Columbia, South Carolina 29201

Major General (Ret.) Todd B. McCaffrey  
Secretary of Veterans' Affairs  
South Carolina Department of Veterans Affairs  
1800 St. Julian Place  
Suite 305  
Columbia, SC 29204

Re: South Carolina Veterans Homes

Dear Dr. Bank and General McCaffrey:

At its meeting today, the Joint Bond Review Committee selected Lexington County as the location for the next South Carolina veterans home, to be constructed as a 129-bed facility that has been proposed to replace existing capacity at the Stone Pavilion facility at C.M. Tucker Nursing Care Center in Columbia, and to exhaust all remaining capacity available under the maximum number of state veterans beds established by the United States Department of Veterans Affairs.

In addition to the foregoing, the Committee authorized the submission of a permanent improvement project proposal by the Department of Mental Health or the South Carolina Department of Veterans Affairs, as appropriate; further authorized any adjustments necessary to the capital budget of the Department of Mental Health or the Department of Veterans Affairs, as appropriate, reflecting the budgetary implications of these actions; further authorized any actions and amendments necessary to maintain the status, priority, and funding of any South Carolina veterans home affected by the transfer of responsibility for construction, administration, management, and operation of the South Carolina veterans homes from the Department of Mental Health to the Department of Veterans Affairs; and continued the authorization for Committee staff to review and make recommendations regarding any requests by the Department of Mental Health or the Department of Veterans Affairs, as appropriate, to advance South Carolina veterans home projects to become eligible for federal funding, and to facilitate the transfer of responsibility of South Carolina veterans homes from the Department of Mental Health to the Department of Veterans Affairs.

## Capital Improvements Joint Bond Review Committee

Dr. Robert L. Bank, M.D.  
Major General (Ret.) Todd B. McCaffrey  
August 22, 2023  
Page 2

The actions above followed a status report provided to and considered by the Committee on May 16, 2023, and a directive from the Committee for the Department of Mental Health to work with Committee staff in making a recommendation for the site of the next State Veterans Home for consideration by the Committee at its meeting on June 20, 2023. The original proposal presented to the Committee in June was supplemented with additional information indicating that, on completion of other state veterans homes currently approved for construction, South Carolina had remaining capacity of only 39 beds to reach the maximum number of state veterans beds established by the United States Department of Veterans Affairs. As a result, the Committee tentatively selected Lexington County as the next site, but deferred firm action until a revised cost estimate could be developed to eventually replace the 90 beds at Stone Pavilion and exhaust the remaining 39 bed capacity, with the revised cost estimate submitted, if possible, for consideration at the meeting of the Committee on August 22, 2023.

Within the last ten days, Committee staff has learned of considerations to close Stone Pavilion on an accelerated schedule not previously disclosed to the Committee, and not contemplated within the planning described above. Staff is also aware of considerations to potentially redirect residents of Stone to the Sumter home, convert Fewell Pavilion from a quarantine facility, and explore reprioritization of earlier replacement of Stone within the US Department of Veterans Affairs State Home Construction Grants Priority List. For a variety of reasons too numerous to communicate here, the Committee is likely to have concerns about the plausibility and implications of both the early closure and the replacement plans, neither of which has it been made aware.

As is well-established, the Committee has taken an active and engaged role in addressing the needs of South Carolina veterans and their families, through among other things strategic planning of state home locations, championing substantial state funding commitments to their construction, and providing close oversight of the South Carolina veterans home expansion program. Needless to say, the potential early closure of Stone Pavilion and the attendant consequences will be of considerable interest to the Committee.

Accordingly, please plan to engage with Committee staff in preparation to disclose and address these plans at the next meeting of the Committee on October 10, 2023.

Very truly yours,



F. Richard Harmon, Jr.  
Director of Research

c: Ms. Marcia S. Adams, Executive Director, South Carolina Department of Administration  
Mr. Mike Shealy, Interim Director, Executive Budget Office  
Mr. Mark W. Binkley, South Carolina Department of Mental Health  
Mr. Quentin Hawkins, Senate Finance Committee  
Mr. Daniel Boan, House Ways and Means Committee  
Ms. Olivia Burns, Senate Finance Committee



## Department of Veterans Affairs

§ 59.50

State	Maximum number of state home, nursing home & domiciliary beds based on 2020 projections
Oregon .....	907
Pennsylvania .....	2336
Puerto Rico .....	288
Rhode Island .....	157
South Carolina .....	1089
South Dakota .....	179
Tennessee .....	1311
Texas .....	4119
Utah .....	426
Vermont .....	142
Virginia .....	1903
Virgin Islands .....	12
Washington .....	1687
West Virginia .....	406
Wisconsin .....	1062
Wyoming .....	154
American Samoa .....	0
Guam .....	12
N. Mariana Islands .....	1

SC Max funded bed count here

NOTE TO PARAGRAPH (a): The provisions of 38 U.S.C. 8134 require that the “un-met need” numbers be based on a 10-year projection of demand for nursing home and domiciliary care by veterans who at such time are 65 years of age or older and who reside in that state. In determining the projected demand, VA must take into account travel distances for veterans and their families.

(b) A State may request a grant for a project that would increase the total number of State nursing home and domiciliary beds beyond the maximum number for that State, if the State submits to VA, documentation to establish a need for the exception based on travel distances of at least two hours (by land transportation or any other usual mode of transportation if land transportation is not available) between a veteran population center sufficient for the establishment of a State home and any existing State home. The determination regarding a request for an exception will be made by the Secretary.

(Authority: 38 U.S.C. 101, 501, 1710, 1742, 8105, 8131–8137)

[66 FR 33847, June 26, 2001, as amended at 75 FR 17860, Apr. 8, 2010]

### § 59.50 Priority list.

(a) The Secretary will make a list prioritizing the applications that were received on or before April 15 and that were approved under § 59.20 of this part. Except as otherwise provided in this section, applications will be prioritized

from the highest to the lowest in the following order:

(1) *Priority group 1.* An application from a State that has made sufficient funds available for the project for which the grant is requested so that such project may proceed upon approval of the grant without further action required by the State (such as subsequent issuance of bonds) to make such funds available for the project. To meet this criteria, the State must provide to VA a letter from an authorized State budget official certifying that the State funds are, or will be, available for the project, so that if VA awards the grant, the project may proceed without further State action to make such funds available (such as further action to issue bonds). If the certification is based on an Act authorizing the project and making available the State's matching funds for the project, a copy of the Act must be submitted with the certification.

(i) *Priority group 1—subpriority 1.* An application for a life or safety project, which means a project to remedy a condition, or conditions, at an existing facility that have been cited as threatening to the lives or safety of one or more of the residents or program participants in the facility by a VA safety office, VA engineering office, or other VA office with responsibility for life and safety inspections; a State or local government agency (including a Fire Marshal); or an accrediting institution (including the Joint Commission on Accreditation of Healthcare Organizations). Unless an addition or replacement of building utility systems or features is necessary to remedy a cited threat to the lives or safety of residents and program participants, this priority group does not include applications for the addition or replacement of building utility systems or features; such applications will be prioritized in accordance with the criteria in subpriority group 5 of priority group 1. An application may be included in this subpriority group only if all of the funds requested would be used for a life or safety project; or, if the estimated cost of the life or safety project is under \$400,000.00, and the majority of the funds requested would be used for such a project. Projects in this subpriority

Priority 1 for homes with state matching funds available

Prioritization is made annually



§ 59.50

38 CFR Ch. I (7–1–21 Edition)

group will be further prioritized in the following order:

- (A) Seismic;
- (B) Building construction;
- (C) Egress;
- (D) Building compartmentalization (e.g., smoke barrier, fire walls);
- (E) Fire alarm/detection;
- (F) Security;
- (G) Asbestos/hazardous materials; and
- (H) All other projects (e.g., nurse call systems, patient lifts).

(ii) *Priority group 1—subpriority 2.* An application from a State that has not previously applied for a grant under 38 U.S.C. 8131–8137 for construction or acquisition of a State nursing home.

(iii) *Priority group 1—subpriority 3.* An application for construction or acquisition of a nursing home or domiciliary from a State that has a great need for the beds that the State, in that application, proposes to establish.

(iv) *Priority group 1—subpriority 4.* An application from a State for renovations to a State Home facility other than renovations that would be included in subpriority group 1 of priority group 1. Projects will be further prioritized in the following order:

(A) Adult day health care renovation and construction of a new adult day health care facility that replaces an existing facility;

(B) Nursing home renovation (e.g., patient privacy) and construction of a

new nursing home that replaces an existing nursing home;

(C) Code compliance under the Americans with Disabilities Act;

(D) Building systems and utilities (e.g., electrical; heating, ventilation, and air conditioning (HVAC); boiler; medical gasses; roof; elevators);

(E) Clinical-support facilities (e.g., for dietetics, laundry, rehabilitation therapy); and

(F) General renovation/upgrade (e.g., warehouse, storage, administration/office, multipurpose).

(v) *Priority group 1—subpriority 5.* An application for construction or acquisition of a nursing home or domiciliary from a State that has a significant need for the beds that the State in that application proposes to establish.

(vi) *Priority group 1—subpriority 6.* An application for construction or acquisition of a nursing home or domiciliary from a State that has not demonstrated that State funds are being used to protect the lives or safety of the residents and program participants of the facility as required in § 59.50(e).

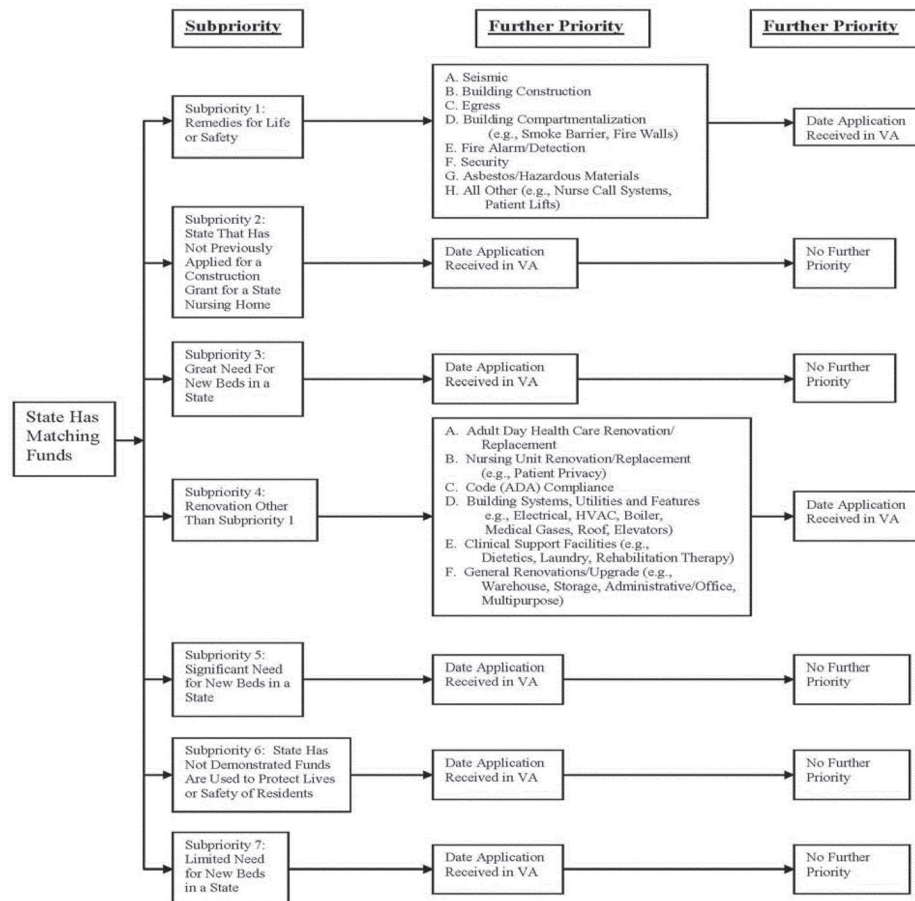
(vii) *Priority group 1—subpriority 7.* An application for construction or acquisition of a nursing home or domiciliary from a State that has a limited need for the beds that the State, in that application, proposes to establish.

NOTE TO PARAGRAPH (a)(1): The following chart is intended to provide a graphic aid for understanding priority group 1 and its subpriorities.

Horry and Orangeburg fall in this priority....

The Lexington Home falls in this priority...

## Example – Prioritization for Priority Group 1



(2) *Priority group 2.* An application not meeting the criteria of paragraph (a)(1) of this section but meeting the criteria of paragraph (a)(1)(i) of this section. Projects within this priority group will be further prioritized the same as in paragraphs (a)(1)(i)(A) through (a)(1)(i)(H) of this section.

(3) *Priority group 3.* An application not meeting the criteria of paragraph (a)(1) of this section but meeting the

criteria of paragraph (a)(1)(ii) of this section.

(4) *Priority group 4.* An application not meeting the criteria of paragraph (a)(1) of this section but meeting the criteria of paragraph (a)(1)(iii) of this section.

(5) *Priority group 5.* An application not meeting the criteria of paragraph (a)(1) of this section but meeting the criteria of paragraph (a)(1)(iv) of this section. Projects within this priority

group will be further prioritized the same as in paragraphs (a)(1)(iv)(A) through (a)(1)(iv)(F) of this section.

(6) *Priority group 6.* An application not meeting the criteria of paragraph (a)(1) of this section but meeting the criteria of paragraph (a)(1)(v) of this section.

(7) *Priority group 7.* An application not meeting the criteria of paragraph (a)(1) of this section but meeting the criteria of paragraph (a)(1)(vi) of this section.

(8) *Priority group 8.* An application not meeting the criteria of paragraph (a)(1) of this section but meeting the criteria of paragraph (a)(1)(vii) of this section.

(b)(1) If a State accepts a partial grant for a project under § 59.80(a)(2), VA will give that project the highest priority for the next fiscal year within the priority group to which it is assigned (without further prioritization of that priority group) to receive up to 30 percent of the funds available for that year. Funds available do not include funds conditionally obligated in the previous fiscal year under § 59.70(a)(2).

(2) If, in a given fiscal year, more than one State previously accepted a partial grant under § 59.80(a)(2), these partial-grant recipients will be further prioritized on the priority list for that fiscal year based on the date that VA first awarded a partial grant for the project (the earlier the grant was awarded, the higher the priority given). The partial-grant recipients, in aggregate, may receive up to 30 percent of the funds available for that year that would be set aside for partial-grant recipients.

(c) An application will be given priority on the priority list (after applications described in paragraph (b) of this section) for the next fiscal year ahead of all applications that had not been approved under § 59.20 on the date that the application was approved under § 59.20, if:

(1) During the current fiscal year VA would have awarded a grant based on the application except for the fact that VA determined that the State did not, by July 1, provide evidence that it had its matching funds for the project, and

(2) The State was notified prior to July 1 that VA had funding available for this grant application.

(d) Applications in each priority or subpriority group will be further prioritized based on the date the application was received in VA (the earlier the application was received, the higher the priority given). Projects will be prioritized under this paragraph after all prioritization is completed under the projects' priority or subpriority group, as specified in paragraph (a) of this section, and only if necessary to give separate priorities to applications that have the same priority ranking after the prioritization specified in paragraph (a) of this section is accomplished.

(e) If any State home in a State has been cited by a VA safety office, VA engineering office, or other VA office with responsibility for life and safety inspections; a State or local government agency (including a Fire Marshal); or an accrediting institution (including the Joint Commission on Accreditation of Healthcare Organizations) for conditions that threaten the lives or safety of one or more of the residents or program participants in the facility, the State must include in any application submitted under § 59.20 or its updates to such application its plan to address all such citations. If VA determines that the State's plan fails to set forth how it will address such citations in a reasonable period of time, then VA will prioritize all applications of such State as follows:

(1) Applications that meet the criteria of paragraph (a)(1) of this section, but do not meet the criteria of paragraphs (a)(1)(i) or (vii) of this section, will be prioritized in subpriority group 6 of priority group 1 (paragraph (a)(1)(vi) of this section).

(2) Applications not meeting the criteria for placement in priority group 1 (paragraph (a)(1) of this section) and not meeting the criteria of subpriority group 1 of priority group 1 (paragraph (a)(1)(i) of this section) will be prioritized in priority group 7 (paragraph (a)(7) of this section).

(f) The priority list will not contain any project for the construction or acquisition of a hospital or hospital beds.

## Department of Veterans Affairs

## § 59.70

(g) For purposes of establishing priorities under this section:

(1) A State has a great need for nursing home and domiciliary beds if the State:

(i) Has no State homes with nursing home or domiciliary beds, or

(ii) Has an unmet need of 2,000 or more nursing home and domiciliary beds;

(2) A State has a significant need for nursing home and domiciliary beds if the State has an unmet need of 1,000 to 1,999 nursing home and domiciliary beds; and

(3) A State has a limited need for nursing home and domiciliary beds if the State has an unmet need of 999 or fewer nursing home and domiciliary beds.

(h) Except for applications that must be included in subpriority group 1 of priority group 1, applications for projects with components that could be prioritized in more than one priority group will be placed in the priority group toward which the largest share of the cost of the project is allocated. Once the correct priority group is determined, applications for projects with components that could be prioritized in more than one subpriority group in that priority group will be placed in the subpriority group toward which the largest share of the cost of the project is allocated. For example, if a project for which 25 percent of the funds needed would address seismic issues and 75 percent of the funds needed would be for building construction in a State with a great need for new beds, the project would be placed in subpriority group 3. If the highest-cost component of an application for multiple projects does not meet the criteria for placement in priority group 1, subpriority group 1, because it is estimated to cost \$400,000.00 or more, it will be prioritized based on the component with the next largest share of the cost.

(i) Once the Secretary prioritizes the applications in the priority list, VA will not change the priorities unless a

change is necessary as a result of an appeal.

(Authority: 38 U.S.C. 101, 501, 1710, 1742, 8105, 8131–8137)

[66 FR 33847, June 26, 2001, as amended at 71 FR 46104, Aug. 11, 2006; 77 FR 10665, Feb. 23, 2012; 78 FR 21265, Apr. 10, 2013]

### § 59.60 Additional application requirements.

For a project to be eligible for a grant under this part for the fiscal year for which the priority list was made, during that fiscal year the State must submit to VA an original and a copy of the following:

(a) Complete, updated Standard Forms 424 (mark the box labeled application and submit the information requested for an application), 424C, and 424D (these forms are available on the internet Web site provided in § 59.170 of this part), and

(b) A completed VA Form 10–0388–5 and all information and documentation specified by VA Form 10–0388–5 (this form is available on the internet Web site provided in § 59.170).

(Authority: 38 U.S.C. 101, 501, 1710, 1742, 8105, 8131–8137)

[66 FR 33847, June 26, 2001, as amended at 73 FR 58880, Oct. 8, 2008]

### § 59.70 Award of grants.

(a) The Secretary, during the fiscal year for which a priority list is made under this part, will:

(1) Award a grant for each application that has been approved under § 59.20, that is sufficiently high on the priority list so that funding is available for the application, that meets the additional application requirements in § 59.60, and that meets all other requirements under this part for obtaining a grant, or

(2) Conditionally approve a grant for a project for which a State has submitted an application that substantially meets the requirements of this part if the State representative requests conditional approval and provides written assurance that the State will meet all requirements for a grant not later than 180 calendar days after the date of conditional approval. If a State that has obtained conditional approval for a project does not meet all of


Total SC  
need is 1089  
beds  
648 beds  
accredited  
when Horry  
and  
Orangeburg  
applications  
submitted.  
Total  
remaining  
requirement  
is <999  
beds,  
thus 'limited  
need'  
subpriority 7

# VA State Home Construction Grants Priority List FY 2023

VA Priority List Group 1 (State Matching Funds)							
Rank	FAI No.	State	Locality	Description	Ranking	Estimated VA Share	Cumulative
1	53-035	WA	Orting	Safety: Sprinklers, Wander Guard, Doors	1.1H	\$501,410.00	\$501,410.00
2	51-014	VA	Roanoke	Safety: Elopement System, Building Automation, Water Management, Telephone System	1.1H	\$588,410.70	\$1,089,820.70
3	48-039	TX	El Paso	Safety: Fire alarm and sewer lift station replacement	1.1H	\$450,430.50	\$1,540,251.20
4	26-029	MI	Marquette	Bed Replacement: 140 Bed Facility	1.4B	\$57,619,290.95	\$59,159,542.15
5	33-011	NH	Tilton	Renovation: Third Floor Addition	1.4B	\$8,807,500.00	\$67,967,042.15
6	16-009	ID	Boise	Bed Replacement: 152 Bed Facility	1.4B	\$70,023,724.20	\$137,990,766.35
7	06-071	CA	Yountville	Bed Replacement: 240 Bed Facility	1.4B	\$209,341,970.50	\$347,332,736.85
8	40-066	OK	Ardmore	Bed Replacement: 42 Bed Wing	1.4B	\$105,741,105.31	\$453,073,842.16
9	05-006	AR	Northwest Arkansas	Bed Replacement: 96 Bed Facility	1.4B	\$29,426,942.35	\$482,500,784.51
10	40-072	OK	Sulphur	Renovation: 66 Bed Redesign	1.4B	\$5,117,989.50	\$487,618,774.01
11	28-014	MS	Pearl	Bed Replacement: 150 Bed Facility	1.4B	\$46,317,375.00	\$533,936,149.01
12	35-006	NM	Truth or Consequences	Bed Replacement: 72 Bed Facility	1.4B	\$32,241,643.20	\$566,177,792.21
13	16-016	ID	Lewiston	Bed Replacement: 66 bed facility	1.4B	\$34,326,825.00	\$600,504,617.21
14	16-017	ID	Pocatello	Bed Replacement: 66 bed facility	1.4B	\$35,626,150.85	\$636,130,768.06
15	49-007	UT	Salt Lake City	Bed Replacement: 105 Bed Facility	1.4B	\$31,809,532.90	\$667,940,300.96
16	13-026	GA	Milledgeville	Renovation: ADA Renovations	1.4C	\$1,504,544.85	\$669,444,845.81
17	26-021	MI	Grand Rapids	Renovation: HVAC Controls Upgrade	1.4D	\$1,023,100.00	\$670,467,945.81
18	09-019	CT	Rocky Hill	Renovation: Alarms, Threat Detection	1.4D	\$1,272,960.00	\$671,740,905.81
19	29-052	MO	Mt. Vernon	Renovation: Roof Replacement	1.4D	\$1,836,662.75	\$673,577,568.56
20	02-002	AK	Palmer	Renovation: Roofing	1.4D	\$3,250,000.00	\$676,827,568.56
21	55-082	WI	King	Renovation: Water Systems Upgrades	1.4D	\$1,548,300.00	\$678,375,868.56
22	32-006	NV	Boulder City	Renovation: Nurse Call System	1.4D	\$294,633.29	\$678,670,501.85
23	36-044	NY	St. Albans	Renovation: HVAC Upgrade Phase 3B	1.4D	\$669,899.75	\$679,340,401.60
24	55-084	WI	King	Renovation: Electrical and Emergency Power Upgrades, LED Lighting	1.4D	\$3,140,800.00	\$682,481,201.60
25	55-086	WI	Union Grove	Renovation: Phone System and Nurse Call Upgrades	1.4D	\$2,382,900.00	\$684,864,101.60
26	12-029	FL	Lake Baldwin	Renovation: Emergency Life Safety Improvements and Facility Renovations	1.4D	\$5,167,500.00	\$690,031,601.60
27	34-037	NJ	Paramus	Renovation: Air Conditioning, Refrigeration	1.4D	\$929,825.00	\$690,961,426.60
28	17-054	IL	Manteno	Renovation: Roofing	1.4D	\$2,301,000.00	\$693,262,426.60
29	32-010	NV	Boulder City	Renovation: Chiller, Temperature Control System Replacement, Kitchen Hood and Ventilation	1.4D	\$2,047,684.60	\$695,310,111.20
30	17-056	IL	Manteno	Renovation: Roof Replacement	1.4D	\$2,317,750.50	\$697,627,861.70
31	17-057	IL	Manteno	Safety: Legionella, Water Filtration, Piping Upgrades	1.4D	\$2,084,225.00	\$699,712,086.70
32	17-058	IL	LaSalle	Safety: Fire Alarm, Nurse Call System Replacement	1.4D	\$337,385.75	\$700,049,472.45
33	27-056	MN	Silver Bay	Renovation: HVAC Replacement	1.4D	\$3,900,000.00	\$703,949,472.45
34	17-059	IL	LaSalle	Safety: Generator, Chiller, Mechanical Systems	1.4D	\$1,306,204.90	\$705,255,677.35
35	17-060	IL	Quincy	Safety: Domestic Water Loop	1.4D	\$2,547,681.50	\$707,803,358.85
36	36-052	NY	St. Albans	Renovation: HVAC Phase 3A	1.4D	\$1,763,028.25	\$709,566,387.10
37	42-053	PA	Philadelphia	Renovation: HVAC, ATC, Cameras and Vehicle Access Point	1.4D	\$2,496,000.00	\$712,062,387.10
38	34-040	NJ	Menlo Park	Renovation: Nurse Stations, Generator, Chillers, Bathroom Flooring, Hot Water Storage Tanks	1.4D	\$1,858,392.61	\$713,920,779.71
39	55-088	WI	Union Grove	Renovation: Roofing and Nurse Call System	1.4D	\$661,986.00	\$714,582,765.71
40	53-044	WA	Orting	Renovation: Electrical and Mechanical Building Upgrades	1.4D	\$1,576,250.00	\$716,159,015.71
41	53-046	WA	Port Orchard	Renovation: Nurse call, roof, generator, chapel upgrades	1.4D	\$2,041,000.00	\$718,200,015.71
42	17-061	IL	Manteno	Renovation: Air handler replacement Phase 1	1.4D	\$2,169,548.80	\$720,369,564.51
43	17-063	IL	Quincy	Renovation: Roof Replacement	1.4D	\$264,355.00	\$720,633,919.51
44	17-062	IL	Manteno	Renovation: water main, plumbing replacement	1.4D	\$2,086,440.88	\$722,720,360.39
45	36-058	NY	Oxford	Renovation: Solar power upgrades	1.4D	\$731,869.60	\$723,452,229.99
46	36-060	NY	Batavia	Renovation: Air handler replacement	1.4D	\$580,528.97	\$724,032,758.96
47	36-062	NY	St. Albans	Renovation: Security Cameras	1.4D	\$547,066.65	\$724,579,825.61
48	17-066	IL	Manteno	Renovation: Air Handlers Replacement Phase 2	1.4D	\$2,447,458.00	\$727,027,283.61
49	55-090	WI	King	Renovation: HVAC and Controls Upgrades	1.4D	\$2,444,000.00	\$729,471,283.61
50	41-010	OR	The Dalles	Renovation: Air handling units replacement	1.4D	\$2,161,412.50	\$731,632,696.11
51	42-052	PA	Holidaysburg	Renovation: Domiciliary Building Upgrades	1.4E	\$6,949,800.00	\$738,582,496.11
52	39-055	OH	Georgetown	Renovation: Maintenance Warehouse and Dining Room Expansion, Service Elevator Addition	1.4F	\$1,330,574.70	\$739,913,070.81
53	55-083	WI	Union Grove	Renovation: Kitchenettes, Restrooms, Drinking Fountains, Handrails, HVAC	1.4F	\$451,750.00	\$740,364,820.81
54	27-054	MN	Silver Bay	Renovation: Exterior Windows	1.4F	\$494,049.54	\$740,858,870.35
55	34-038	NJ	Vineland	Renovation: Rotunda, Main Entrance, ADA Compliance Ramps and Bathrooms, Fencing	1.4F	\$265,850.00	\$741,124,720.35
56	55-085	WI	Union Grove	Renovation: Kitchen Remodel	1.4F	\$2,081,956.50	\$743,206,676.85
57	27-055	MN	Luverne	Renovation: Interior Door Replacement	1.4F	\$481,121.99	\$743,687,798.84
58	28-012	MS	Collins	Renovation: Flooring, chapel hallway remodel	1.4F	\$650,000.00	\$744,337,798.84
59	51-018	VA	Virginia Beach	Renovation: Storage, Wall finishes	1.4F	\$1,978,325.73	\$746,316,124.57
60	51-019	VA	Vint Hill	Renovation: Storage, Wall finishes	1.4F	\$1,978,325.73	\$748,294,450.30
61	51-020	VA	Roanoke	Renovation: Elevators, Wall Finishes, Patient Lift	1.4F	\$6,525,904.44	\$754,820,354.74
62	51-021	VA	Richmond	Renovation: Wall finishes, Patient Lift, Legionella Control, HVAC	1.4F	\$6,572,724.42	\$761,393,079.16
63	53-043	WA	Orting	Renovation: Kitchen, staff space remodel, therapy garden, campus security upgrades	1.4F	\$1,228,500.00	\$762,621,579.16
64	53-047	WA	Spokane	Renovation: 2nd floor addition, Therapy Spaces Improvements	1.4F	\$1,283,750.00	\$763,905,329.16
65	17-064	IL	Manteno	Renovation: Central Kitchen Upgrades	1.4F	\$616,515.90	\$764,521,845.06
66	36-057	NY	Oxford	Renovation: Water tank Replacement	1.4F	\$716,369.85	\$765,238,214.91
67	36-059	NY	St. Albans	Renovation: Storage building	1.4F	\$661,500.00	\$765,899,714.91
68	17-065	IL	Manteno	Renovation: Bathroom upgrades	1.4F	\$3,582,865.00	\$769,482,579.91
69	56-008	WY	Buffalo	Renovation: 77 Bed Domiciliary	1.4F	\$46,150,000.00	\$815,632,579.91
70	53-048	WA	Spokane	Renovation: Finishes, lighting, ceiling grid, canopy upgrades	1.4F	\$1,316,250.00	\$816,948,829.91
71	37-021	NC	Raleigh	New Construction: 120 Bed Facility	1.5	\$55,250,000.00	\$872,198,829.91
72	45-012	SC	Horry County	New Construction: 104 Bed Facility	1.7	\$59,085,000.00	\$931,283,829.91



# VA State Home Construction Grants Priority List FY 2023

73	24-009	MD	Sykesville	New Construction: 128 Bed Facility	1.7	\$117,484,250.00	\$1,048,768,079.91
Total Priority Group 1 Applications						\$1,048,768,079.91	
VA Priority List Groups 2-8 (No State Matching Funds)							
Rank	FAI No.	State	Locality	Description	Ranking	Estimated VA Share	Cumulative
74	36-056	NY	Stony Brook	Renovation: Bathroom exhaust upgrade	2D	\$2,042,857.00	\$2,042,857.00
75	12-027	FL	West Florida	New Construction: 112 Bed Facility	4	\$42,555,411.60	\$44,598,268.60
76	26-025	MI	Grand Rapids	Renovation: Nursing Unit	5B	\$1,675,050.00	\$46,273,318.60
77	26-033	MI	Detroit	Bed Replacement: 140 Bed Facility	5B	\$69,615,934.70	\$115,889,253.30
78	26-030	MI	Flint/Saganaw	Bed Replacement: 140 Bed Facility	5B	\$48,544,047.50	\$164,433,300.80
79	26-031	MI	I94 Corridor	Bed Replacement: 140 Bed Facility	5B	\$52,272,626.25	\$216,705,927.05
80	26-032	MI	N. Lower Peninsula	Bed Replacement: 126 Bed Facility	5B	\$58,781,758.75	\$275,487,685.80
81	32-007	NV	Boulder City	Renovation: Facility Remodel	5B	\$45,950,283.29	\$321,437,969.09
82	51-023	VA	Roanoke	Bed Replacement: 192 bed facility	5B	\$96,753,686.90	\$418,191,655.99
83	40-074	OK	Clinton	Bed Replacement: 148 Bed Facility	5B	\$93,638,001.02	\$511,829,657.01
84	36-028	NY	Stony Brook	Renovation: Controlled Substance Management System	5D	\$695,552.00	\$512,525,209.01
85	25-083	MA	Holyoke	Renovation: Structural Upgrades, Exhaust System, Emergency Generator, Fire Escape	5D	\$2,462,846.75	\$514,988,055.76
86	45-011	SC	Walterboro	Renovation: Chiller Replacement	5D	\$529,750.00	\$515,517,805.76
87	47-024	TN	Humboldt	Renovation: Roof Replacement	5D	\$966,000.00	\$516,483,805.76
88	36-055	NY	Stony Brook	Renovation: Waste line replacement, moisture mitigation	5D	\$580,892.00	\$517,064,697.76
89	27-060	MN	Minneapolis	Renovation: Steam pipe and electrical upgrades	5D	\$684,253.70	\$517,748,951.46
90	53-049	WA	Port Orchard	Renovation: HVAC System Replacement	5D	\$9,999,600.00	\$527,748,551.46
91	54-009	WV	Clarksburg	Renovation: Nurse Call System	5D	\$321,100.00	\$528,069,651.46
92	36-031	NY	Stony Brook	Renovation: Facility and Clinical Support Upgrades	5E	\$11,268,956.40	\$539,338,607.86
93	36-063	NY	Stony Brook	Renovation: Dietary services upgrades	5E	\$3,169,256.43	\$542,507,864.29
94	29-044	MO	St. James	Renovation: Building Upgrades	5F	\$3,732,081.60	\$546,239,945.89
95	29-043	MO	Cape Girardeau	Renovation: Building Upgrades	5F	\$7,512,126.56	\$553,752,072.45
96	29-041	MO	St. James	Renovation: Chapel and Pavilion	5F	\$1,012,657.10	\$554,764,729.55
97	12-025	FL	Land O Lakes	Renovation: Dining, Dayrooms, Nursing Units, Restrooms	5F	\$2,740,101.00	\$557,504,830.55
98	29-045	MO	Cameron	Renovation: Facility Renovations	5F	\$9,036,472.27	\$566,541,302.82
99	36-038	NY	Stony Brook	Renovation: Window Replacement	5F	\$1,830,748.40	\$568,372,051.22
100	47-023	TN	Murphsborough	Renovation: Office and Maintenance Facilities Expansion and Upgrade	5F	\$825,500.00	\$569,197,551.22
101	36-054	NY	Stony Brook	Renovation: Multipurpose room addition	5F	\$9,170,652.00	\$578,368,203.22
102	41-006	OR	Roseburg	New Construction: 154 Bed Facility	8	\$23,945,597.65	\$602,313,800.87
103	20-008	KS	Northeast	New Construction: 72 Bed Facility	8	\$19,500,000.00	\$621,813,800.87
104	54-008	WV	Beckley	New Construction: 120-Bed Facility	8	\$43,979,777.00	\$665,793,577.87
105	45-014	SC	Orangeburg County	New Construction: 104 Bed Facility	8	\$56,828,571.15	\$722,622,149.02
Total Priority Groups 2-8 Applications						\$722,622,149.02	
VA Priority List FY 2022 Conditional Approvals*							
	FAI No.	State	Locality	Description		VA Share	
1	25-087	MA	Holyoke	Bed Replacement: 234 Bed Facility		\$239,515,900.00	\$239,515,900.00
2	21-024	KY	Statewide	Safety: Nurse Call System		\$4,833,667.80	\$244,349,567.80
3	42-051	PA	Holidaysburg	Bed Replacement: 200 Bed Facility		\$50,310,000.00	\$294,659,567.80
Total Conditional Awards						\$294,659,567.80	
<div>Approved</div> <div>  </div> <div>           Shereef Elhahal, M.D., MBA            Under Secretary for Health            Office of the Under Secretary for Health            Department of Veterans Affairs         </div> <div>6-1/2023</div> <div>Date</div>							

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AGENCY: South Carolina State Housing Finance and Development Authority

SUBJECT: Proposed 2024 Qualified Allocation Plan

As the state-designated allocating agency for the federal Low Income Housing Tax Credit, the South Carolina State Housing Finance and Development Authority is responsible for the adoption of an annual Qualified Allocation Plan in accordance with Section 42 of the Internal Revenue Code.

Section 12-6-3795(C)(3) of the SC Code requires that any qualified allocation plan is subject to the prior review and comment of the Joint Bond Review Committee, and the State Housing Authority has submitted a draft of its proposed Qualified Allocation Plan for 2024 in accordance with that requirement.

The 2024 Plan establishes among other things required documentation for applications, site requirements, applicant qualifications, limits on awards, market studies, tenant considerations, design criteria, and financial underwriting standards; and establishes policies and procedures for administration of the federal Low Income Housing Tax Credit and the State Housing Tax Credit. Development of the plan includes a formal process of public input, which may shape the plan and its provisions.

The 2024 Plan integrates statutory requirements that among other things limit the State Housing Tax Credit, refine the allocation of State Ceiling to private activity bonds as related to multi-family housing developments, and provide requirements for establishment of uniform competitive criteria for awarding State Tax Credits and State Ceiling to promote highest value and greatest public benefit.

The State Housing Authority has included with the submission of the 2024 Plan a summary of substantive changes as compared to the 2023 Plan. Once the 2024 Plan has received Committee review and comment, it will be finalized and provided to the Governor for his approval and signature.

COMMITTEE ACTION:

Review and provide comment on the proposed 2024 Qualified Allocation Plan in accordance with the provisions of Section 12-6-3795(C)(3) of the SC Code of Laws.

ATTACHMENTS:

1. Letter dated September 27, 2023, of Mr. Richard A. Hutto, Executive Director, South Carolina State Housing Finance and Development Authority.
2. 2024 Qualified Allocation Plan - Summary of Changes.
3. 2024 Qualified Allocation Plan.

AVAILABLE:

1. 2024 Qualified Allocation Plan Appendix B: Development Design Criteria.



South Carolina State Housing Finance and Development Authority

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C. Todd Latiff  
Chairman

Richard A. Hutto  
Executive Director

September 27, 2023

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

**Re: Proposed 2024 Qualified Allocation Plan**

Dear Mr. Harmon:

Enclosed you will find the proposed 2024 Qualified Allocation Plan ("2024 QAP"), including Appendices, recommended by South Carolina State Housing Finance and Development Authority, ("SC Housing") for review and comment of the Joint Bond Review Committee ("JBRC").

SC Housing received many comments during the period for public review and comment, which closed on September 22, 2023. The Agency welcomes the opportunity to receive feedback on the QAP's parameters, and strives to make a more sensible structure with every new round of allocations in light of evolving needs in our state. It is important to note that our developer partners from around the state have cautioned that extreme changes to this year's QAP could be problematic. This is due, in part, to a pause in the program while state tax credit solutions were determined for previous rounds. Despite our Agency's pause, developers have expressed to us that they have already undertaken certain actions based on QAP language that was drafted for year 2023. While we are inclined to provide stability to our developer partners, our Agency has taken many of the public comments into consideration which have been incorporated after internal review. In addition, many public comments which were outside of these parameters will be considered for the 2025 QAP. We are hopeful that our level of awareness, collaboration and the public's interest in our program will lead to positive change for the Agency and the state's citizens whom we serve.

The 2024 QAP will be presented to the Program Committee of the Board of Commissioners of SC Housing on Wednesday, October 4, 2023, and for approval at the October 19, 2023, SC Housing Board Meeting. Thereafter, SC Housing will deliver the proposed 2024 QAP to the Governor for final approval and execution.



Mr. F. Richard Harmon, Jr.  
Proposed 2024 Qualified Allocation Plan  
September 27, 2023  
Page 2 of 2

We respectfully request that this item be placed on JBRC's agenda for consideration at the October 10, 2023, meeting.

Sincerely,



Richard A. Hutto, CPA  
Executive Director

Enclosure as stated:

- 2024 Qualified Allocation Plan

## 2024 Qualified Allocation Plan

### Changes Summary

This document is intended to support the review of the draft of the 2024 QAP by describing proposed substantive changes.

Section	Proposed Changes
<i>Mandatory Site Requirements, pg. 10</i>	Added a mitigation plan for any sites requiring a voluntary or involuntary cleanup
<i>Mandatory Site Requirements, pg. 10</i>	Removed new construction application must be at least one (1) mile from a 2021 and 2022 awarded application
<i>Mandatory Site Requirements, pg. 10</i>	Allow prior approval from the Authority for sites located near certain negative site characteristics
<i>Targeting, pg. 12</i>	Added max. percentage of 3 or more bedroom units
<i>Financial Underwriting, pg. 12</i>	Documented the requirement the development must be financially feasible through placing in service
<i>Reserve Requirements, pg. 13 - 14</i>	<ul style="list-style-type: none"> <li>• Must contain a min. 6 month or max. 9 months operating reserves</li> <li>• Must maintain a replacement reserve of \$300 per unit</li> <li>• Other reserves are not allowed in total development cost at placed in service without prior approval</li> </ul>
<i>Calculation of Tax Credits, pg. 18 - 19</i>	Clarified the calculation of how Federal and State Tax Credits amounts will be determined.
<b>Appendix C1 – 9% LIHTC</b>	
<i>Award Limitations, pg. 21</i>	<ul style="list-style-type: none"> <li>• Maximum LIHTCs per developer - \$3,500,000</li> <li>• Maximum LIHTCs per development - \$2,500,000</li> <li>• County award limit of 2 new construction awards</li> </ul>
<i>Groupings and Set-Asides, pg. 23 - 25</i>	<ul style="list-style-type: none"> <li>• Moved Anderson, Georgetown, Jasper and Lancaster counties to Group B</li> <li>• Added SCDOT I-526 set-aside</li> </ul>
<i>Size Requirements, pg. 26</i>	Increased the maximum number of units
<i>Supportive Housing, pg. 32</i>	Reduced initial lease up to 60 days
<b>Appendix C2- Tax-Exempt Bonds</b>	
<i>Targeting Requirements, pg. 36</i>	Added maximum number of 3 or more bedroom units
<i>Application and Award Limitations, pg. 36</i>	<ul style="list-style-type: none"> <li>• Maximum of 3 applications per developer</li> <li>• Maximum of 2 awards per developer</li> </ul>
<b>Tax Credit Manual</b>	
<i>Progress Inspections, pg. 45</i>	100% inspection to be ordered 60 days after receiving Certificate of Occupancy

# 2024 QUALIFIED ALLOCATION PLAN



South Carolina State Housing Finance  
and Development Authority

LOW-INCOME HOUSING TAX CREDIT PROGRAM

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## **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 Treasury regulations at 26 CFR 1.42 . South Carolina Code of Laws Section 12-6-3795, as amended, governs the state 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.

Unless otherwise specified, all QAP and Appendix references to “application” refer to the full application.

## **II. ADMINISTRATION OF THE QUALIFIED ALLOCATION PLAN**

### **A. Discretion**

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 change 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.

### **B. Information Requests**

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.

### **C. 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).

### **D. 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.

### III. 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.

As a condition of the award, 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.

##### 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;
- 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; or
- 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 ground lease or option on a ground 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 ground 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 ground 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, Environmental, and Soil Reports

The full application must include:

1. A determination regarding the presence or absence of wetlands, including non-jurisdictional wetlands. The Applicant must retain a qualified professional to complete Exhibit W.
2. Phase I Environmental Site Assessment (ESA) report dated not more than six (6) months from the full application deadline.
  - a. 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).
  - b. 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 any REC(s) identified will be mitigated using methods recognized and supported by the applicable regulatory authority and the estimated costs of such mitigation.
  - c. 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.
3. Geotechnical Soil Report(s)
  - a. All new construction developments and rehabilitation projects adding a new building must submit a complete site-specific Geotechnical soil report and boring site plan not more than one (1) year old at the time of full application.
  - b. The soil report and boring site plan must reflect the results of laboratory test conducted.
  - c. The report must be prepared by a registered professional or a certified testing agency with a current license to practice in the State of South Carolina.

## 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

For purposes of this section, Principals include any entity or individual that holds an 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 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, 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 at the time of full application and the Owner will be required to submit management entity's plan at the time of the real estate closing, but no later than 12 months from the allocation date. 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, 2022. 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 completed by an appraiser listed on the SC Housing Approved Appraisers list.
  - 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. 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 indicated 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 as noted in a Phase II environmental assessment report, unless the site has been determined appropriate for residential use and can be adequately mitigated to the standards and satisfaction of the Department of Health and Environmental Control. A mitigation plan must be submitted with the application, complete with an accurate estimate of costs and included in the development budget.
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. The Authority may waive any of these disqualifications based on well documented extenuating circumstances presented no less than 30 days prior to application.
  - 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.

## K. 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.

## 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

- a. 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.
- b. 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,
    - the number of units with three (3) or four (4) bedrooms must be twenty-five percent (25%) of the total property unit count (may be rounded up or down to the next whole unit); and
    - at least 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 2024 may utilize the average income minimum set-aside. Projects utilizing the average income set-aside 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. Mandatory Design Criteria

Projects must comply with the applicable minimum design requirements, in Appendix B. The applicant must request any waiver of the mandatory design criteria specified in the QAP and Appendix B no later than 30 days prior to the full application submission deadline.

## O. Rehabilitation

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 and any such displacement must have advance approval from the Authority.
4. All buildings must be at least fifteen (15) years old and not be deteriorated to the point of requiring demolition.

## P. Financial Underwriting

### Basic Financial Feasibility Review:

- In determining financial feasibility, the Authority will disregard all personal or other guarantees that are required to supply deficiencies in income necessary to pay debt service and operating expenses of the development. Developments that are not financially feasible without such guarantees will not be offered a LIHTC award.
- The Authority will disqualify developments it determines are not financially feasible or do not need LIHTCs.
- To receive an allocation, the Authority must underwrite a development to determine the least amount of LIHTC necessary to be financially feasible at the following times:
  - at application submission;
  - the 10% Expenditure Application is submitted, if applicable; and
  - when the last building is Placed-In-Service.
- The Authority will apply all financial underwriting standards to all developments from the application submission through the issuance of 8609s.

### 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 federal and/or state LIHTCs.

### 2. Reserve Requirements

- a. Operating Reserves must be funded prior to issuance of 8609s, maintained throughout the compliance period, and remain with the property at the time of the investor exit. Corporate Ownership Documents do not supersede this requirement unless the Reserve has been approved by the Authority as described in Section O.2.c.

- i. Developments must establish and maintain a six (6) month minimum or nine (9) month maximum of annual:
    - Projected operating expenses (includes all line items on the Tax Credit Applications Tab 7 Annual Expense section);
    - Must-pay debt service; and
    - Authority minimum per unit (i.e., \$300) Replacement Reserves.
  - ii. Operating Reserves for USDA/RD applicants - This requirement can be met by establishing and maintaining the RD-required reserve. If applicable, documentation from RD staff demonstrating the RD-required reserve calculation is required at PIS application submission.
- b. **Replacement Reserves** - Developments must establish and maintain a replacement reserve throughout the compliance period of \$300 per unit annually.
- i. Additional reserves may be allowed up to \$450 per unit annually, only if required by a syndicator and/or lender, and verified in the syndicator's or lender's letter of intent.
  - ii. Replacement reserves must be itemized in the development's annual audited financial statements.
  - iii. Replacement reserves must be funded with annual deposits from operational cash flow during the initial twenty (20) years. Lump sum (i.e. pre-funded) replacement reserves itemized in total development costs (TDC) are not allowed. Such pre-funded replacement reserves will be removed from TDC during financial feasibility underwriting regardless if deemed eligible or ineligible basis costs.
  - iv. Replacement Reserves for USDA/RD applicants - This requirement can be met by establishing and maintaining the RD-required replacement reserves. If applicable, documentation from RD staff demonstrating the RD-required reserve calculation is required at PIS application submission.
- c. **Other Reserves** – Other Reserves/Reserve accounts (i.e., interest, transitional, Section 8, working capital, MIP, rent up, etc.), are not allowed in TDC at placed in service application submission unless:
- i. The total amount of the Other Reserve is identified within the full application submission TDC and includes a descriptive calculation on how such Other Reserve was determined; and
  - ii. The Authority provides pre-approval of the Other Reserve in writing after full application underwriting is completed.

For any pre-approved Other Reserves, Corporate Ownership Documents must include the following provision: Funds remaining in the reserve at the end of the compliance period or sale of the property, whichever is earlier, must be used to reduce outstanding debt on the development.”

Submission of a full application indicates an applicant has acknowledged, understood, and agreed with the requirements in 2a-2c above.

**3. Maximum Developer Fees, Developer Overhead, and Consultant Fees (the “Fees”)**

The Fees will be calculated to be the lesser of:

- a. Fifteen percent (15%) of Total Development Costs less Land, Consulting Fees, Developer Fees, Developer Overhead, Other Developer Costs and Reserves, or:
- b. a cumulative amount of:
  - \$25,000 per unit for the first 50 units
  - \$20,000 per unit for units 51 - 100
  - \$15,000 per unit for any units more than 100

**4. Deferred Developer Fee**

- a. Developer fees can be deferred to cover a gap in funding sources when all of the following conditions are met:
  - 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 full application submission. This limitation will not apply when the Placed-in-Service application is submitted if a greater deferral of developer fee is necessary for project feasibility;
  - Payment projections do not jeopardize operations.
  - 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.

**5. 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.

**6. 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, insurance, and the annual compliance monitoring fees. The Authority may consider waivers on this operating expense range if special circumstances apply.

Placed-in service applications may utilize the annual operating expense range represented in the QAP that is current at the time that the placed-in-service application is submitted to the Authority.

**7. 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. In the event the DCR is greater than 1.45, the Authority may increase debt or "impute debt" based on the conventional primary loan terms stated in the application to calculate the maximum annual tax credit amount allowed.

The Authority will waive the 1.45 maximum if the initial projected annual Cash Flow/Unit does not exceed nine hundred dollars (\$900).

The pro-forma must demonstrate maintaining not less than a 1.10 DCR throughout the first 20 years of operations.

#### **8. 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.

#### **9. 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 other types of tax credits, the application must include an Exhibit OC demonstrating the calculation of the equity generated by each of the other types of credits. This exhibit must include information on the basis, annual credit amount, the syndication factor, and any other variables that determine the equity to be generated by the other types of tax credits.

#### **10. 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 interest rate 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).

#### **11. 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.

For rehabilitation developments with project based rental assistance on at least fifty percent (50%) of the total units, the Authority will consider allowing a five percent (5%) vacancy rate if the development can demonstrate a history of lower vacancy rates for an extended period of time.

For new construction developments with project based rental assistance on at least seventy-five percent (75%) of the total units, the Authority will allow a five percent (5%) vacancy rate.

The applicant must request the five percent (5%) vacancy rate and provide justification. The Authority will make the final determination of whether to utilize a five percent (5%) vacancy rate for underwriting.

**12. 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.

**13. 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.

**14. 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

**15. Rent Allowances for Project Based Rental Developments**

At full application, acquisition/rehabilitation developments with existing HUD approved Housing Assistance Payments (HAP) contracts/NOF or RD approved rental assistance contracts may propose rents higher than the current approved contract rents if:

- the third party market study submitted in the application package supports the higher rents;
- a copy of the approved rent schedule currently in effect is also submitted; and
- a copy of the pre-development/rehabilitation Rent Comparability Study, if performed before the full application deadline, is submitted.

For new construction applications, evidence that an application for rental assistance has been submitted and received by the appropriate federal agency; or a copy of the approved contract/NOF if one exists.

At placed in service application submittal, the following must be included:

- a. a copy of the current contract/NOF from the appropriate federal agency;
- b. a copy of the post-development/rehabilitation Rent Comparability Study; and

- c. a copy of the approved rent adjustment document in effect on the placed in service date.

#### 16. 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.

#### 17. 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.

#### 18. Calculation of the Tax Credits

The Tax Credits are calculated using a Basis Calculation and an Equity Gap Calculation. The lesser of the credits derived from these two methods will be the amount of the credits allocated.

For developments that are not requesting State Tax Credits, the calculation methods below apply:

Basis Calculation:

Total Qualified Basis x Applicable Percentage = Maximum Annual Credit Amount

Equity Gap Calculation:

Equity gap is the total development costs minus the total of all non-LIHTC sources of funds. The LIHTC allocation equals the excess development costs, thereby "closing" the equity gap.

Total Development Cost	
Less Total Sources of Funds (non-LIHTC)*	( )
Equity Gap	
Divide by 10 Year Credit Period	÷ 10
Annual Tax Credit Required	
Divide by Syndication Value	÷
Returned Per Tax Credit Dollar	
Annual Credit Amount	

For the purpose of the equity gap calculation, a developer fee note will not be considered as a source of funding.

For developments that are requesting State Tax Credits, the calculation methods below apply:

Basis Calculation:

Total Qualified Basis x Applicable Percentage = Maximum Annual Credit Amount (Federal LIHTC)

Equity Gap Calculation:

Equity gap is the total development costs minus the total of all non-Tax Credit sources of funds and the LIHTC Equity. The State Housing Tax Credit allocation equals the excess development costs, thereby "closing" the equity gap.

Less Total Sources of Funds (non-LIHTC/STC)*	( )
Less <u>LIHTC</u> Equity (from Basis calculation)	( )
Equity Gap	
Divide by 10 Year Credit Period	÷ 10
Annual <u>State</u> Housing Tax Credit Required	
Divide by STC Syndication Value	÷
Returned Per Tax Credit Dollar	
Annual <u>State</u> Housing Tax Credit Amount	

For the purpose of the equity gap calculation, a developer fee note will not be considered as a source of funding.

The actual amount of the credit for the development is determined by the Authority.

## 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

The Authority may amend this QAP as needed. All amendments shall be fully effective and incorporated herein immediately.

# APPENDIX C1 - 9% LIHTC

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## **I. APPLICATION AND AWARD LIMITATIONS**

### **A. 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.

### **B. Award Limitations**

1. The Authority will not award more than two (2) applications and no more than \$3,500,000 in federal LIHTCs to any member of a Development Team. Additionally, the Authority will not award more than \$2,500,000 in federal LIHTCs to any one (1) application. For example, a member could receive
  - one award for \$2,500,000, or
  - two awards for \$3,500,000 combined.

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 (2) new construction applications per county.
3. The limitations in this section do not include award(s) made under Sections III(B)(5). If the selection criteria would result in exceeding these amounts across set-asides, the Authority will make awards in the order listed in Section III(B). The Authority may exceed these limits in the event of inadequate demand among eligible applications which would prevent fully awarding the state’s available resources.

## **II. APPLICATION REVIEW AND RECONSIDERATION PROCESS**

In computing the periods of time in this Section II, 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 fifth 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](mailto: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 II(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.

# III. APPLICATION GROUPINGS, SET-ASIDES AND REQUIREMENTS

## A. County Groups

For purposes of this QAP, counties fall into one of two groups:

1. **Group A:** Aiken, Beaufort, Berkeley, Charleston, Dorchester, Greenville, Horry, Lexington, Richland, Spartanburg, and York
2. **Group B:** Abbeville, Allendale, Anderson, Bamberg, Barnwell, Calhoun, Cherokee, Chester, Chesterfield, Clarendon, Colleton, Darlington, Dillon, Edgefield, Fairfield, Florence, Georgetown, Greenwood, Hampton, Jasper, Kershaw, Lancaster, 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 described in subsections (1), (2) or (3) below; Applicants may request consideration in (4) or (5). The percentages



are of 9% LIHTCs available to the state in 2024 after making award(s) under subsections (B)(4) and (B)(5).

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 (35 – 45%)**

New construction projects located in a Group A county.

### **2. REHABILITATION (15-20%)**

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 (25 -35%)**

New construction projects located in a Group B county.

For purposes of this QAP, “Rehabilitation” means 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 (UP TO ONE AWARD)**

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 either award one (1) application without respect to scoring criteria or choose to not make an award.

### **5. SCDOT I-526 WEST LOWCOUNTRY CORRIDOR PROJECT (ONE AWARD)**

- a. The Authority will award up to \$3 million in 9% LIHTCs to one (1) new construction application within the City of North Charleston meeting the following requirements (in addition to others applicable under the 2024 QAP):
  - contains at least 100 LIHTC units;
  - family occupancy (not senior/elderly);
  - elects the average income minimum set-aside;
  - provides additional green and/or recreational space;
  - individuals displaced by the SC DOT I-526 Lowcountry Corridor Improvement Project will have a priority for initial lease-up;
  - the buildings will place in service by December 31, 2026 (cannot recycle the allocation).
- b. Applicants may include a request for up to \$1.5 million in funding from the S.C. Department of

Transportation. SCDOT's Maximum Funding will be comprised of National Highway Performance Program Funds.

- c. The Authority will make an award based on the Section IV criteria and the following additional points:
  - 5 for all buildings being within the highlighted area of this map <https://stantec.maps.arcgis.com/apps/instant/minimalist/index.html?appid=0d2016be0f0f4fda-bb950cfaabf54724>, and
  - 3 for the site entrance being within 0.25 miles of a Lowcountry Rapid Transit stop.

## 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.

## D. 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 affordable units based on its county grouping:

- Group A Counties: **100** units
- Group B Counties: **80** units

## E. Maximum LIHTCs Per Unit

The Authority will post maximums for the 9% LIHTC along with the syndication survey results.

## G. Basis Boost

The Authority has determined that all areas of the state are eligible for a boost in eligible basis of up to 130%.

# IV. NEW CONSTRUCTION SCORING CRITERIA

## A. Distance to Amenities

### 1. Driving Distance in Miles

Max - 26 points	High Demand New Construction			
Primary Amenities	<u>≤1</u>	<u>≤1.5</u>	<u>≤2</u>	<u>≤3</u>
Grocery	12	10	8	6
Shopping	7	6	5	4
Pharmacy or Retail	7	6	5	4

Max – 15 points			
Secondary Amenities	<u>≤1</u>	<u>≤1.5</u>	<u>≤2</u>
Other Primary Amenity	5	4	3
Services	3	2	1
Healthcare	3	2	1
Public Facility	3	2	1
Public School	3	2	1
Senior Center	3	2	1

Max - 26 points	General New Construction			
Primary Amenities	<u>≤2</u>	<u>≤2.5</u>	<u>≤3</u>	<u>≤4</u>
Grocery	12	10	8	6
Shopping	7	6	5	4
Pharmacy or Retail	7	6	5	4

Max – 15 points			
Secondary Amenities	<u>≤2</u>	<u>≤2.5</u>	<u>≤3</u>
Other Primary Amenity	5	4	3
Services	3	2	1
Healthcare	3	2	1

Public Facility	3	2	1
Public School	3	2	1
Senior Center	3	2	1

Full Service Grocery –have a minimum size of 12,000 square feet and operate with regular business hours offering a full range and variety of foods, cleaning products and paper products. Variety of foods must include: 1.) meats, poultry and fish; 2.) breads and cereals; 3.) fresh vegetables and fruits; and 4.) dairy products.

Shopping – a big box store, shopping plaza, mall, retail strip or convenience neighborhood center containing multiple stores stocked with many varieties of goods including all of the following: 1.) clothing; 2.) housewares; 3.) cleaning products; 4.) general over the counter medicine or first aid products; and 5.) personal hygiene.

Pharmacy – does not include specialty pharmacies or drug services; or pharmacies or drug stores only available for patients of a designated medical practice or facility.

Other Primary Amenity – second Grocery, Shopping or Pharmacy not used as a Primary Amenity

Services - restaurant, bank/credit union, or gas station with convenience store.

Healthcare – hospital, urgent care, general/family practice, or general dentist. Does not include medical specialists.

Public Facility –

- community center with scheduled activities operated by local government,
- public park owned and maintained by local government containing, at a minimum, playground equipment and/or walking/bike trails and listed on a map, website or other official means; greenway or trailhead does not qualify
- library operated by the local government and open a minimum of five days a week

Public School – only eligible for family properties

Senior Center – only eligible for senior properties

Retail – any grocery or shopping not listed as a primary or other primary amenity; any strip shopping center with a minimum of 4 operating establishments; or any general merchandise establishment.

All establishments must be open to the general public and operating as of the preliminary application deadline with no announced closing prior to the notification of the final point scores.

The driving distance will be the mileage as calculated by Google Maps and must be a drivable route as of the preliminary application deadline. The drivable route must be shown in satellite view map format along with written directions. A photo of each amenity must also be provided. The measurement will be at any point of the site's road frontage to or from the amenity entrance and the same point on the site's road frontage will be used for all measurements. Driveway, access easements, and other distances in excess of 500 feet between the nearest residential building of the proposed project and road shown on Google Maps will be included in the driving distance.

A single establishment may qualify for points under multiple categories.

- 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.

- 5** points for being located entirely within a Qualified Opportunity Zone (QOZ).

## B. Land Donation or Ground Lease

**5** points if a local government, school district or entity who received the property from a local government owns the proposed project real estate as of the preliminary application deadline and the application shows no more than either \$5,000 in the cost line-items for land and buildings or \$100 per year for a ground lease. The local government, school district or entity who received the property from a local government must have owned the real estate since at least July 31, 2023 and not have purchased or received any portion from a Principal or a related party.

## C. Affordability

- 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;; Richland; York
- Moderate- Aiken; Anderson; Calhoun; Chester; Darlington; Edgefield; Fairfield; Florence; Georgetown; Horry; Kershaw; Oconee; Pickens, 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.

## D. Affordable Housing Shortage

1. 10 points to a project that is located in a county that did not receive a new construction 9% LIHTC award in the previous ten funding cycles
2. 5 points to a project that is located in a county that did not receive a new construction 9% LIHTC award in the previous five funding cycles; or
3. 3 points to a project that is located in a county that did not receive a new construction 9% LIHTC award in the previous three funding cycles

## E. Other Types of Tax Credits

5 points for qualifying and utilizing any one of the following:

- Historic Tax Credit (Federal)
- Certified Historic Structure Credit (SC)
- Certified Historic Residential Structure Credit (SC)
- Textiles Rehabilitation Credit (SC)
- Abandoned Building Revitalization Credit (SC)
- Brownfields Cleanup Credit (SC)

## 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. 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.
  - e. 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) 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 the greater of:
  - two percent (2%)
  - the long-term applicable federal rate (compounded monthly) in effect for the month prior to the full application deadline as shown on <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/2023-applicable-federal-rates>

For subsection (2)(d), 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 \$1,000 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 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

5 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 sixty (60) 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.

## V. TIE BREAKER CRITERIA

The Authority will use following the factors 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 all of the Development Team's second or third.



- B. The application in the county with the least 9% LIHTC awards in the previous three funding cycles.
- C. The application with the highest amount of funding per unit eligible for points under Section IV(G).
- 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.

## VI. EVALUATION OF REHABILITATION APPLICATIONS

The Authority will evaluate rehabilitation applications comparatively based on the following criteria, listed in order of importance and will use the following criteria in order to score the rehabilitation applications.

- A. Preventing of the conversion of units to market rate and/or the loss of government housing resources, specifically properties:
  - 10 points for developments which the owner is eligible to request a qualified contract currently;
  - 10 points for developments with a federal project-based assistance contract on at least 90% of the units reflecting a remaining term of less than three (3) years;
  - 5 points for development which the owner is eligible to request a qualified contract within the next two (2) years; or
  - 5 points for development with a federal project-based assistance contract on less than 90% of the units reflecting a remaining term of less than three (3) years.
- 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.
 

1 point for each of the following systems being replaced (max. 9 points) – roof, HVAC, flooring, windows, hot water heaters, tubs/showers, kitchen cabinets and countertops, ranges and refrigerators.
- C. 1 point if the development is located within an area covered by a Concerted Community Revitalization Plan.
- D. If applications remain tied based on the above criteria, the Authority will utilize a lottery.

# APPENDIX C2 – TAX-EXEMPT BONDS

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## I. OVERVIEW

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 Placed-in-Service (PIS) application.

## II. CRITERIA

### A. Application Process

1. The Authority will accept applications for tax-exempt bonds/4% developments in accordance with the schedule published on the Authority's website.

2.

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 fifth 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 ranking.

### B. Requirements

All developments must meet all threshold criteria in the QAP, except as modified by 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 issuance plan of bond financing; and
- entirely managed by one management entity.

### 3. REQUIRED DEVELOPMENT EXPERIENCE FOR HUD SECTION 18 OR RAD CONVERSIONS

An application proposing to convert public housing developments through the HUD Section 18 or Rental Assistance Demonstration (RAD) programs, 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 HUD Section 18 or RAD conversions.

### 4. TARGETING REQUIREMENTS

For New Construction family developments, the following are applicable:

- Twenty-five percent (25%) of the total property unit count must be three (3) or four (4) bedroom units.
- The maximum amount of three (3) and four (4) bedroom units cannot exceed thirty-five (35) units.

### 5. SIZE REQUIREMENTS

There is no maximum number of units in any county. The minimum number of units per application is seventy (70), this number can be achieved by the development itself, scattered sites or portfolio transactions. Applicants may request a waiver for previously submitted applications that did not receive an award.

### 6. MAXIMUM LIHTCS PER UNIT

There is no maximum amount of federal LIHTCs. Developments needing State Tax Credit will be limited to the amount needed to supplement, but not supplant the federal LIHTC and must be limited to an amount necessary only to achieve financial feasibility of the development. See Appendix C-3 for State Tax Credit requirements.

### 7. AUTHORITY-ADMINISTERED HOME FUNDING

Tax exempt bond developments are not eligible to apply for HOME funds.

### 8. DEVELOPER FEE

For both new construction and rehabilitation developments, developer fee is limited to the lesser of

- \$5 million;
- 15% of Total Development Costs less Land, Consulting Fees, Developer Fees, Developer Overhead, Other Developer Costs and Reserves; or
- \$30,000 per unit

The deferred portion of the developer fee may not exceed fifty percent (50%) of the total at application submission. See Deferred Developer Fee section in the QAP for additional requirements regarding the Deferred Developer Fee.

### 9. Application and Award Limitations

- A Development Team may submit up to three (3) applications per each funding cycle.
- The Authority will not award more than two (2) applications per funding cycle to any member of the Development Team.

## C. Other Requirements

All tax-exempt bond developments must meet all criteria in the 2024 Low-Income Housing Tax Credit Manual, except the following:

- Reservation Certificates
- Carryover Allocations
- Verification of 10% Expenditure

All tax-exempt bond developments requiring South Carolina State LIHTCs must meet all criteria in Appendix C3.

## III. RANKING

State law requires the ranking determination to be based on highest value and greatest public benefit. The ranking criteria below has been adopted by the Authority and the Joint Bond Review Committee in accordance with Act 202.

SC Housing will maximize the federal LIHTC allocation, determine if STC is needed for financial feasibility, and will then rank the eligible projects 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 (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.

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.

Tiebreakers:

1. Allocation of State Housing Tax Credit to the project that could be accommodated within the limitation in the event the other project could not.
2. Allocation to a project located within a designated rural area if the other project is not.
3. Allocation determined solely by the relationship of total state resources to the number of tenants the project is expected to serve, as a determinant of greatest public benefit.

# APPENDIX C3 – STATE LIHTC

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## I. GENERAL REQUIREMENTS

### A. Projects must comply with all of the following for owners to initially claim the state tax credit (STC).

1. Consists of one or more building(s) qualified for federal LIHTC under Internal Revenue Code Section 42.
2. All buildings placed in service after January 1, 2020 and before December 31, 2030.
3. Has 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.
4. The owner provides a report (Report) to SC Housing detailing
  - how the STC will benefit the tenants (including, but not limited to, reduced rent),
  - why the STC is essential to the financial feasibility of the project, and
  - provide evidence of local support.

In the interest of timely implementation, as of these policies being issued there is no prescribed Report format. Instead owners submit relevant documentation and staff may follow up.
5. Application must request the maximum amount of federal LIHTC before requesting STC. STCs are only meant to be the last resource in the application and only meant to cover any gap remaining after all other sources have been maximized.
6. Public Hearing was conducted no less than ten business days from public notice and community was given no less than ten days to provide comment to SC Housing.
7. Receives an Eligibility Statement from SC Housing.
8. Those awarded STCs also must comply with any applicable SC Housing Bulletin(s) and decisions made during application review.

### B. Requesting the STC

1. The Authority will only award STCs to developments with an applicable fraction of 100% .
2. Application must request the maximum amount of federal LIHTC before requesting STC. STCs are only meant to be the last resource in the application and only meant to cover any gap remaining after all other sources have been maximized.
3. Developer may only submit one application per project.
4. Applications listing STC as a source will be ineligible if there is an insufficient amount of STC remaining.
5. Minimum STC request is \$300,000 unless the requested is supported by a syndicator or investor letter of interest noting their willingness to purchase at the specific lower amount.



- C. Claiming the STC each year during the credit period depends on the project remaining in compliance with Sections I(A)(1) and I(A)(3) above plus all other applicable LIHTC requirements.
- D. SC Housing will issue Eligibility Statements and monitor for noncompliance; it has no role in assessing specific taxpayers' ability to reduce tax liability in any calendar year. Owners will need to consult with their own tax professionals.

## II. STC PROCESSES

- A. All applications will be reviewed and scored according to the current years Qualified Allocation Plan.
- B. For developments utilizing the federal 9% LIHTC, SC Housing will underwrite/review the top scoring applications that will exhaust the federal 9% LIHTC limit. Of the top scoring applications, SC Housing will determine if any of those applicants requested STCs. Of those applications, 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.
- B. SC Housing will conduct a public hearing no less than ten business days from public notice and community will be given no less than ten days to provide comment to SC Housing.
- C. For 9% applications, allocations of STC will not exceed \$8 million, as adjusted per item II.E below and in accordance with the state statute. At a minimum, fifty percent (50%) will be made available for allocation to projects located in rural areas only.
- D. For Tax-Exempt Bond applications, allocations of STC will not exceed \$12 million, as adjusted per item II.E below and in accordance with state statute.
- E. Any unused portion of the allocation 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).

## III. RANKING

State law requires the ranking determination to be based on highest value and greatest public benefit. The ranking criteria below has been adopted by the Authority and the Joint Bond Review Committee in accordance with Act 202.

SC Housing will maximize the federal LIHTC allocation, determine if STC is needed for financial feasibility, and will then rank the eligible projects 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 (bond ceiling, if applicable 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.

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.

Tiebreakers:

- A. Allocation of State Housing Tax Credit to the project that could be accommodated within the limitation in the event the other project could not.
- B. Allocation to a project located within a designated rural area if the other project is not.
- C. Allocation determined solely by the relationship of total state resources to the number of tenants the project is expected to serve, as a determinant of greatest public benefit.

## IV. DETERMINATION AND ELIGIBILITY STATEMENT

- A. SC Housing will issue a STC Determination of Project Eligibility based on
  - the underwriting of the application
  - the financial feasibility;
  - its consideration of local support
- B. After being placed in service, if the project remains in compliance with all applicable conditions and requirements, SC Housing will issue an Eligibility Statement along with the Form(s) 8609.

# APPENDIX E

## 2024 LOW-INCOME HOUSING TAX CREDIT MANUAL

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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 (9% ONLY)**

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. 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.

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 send a Carryover Agreement for signature. The Owner must return the original documents by the due date indicated.

## **II. VERIFICATION OF 10% EXPENDITURE (9% ONLY)**

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 may 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 the missing document fee.
- 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 all projects awarded low income housing tax credits.

#### A. Progress Inspections

Developments will be subject to four (4) construction progress inspections during the construction phase (25%, 50%, 75%, and 100%). The 100% inspection must be requested within sixty (60) days of receiving the Certificate of Occupancy on the last building completed.

#### B. Progress Deadlines

The Authority may grant an extension of the deadlines below for an extension fee. 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 BOND CLOSING:

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 or bond closing. 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 BOND CLOSING:

The following documents are due not later than twelve (12) months after the Reservation Date or bond closing:

- 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);
- the executed binding commitment for syndication; and
- the management entity's plan as referenced in the QAP.

##### FIFTEEN (15) MONTHS AFTER THE RESERVATION DATE OR BOND CLOSING:

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 within nine (9) months of the last building placing in service. Applications not received by this due date may be submitted until the last business day in December of the tax year for which the development expects to claim credits, upon payment of a late delivery fee.

The Authority will review PIS applications in the order received. If the application is incomplete, the following will apply:

- A Missing Document Fee will be assessed per missing item
- 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, all units are 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.

## **D. Recycling Credits**

An owner who received an award of 9% tax credits in the previous funding cycle may request to return those credits and receive an allocation from the current tax credit cycle equal to or less than the amount of the original tax credits awarded. The request must be made in the current calendar year and include payment of the Recycling Credit Fee. An owner may only request to recycle credits one time per development.

Projects seeking additional credits will be required to return the development’s tax credit allocation and re-apply in the next application cycle.

# **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 1<sup>st</sup> of each year through the appropriate Authority platform. A late delivery fee will be assessed if the audited financial statements and operating expense information is not received by June 1<sup>st</sup> of each year.

# VII. 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, 2024.

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, 2024:

- 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: South Carolina Department of Administration  
Executive Budget Office

SUBJECT: Report of Disbursement Requests for  
Savannah River Site Litigation Settlement Funds

Proviso 118.19(72) of the Fiscal Year 2022-23 Appropriations Act provided for certain expenditures from proceeds of the Savannah River Site Litigation, and Proviso 118.19(72.1) required written requests for funding that must be reported to the Committee and the legislative delegations prior to disbursement of the funds to recipients. The Executive Budget Office has reported the following requests for disbursement pursuant to the proviso:

Bamberg	Bamberg County Consolidated Schools – School Facilities	\$ 5,000,000
	Bond Reduction	

Reflected below is a summary of the appropriations and current status of funding by designated recipient.

Recipient	Appropriated		Prior Disbursements		Proposed Disbursements		Awaiting Disbursement	
	Projects	Amount	Projects	Amount	Projects	Amount	Projects	Amount
Aiken	15	\$ 145,850,000	15	\$ 145,850,000			-	\$ -
Allendale	4	27,000,000	3	24,500,000			1	2,500,000
Bamberg	2	9,000,000	1	4,000,000	1	5,000,000	-	-
Barnwell	4	110,000,000	3	5,000,000			1	105,000,000
Colleton	1	1,387,932	-	-			1	1,387,932
Edgefield	4	20,200,000	4	20,200,000			-	-
Hampton	1	3,137,931	1	3,137,931			-	-
Lexington	5	11,900,000	5	11,900,000			-	-
Orangeburg	4	6,155,172	4	6,155,172			-	-
Institutions	4	33,000,000	3	23,000,000			1	10,000,000
Total	44	\$ 367,631,035	39	\$ 243,743,103	1	\$ 5,000,000	4	\$ 118,887,932

COMMITTEE ACTION:

Receive the report as information in accordance with the proviso.


ATTACHMENTS:

1. Department of Administration, Executive Budget Office, Agenda Item Worksheets.

**Meeting Scheduled for:**   **October 10, 2023**                      **Savannah River Site Litigation Settlement Fund**

  
Mike Shealy, Executive Budget Office

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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.

Request Amount

\$5,000,000.00

County Where Project Located

Bamberg

Contribution Information

Project Title

Bamberg County Consolidated Schools - Schools Facilities Bond Reduction

Organization Information

Entity Name

Bamberg County

Address

1234 North Street/ P.O. Box 149

City/State/Zip

Bamberg, SC 29003

Website

www.bambergcounty.sc.gov

Tax ID#

57-6000305

Entity Type

County

Organization Contact Information

Contact Name

Mr. Joey Preston

Position/Title

County Administrator

Telephone

803-245-5191

Email

joeypreston@gmail.com

PROJECT DESCRIPTION AND JUSTIFICATION

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

These funds will be used to pay down debt in Bamberg County School District 3, per House budget.

ESTIMATES OF TOTAL PROJECT COSTS

Expenditure Category	Budget	Explanation
Bond Issuance Costs	\$5,000,000.00	To pay down Bond Debt in Bamberg County School District 3
Grand Total	\$5,000,000.00	

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS RESULTING FROM THE PROJECT



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AGENCY: South Carolina Public Service Authority

SUBJECT: Annual Report of Real Property Interests

Section 58-31-240(B) of the South Carolina Code of Laws provides that the South Carolina Public Service Authority must provide an annual report regarding every transaction involving an interest in real property and executed during the preceding twelve months, including a summary of the key terms of all contracts effectuating or related to such transactions; and parties involved in the transaction, including all entities or persons with any type of ownership interest or authority to control. The report is due by September 1 of each year.

These reporting requirements do not apply to encroachment agreements, rights of way, or lease agreements made by the Authority for property within the Federal Energy Regulatory Project boundary.

The Public Service Authority made a timely submission on September 1, 2023, responsive to this statutory requirement.

COMMITTEE ACTION:

Receive this report as information.

ATTACHMENTS:

1. Letter dated September 1, 2023, of Mr. J. Martine Watson, Chief Commercial Officer, Santee Cooper.
2. Lot Sales and Surplus Sales between September 1, 2022, and August 31, 2023.
3. Leases between September 1, 2022, and August 31, 2023.
4. Purchases between September 1, 2022, and August 31, 2023.
5. Loans between September 1, 2022, and August 31, 2023.



September 1, 2023

The Honorable Harvey S. Peeler, Jr.  
Chairman, Joint Bond Review Committee  
South Carolina State Senate  
111 Gressette Building  
Columbia, SC 29201

Re: South Carolina Public Service Authority's Annual Report on Real Property Transactions between September 1, 2022 and August 31, 2023

Dear Chairman Peeler:

Pursuant to Section 58-31-240(B)(1) of the SC Code of Laws, the South Carolina Public Service Authority (Santee Cooper) submits its annual report regarding every transaction involving an interest in real property and executed between September 1, 2022 and August 31, 2023.

As stated in Section 58-31-240(B)(3), the reporting requirements do not apply to encroachment agreements, rights-of-way, or lease agreements made by Santee Cooper for property within the Federal Energy Regulatory Project boundary.

Please let me know if you have any questions or require any additional information regarding this report.

Sincerely,



J. Martine Watson

Santee Cooper Lot Sales and Surplus Sales Between September 1, 2022 and August 31, 2023

Conveyance Type	Grantor	Grantee	Ownership Interest for Entity Parties	Use	Description	Acreage	County	Closing Date	Value Determination	Purchase Price
Lot Sales Program	Santee Cooper	Kachelmier, Scott M.	N/A	Residential	Lot 18, W. B. Davis Subdivision	0.334	Clarendon	9/22/2022	Appraisal	\$ 150,000.00
Lot Sales Program	Santee Cooper	Williams Floor Covering, Inc.	Travis Williams, President	Residential	Lot 22, Prince III Subdivision	0.379	Clarendon	9/27/2022	Appraisal	\$ 28,500.00
Lot Sales Program	Santee Cooper	Roberts, James Michael	N/A	Residential	Lot 123, Eutaw Springs Subdivision	0.335	Orangeburg	9/29/2022	Appraisal	\$ 20,000.00
Lot Sales Program	Santee Cooper	Tsafos, Steven	N/A	Residential	Lot 11, St. Julien Extension Subdivision	0.311	Orangeburg	11/3/2022	Appraisal	\$ 160,000.00
Lot Sales Program	Santee Cooper	Odom, Charles T. Jr.	N/A	Residential	Lot 21, General Moultrie II Subdivision	0.394	Berkeley	11/19/2022	Appraisal	\$ 19,500.00
Lot Sales Program	Santee Cooper	Nelson, Marion K., Cynthia L. Dolan, & Brenda K. Stanley	N/A	Residential	Lot 1, White Oak I Subdivision	0.311	Clarendon	11/29/2022	Appraisal	\$ 117,500.00
Lot Sales Program	Santee Cooper	Boedicker, Troy A.	N/A	Residential	Lots 95 & 96 Calhoun Subdivision	0.820	Calhoun	11/30/2022	Appraisal	\$ 14,500.00
Lot Sales Program	Santee Cooper	Avins, Samuel S. and Shelly A. Avins	N/A	Residential	Lot 29, Rowland Subdivision	0.328	Clarendon	12/1/2022	Appraisal	\$ 70,000.00
Lot Sales Program	Santee Cooper	Nunnery, Robert W.	N/A	Residential	Lot 109, White Oak I Subdivision	0.310	Clarendon	12/27/2022	Appraisal	\$ 24,000.00
Lot Sales Program	Santee Cooper	Sheppard, Mark and Theresa Dowdy	N/A	Residential	Lot 37, Taw Caw II Subdivision	0.552	Clarendon	1/3/2023	Appraisal	\$ 147,500.00
Lot Sales Program	Santee Cooper	Halford, Jake H.	N/A	Residential	Lot 14, Prince I Subdivision	0.467	Clarendon	3/9/2023	Appraisal	\$ 192,500.00
Lot Sales Program	Santee Cooper	Tucker, Anthony and Pamela	N/A	Residential	Lot 10, Bluff Subdivision	0.571	Orangeburg	3/23/2023	Appraisal	\$ 261,000.00
Lot Sales Program	Santee Cooper	Hartzog, Clyde and Danise Hartzog	N/A	Residential	Lot 43, Eutaw Springs Subdivision	0.322	Orangeburg	4/11/2023	Appraisal	\$ 135,000.00
Lot Sales Program	Santee Cooper	Kennedy, Frank & Frances M. Gaskins-Kennedy	N/A	Residential	Lot 27, Prince Subdivision	0.554	Clarendon	4/28/2023	Appraisal	\$ 37,775.00
Lot Sales Program	Santee Cooper	Rushing, Finis D. & Kathy J and Dickinson, Don & Kala	N/A	Residential	Lot 39, Prince Subdivision	0.496	Clarendon	5/2/2023	Appraisal	\$ 32,153.00
Lot Sales Program	Santee Cooper	Taylor, David and Roni	N/A	Residential	Lot 69, Cross Subdivision	0.803	Berkeley	5/3/2023	Appraisal	\$ 25,000.00
Lot Sales Program	Santee Cooper	Doughty, Thaddeus J.	N/A	Residential	Lot 3, Mill Creek Subdivision	0.641	Orangeburg	5/8/2023	Appraisal	\$ 200,000.00
Lot Sales Program	Santee Cooper	Rast, Ken E. & Jonathan Needham	N/A	Residential	Lot 119, White Oak II Subdivision	0.310	Clarendon	5/10/2023	Appraisal	\$ 25,010.00
Lot Sales Program	Santee Cooper	Whetsel, Gary	N/A	Residential	Lot 36, Cross Subdivision	0.467	Berkeley	5/15/2023	Appraisal	\$ 26,000.00
Lot Sales Program	Santee Cooper	Goode, Michael P. and Norma M.	N/A	Residential	Lot 18, Belverdere II	0.471	Orangeburg	6/9/2023	Appraisal	\$ 79,000.00
Lot Sales Program	Santee Cooper	Cornatzer, Tracy	N/A	Residential	Lot C, Mill Creek Subdivision	0.822	Orangeburg	6/20/2023	Appraisal	\$ 180,000.00
Lot Sales Program	Santee Cooper	Wilkes, Brandon & Lauren	N/A	Residential	Lot 154, White Oak I	0.310	Clarendon	7/7/2023	Appraisal	\$ 24,000.00
Lot Sales Program	Santee Cooper	Avins, Samuel S. & Shelly A.	N/A	Residential	Lot 15, Calhoun Subdivision	0.682	Calhoun	8/2/2023	Appraisal	\$ 88,450.00
Lot Sales Program	Santee Cooper	Tanner, David F. & Kenneth D. Sauls	N/A	Residential	Lot 108, White Oak II Subdivision	0.290	Calhoun	8/16/2023	Appraisal	\$ 27,500.00
Lot Sales Program	Santee Cooper	Keller, Edwin P. III	N/A	Residential	Lot 7, St. Julien Subdivision	0.803	Orangeburg	8/30/2023	Appraisal	\$ 162,500.00
Surplus Sale	Santee Cooper	Freeman Bisi Investors, LLC	Submitted	Economic Development, Light Industrial	Lot 1, Ascott Valley	14.17	Horry	11/7/2022	Appraisal	\$ 127,530.00
Dedication	Santee Cooper	Grand Strand Water & Sewer Authority	Submitted	Economic Development, Light Industrial	Pump Station, Ascott Valley	0.04	Horry	11/7/2022	N/A	\$ 5.00
Surplus Sale	Santee Cooper	S&H Investments, LLC	Submitted	Economic Development, Light Industrial	Lot 3, Ascott Valley	4.56	Horry	11/8/2022	Appraisal	\$ 41,040.00
Surplus Sale	Santee Cooper	Evans, Thomas M.	N/A	Residential	Lot 1A, 526 Cords Way	5.896	Berkeley	11/22/2022	Appraisal	\$ 280,000.00
Surplus Sale	Santee Cooper	Evans, Thomas M.	N/A	Residential	Lot 2A, 572 DeEvans Estate Lane	3.372	Berkeley	11/22/2022	Appraisal	\$ 280,000.00
Surplus Sale	Santee Cooper	Myrtle Beach Regional Economic Development Corporation	Submitted	Economic Development, Light Industrial	Lot 13, Ascott Valley	3.74	Horry	11/30/2022	Appraisal	\$ 33,660.00
Surplus Sale	Santee Cooper	B&B Cranes Services, LLC	Submitted	Economic Development, Light Industrial	Lot 2, Ascott Valley	5.00	Horry	12/23/2022	Appraisal	\$ 45,000.00
Surplus Sale	Santee Cooper	West, Elizabeth Gayle	N/A	Agricultural	Abandoned Tower Site	5.08	Orangeburg	8/28/2023	Appraisal	\$ 10,000.00
									Appraisal with Costs and Economic Development Considerations	\$ 40,000,000.00
Camp Hall Commerce Park	Santee Cooper	State of South Carolina by and through the South Carolina Department of Commerce, Division of Public Railways	Submitted	Industrial	Campus 3	608.220	Berkeley	12/14/2022		
Camp Hall Commerce Park Dedication	Santee Cooper	Berkeley County Water and Sanitation	Submitted	Industrial	Campus 1 Pump Station	0.057	Berkeley	2/20/2023	N/A	\$ -
Camp Hall Commerce Park	Santee Cooper	Pure Camp Hall, LLC	Submitted	Industrial	Campus 1, Parcel 6 & 7	26.440	Berkeley	3/20/2023	Developer RFP	\$ 7,483,974.20
Camp Hall Commerce Park Dedication	Santee Cooper	Berkeley County Water and Sanitation	Submitted	Industrial	Campus 3 Pump Station	0.057	Berkeley	4/27/2023	N/A	\$ -
Camp Hall Commerce Park	Santee Cooper	Magnus CH1, LLC	Submitted	Industrial	Campus 1, Parcel 4	10.490	Berkeley	6/2/2023	Appraisal	\$ 1,422,790.17
Camp Hall Commerce Park	Santee Cooper	Refuel Operating Company, LLC	Submitted	Industrial	Avian Commons, Parcel 1	1.141	Berkeley	7/28/2023	Developer RFP	\$ 1,250,000.00
Camp Hall Commerce Park	Santee Cooper	DC Blox, Inc.	Submitted	Industrial	Campus 9, Tract 1	27.670	Berkeley	7/31/2023	Comparable Industrial Sales	\$ 4,842,250.00



Santee Cooper Leases Between September 1, 2022 and August 31, 2023

Lease Type	Lessor	Lessee	Ownership Interest for Entity Parties	Use	Description	Acreage	County	Rental Determination	Price/Rental	Execution Date	Termination Date	Term
Lease	Santee Cooper	City of North Myrtle Beach	N/A	Office	Office located at 1000 2nd Avenue	4,268 Sq. Ft.	Horry	Market Rental Study	\$30,250/year	12/22/2022	12/21/2027	5 years with \$1,250 annual rental increase

Santee Cooper Purchases to Report Between September 1, 2022 and August 31, 2023

Purchase Type	Grantor	Grantee	Ownership Interest for Entity Parties	Use	Description	Acreage	County	Closing Date	Value Determination	Purchase Price	Notes
Transfer	Lake Marion Regional Water Agency	Santee Cooper		Water Plant	Transfer of Water Plant Assets	30.82	Orangeburg	12/15/2022	N/A	\$ 5.00	Transfer pursuant to November 2007 Water Supply Agreement
Transfer	Allora Solar, LLC	Santee Cooper		Generation	Solar Interconnection Site	0.971	Lexington	3/31/2023	N/A	\$ 5.00	Transfer of Switching Station
Transfer	Gunsight Solar, LLC	Santee Cooper		Generation	Solar Interconnection Site	2.535	Lexington	3/31/2023	N/A	\$ 5.00	Transfer of Switching Station

Santee Cooper Loans Between September 1, 2022 and August 31, 2023

Loan Type	Grantor	Grantee	Purpose	County	Amount	Closing Date	Notes
Economic Development Revolving Loan	Santee Cooper	Five Rivers Development, LLC, a wholly owned subsidiary of Santee Electric Cooperative	Loan for the construction of a Class A 105,000 SF speculative building in the Scranton Industrial Park	Florence	\$900,000 (13% of project costs)	11/3/2022	The loans were secured by a letter of credit from Santee Electric Cooperative
Economic Development Revolving Loan	Santee Cooper	Five Rivers Development, LLC, a wholly owned subsidiary of Santee Electric Cooperative	Loan for the purchase and upgrade of an 48,884SF industrial building in Williamsburg Cooperative Centre near Kingstree.	Williamsburg	\$1,300,000 (59% of project costs)	11/3/2022	The loans were secured by a letter of credit from Santee Electric Cooperative

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AGENCY: South Carolina State Housing Finance and Development Authority

SUBJECT: Status of Allocation Plan Pursuant to Act 88 of 2023

At its meeting on August 22, 2023, the Joint Bond Review Committee reviewed the plan submitted by the South Carolina State Housing Finance and Development Authority to allocate supplemental financial support to qualified multifamily housing projects pursuant to the provisions of Act 88 of 2023.<sup>1</sup> The Committee determined that the plan met the requirements of the Act, and accepted its recommendations as proposed.

Notwithstanding, the Committee recommended that the State Housing Authority provide a process for project sponsors to appeal the findings and submit supplementary information that may not have been fully considered within the assessment of independently verified costs required by the Act. The Committee further directed that submissions by project sponsors for the appeal and reconsideration process would be made to the State Housing Authority no later than 30 days from the date of the August 22 meeting. The State Housing Authority accepted appeals during the 30-day period beginning August 22, 2023, and ending September 21, 2023.

The State Housing Authority reports that 17 requests were timely received by September 21, 2023.

The State Housing Authority is presently evaluating the submissions and justifications for additional consideration, and expects to present a report of its findings and recommendations to the Committee at its meeting on December 5, 2023.

COMMITTEE ACTION:

Receive as Information.

ATTACHMENTS:

1. Letter dated September 27, 2023, of Mr. Richard A. Hutto, Executive Director, South Carolina State Housing Finance and Development Authority.
2. Letter dated August 22, 2023, of F. Richard Harmon, Jr., Director of Research, Joint Bond Review Committee.
3. Appendix 3 to Plan of Allocation for Supplemental Financial Support Pursuant to Act 88 of 2023.
4. S.739 Allocation List – Marked to Reflect Projects Requesting Reconsideration.

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<sup>1</sup> Act 88 of 2023 provided among other things for a one-time authorization of South Carolina Housing Tax Credits in an amount necessary but not exceeding \$29,806,029; non-recurring, one-time funding in an amount necessary but not exceeding \$25,000,000 from the undesignated balance held in the South Carolina Housing Trust Fund; and an authorization of federal low-income housing tax credits in an amount necessary but not exceeding 50 percent of the state's federal allocation for the tax year ending December 31, 2023.



## 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

Richard A. Hutto  
Executive Director

September 27, 2023

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

**Re: *Appeal and Reconsideration Process pursuant to Act 88 of 2023 update.***

Dear Mr. Harmon:

The Joint Bond and Review Committee ("JBRC") accepted South Carolina State Housing Finance and Development Authority's ("SC Housing") Allocation Plan of Supplemental Support pursuant to Act 88 of 2023 and recommendations proposed at the August 22, 2023, meeting. (See attached "Plan of Allocation for Supplemental Financial Support Pursuant to Act 88 of 2023" and "S.739 Allocation List") In addition, the Committee recommended that SC Housing provide a 30-day process for project sponsors to appeal findings and supplement information that may not have been fully considered within the assessment of independently verified costs. The 30-day Appeal and Reconsideration Process, (See attached "Appendix 3") was established by SC Housing as of August 24, 2023. The Plan, S.739 Allocation List, Appendix 3, and independently verified cost reports were published to its website and all project sponsors, subject to the Plan, were notified with a copy of the same, to include a confirmed receipt.

All Appeal and Reconsideration submissions were subject to specific conditions outlined in the August 23, 2023 letter from JBRC:

- Maximizing financial benefits of the supplemental financial support to qualified projects while maintaining compliance with the Act;
- Ensuring re-determinations, if any, are uniform and equitable among all qualified projects, none to the exclusion of others;
- Permitting qualified projects to accept and preserve their existing supplemental allocation without necessity for appeal or re-submission; and
- Providing access to information for project sponsors to submit an informed and prompt request for reconsideration; and
- Submissions by the project sponsors for the appeal and reconsideration process must be made to the State Housing Authority no later than 30 days from the date of the meeting.

In addition:

- Project Sponsors must have requested consideration for any costs in excess of original estimates to the State Housing Finance and Development Authority no later than March 31, 2023.
- Project Sponsors must provide justification, to include an informed project narrative and supplemental documentation, to SC Housing that the allocation does not allow the project to advance financial feasibility.
- Applications that were submitted on or before March 31, 2023, may not be revised.

Submissions by Project Sponsors for appeal and reconsideration closed on September 21, 2023, at 5pm (EDT). SC Housing received seventeen (17) appeal and reconsideration submissions from a total of sixty-six (66) developments.

*(See attached EXHIBIT A S. 739 Allocation and Appeal List, which indicates which developments submitted an appeal in red).*

All appeal submissions are being evaluated by SC Housing and will be presented, along with recommendations, to the JBRC at the December 5, 2023, meeting. It is important that JBRC understand that SC Housing must have all supplemental allocation reservation packages finalized by close of year end 2023 or projects will forego supplemental allocations all together.

Lastly, in accordance with Joint Resolution S.739, Section 6, SC Housing is requiring, as a condition of any supplemental financial support, an agreement from the project sponsor that any funding allocated is deemed final and without recourse. Section 6 Release Agreements have been prepared and sent to all project sponsors who have accepted the supplemental allocation amount(s) as reflected on the S.739 Allocation List. SC Housing is requiring a fully executed Section 6 Release Agreement from each project sponsor per development prior to issuance of any supplemental funding made available pursuant to Act 88 of 2023. SC Housing intends to give the Committee a full update on the status of Section 6 Release Agreements at the December 5, 2023, meeting.

Thank you for your consideration of our recommendations.

Sincerely,



Richard A. Hutto, CPA  
Executive Director

Enclosures as stated:

- Plan of Allocation for Supplemental Financial Support Pursuant to Act 88 of 2023
- S.739 Allocation List
- Appendix 3
- Exhibit A Appeal

**Capital Improvements  
Joint Bond Review Committee**

**HARVEY S. PEELER, JR.**  
SENATE  
CHAIRMAN

**SENATE MEMBERS**

HARVEY S. PEELER, JR.  
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DIRECTOR OF RESEARCH  
SFAA LIAISON  
803-212-6682

**MILLER A. SMOAK**  
ADMINISTRATIVE ASSISTANT  
803-212-6677  
FAX: 803-212-6690

August 22, 2023

Mr. Richard A. Hutto  
Executive Director  
South Carolina State Housing Finance and Development Authority  
300-C Outlet Pointe Boulevard  
Columbia, South Carolina 29210

Re: Allocation Plan Pursuant to Act 88 of 2023

Dear Mr. Hutto:

At its meeting today, the Joint Bond Review Committee reviewed the plan submitted by the South Carolina State Housing Finance and Development Authority to allocate supplemental financial support to qualified multifamily housing projects pursuant to the provisions of Act 88 of 2023. The Committee determined that the plan meets the requirements of the Act, and accepted its recommendations as proposed.

Notwithstanding, the Committee recommended that the State Housing Authority provide a process for project sponsors to appeal the findings and submit supplementary information that may not have been fully considered within the assessment of independently verified costs required by the Act.

The State Housing Authority should carefully consider the following guidance in the development of this process:

1. Maximizing financial benefits of the supplemental financial support to qualified projects while maintaining compliance with the Act;
2. Ensuring re-determinations, if any, are uniform and equitable among all qualified projects, none to the exclusion of any others;
3. Permitting qualified projects to accept and preserve their existing supplemental allocation without necessity for appeal or re-submission; and
4. Providing access to information for project sponsors to submit an informed and prompt request for reconsideration.

The Committee further directed that submissions by project sponsors for the appeal and reconsideration process must be made to the State Housing Authority no later than 30 days from the date of this meeting; however, the Committee made no definitive direction for the deadline by which re-determinations, if any, must be provided by the State Housing Authority for further consideration by the Committee.

**Capital Improvements  
Joint Bond Review Committee**

Mr. Richard A. Hutto  
Executive Director  
South Carolina State Housing Finance and Development Authority  
August 22, 2023  
Page 2

Committee staff will maintain availability to assist you in any way that will be helpful, and encourages you to keep us apprised of developments and findings throughout this process.

In the meantime, please let us know if you have questions or need clarification.

Very truly yours,



F. Richard Harmon, Jr.  
Director of Research

c: Mr. C. Todd Latiff  
Chairman, South Carolina State Housing Finance and Development Authority





## South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

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C. Todd Latiff  
Chairman

Richard A. Hutto  
Interim Executive Director

### APPENDIX 3

to

Plan of Allocation for Supplemental Financial Support

Pursuant to Act 88 of 2023

As of August 24, 2023

#### 30-Day Appeal and Reconsideration Process

In accordance with the provisions of Act 88 of 2023, the South Carolina State Housing Finance and Development Authority submitted a Plan to allocate supplemental financial support to address escalations and other costs for certain qualified multi-family housing developments.

The Joint Bond Review Committee reviewed the plan submitted by the South Carolina State Housing Finance and Development Authority and the Committee determined that the plan meets the requirements of the Act, and accepted its recommendations as proposed at the August 22, 2023 meeting. In addition, the Committee recommended that the State Housing Authority provide a process for project sponsors to appeal the findings and supplement information that may not have been fully considered within the assessment of independently verified costs required by the Act, based on the following conditions:

- Maximizing financial benefits of the supplemental financial support to qualified projects while maintaining compliance with the Act;
- Ensuring re-determinations, if any, are uniform and equitable among all qualified projects, none to the exclusion of others;
- Permitting qualified projects to accept and preserve their existing supplemental allocation without necessity for appeal or re-submission; and
- Providing access to information for project sponsors to submit an informed and prompt request for reconsideration; and
- Submissions by the project sponsors for the appeal and reconsideration process must be made to the State Housing Authority no later than 30 days from the date of the meeting.

For a Project Sponsor to be eligible for reconsideration through an Appeal, the following will be applicable:

- Appeal and Reconsideration submissions by Project Sponsors must be submitted within the 30-day period, beginning August 22, 2023 and ending September 21, 2023 at 5:00pm ET, to [taxcreditquestions@schousing.com](mailto:taxcreditquestions@schousing.com), Attn: Julie Davis, Multifamily Development Director.
- Project Sponsors must have requested consideration for any costs in excess of original estimates to the State Housing Finance and Development Authority no later than March 31, 2023.
- Project Sponsors must provide justification, to include an informed project narrative and supplemental documentation, to SC Housing that the allocation does not allow the project to advance financial feasibility.
- Applications that were submitted on or before March 31, 2023 may not be revised.

The State Housing Authority will publish the S. 739 Allocation List and independently verified cost report produced by Cumming Group on its website for Project Sponsor to access.

Project Sponsors which accept and preserve their existing supplemental allocation without the need of an appeal shall notify the State Housing Authority by September 21, 2023 at 5:00pm ET, at [taxcreditquestions@schousing.com](mailto:taxcreditquestions@schousing.com), Attn: Julie Davis, Multifamily Development Director. Failure to notify of an appeal or acceptance will result in the assumption that the supplemental allocation as approved by the Joint Bond Review Committee is acceptable to the Project Sponsor.

Any Appeal and reconsideration submissions by Project Sponsors are subject to review by the Joint Bond Review Committee. The Committee made no definitive direction for the deadline by which re-considerations, if any, must be provided by the State Housing Authority for further consideration by the Committee.

S.739 ALLOCATION & APPEAL LIST

Development Name	Development Company	Location	TEB/LIHTC	Units	Completion	Annual State Tax Credit Amount	Bond Ceiling		Supplemental STC	Supplemental FTC	Supplemental Housing Trust Fund	Additional Bond Ceiling Allocation Request
							Allocation/Ann	Federal Tax Credit				
4% TEB-CLOSED ON CONSTRUCTION LOAN OR G702 PAY APPLICATION PRIOR TO 5/19/2023												
Hickory Heights & Oakland Apts	DGA Capital	Abbeville	4%	112	PIS	\$ 600,592.00	\$ 11,000,000.00	\$	113,366.80	\$	-	\$
Hilton Head Gardens	Vitus Corporation	Hilton Head Island	4%	112	PIS	\$ 924,408.00	\$ 20,000,000.00	\$	154,600.25	\$	-	\$
John G Felder	Mansermar Development & ReBuild America	St Matthews	4%	40	PIS	\$ 203,448.00	\$ 12,000,000.00	\$	50,862.00	\$	-	\$
Spanish Trace	Vitus Corporation	Beaufort	4%	88	PIS	\$ 666,793.00	\$ 12,000,000.00	\$	79,941.83	\$	-	\$
Arrington Place	Vitus Corporation	Columbia	4%	68	PIS	\$ 575,956.00	\$ 7,540,000.00	\$	29,182.35	\$	-	\$
Connecticut Village Apts	Vitus Corporation	Gaffney	4%	105	PIS	\$ 746,179.08	\$ 10,000,000.00	\$	94,929.72	\$	-	\$
Palmetto Towers	Mansermar Development & ReBuild America	Sumter	4%	95	PIS	\$ 598,252.00	\$ 12,000,000.00	\$	149,563.00	\$	-	\$
Redemption Towers	Mansermar Development & ReBuild America	Summerville	4%	95	PIS	\$ 716,073.00	\$ 12,000,000.00	\$	179,018.25	\$	-	\$
Colonel Creek	Fitch Irick SC, LLC	Columbia	4%	288	76-100%	\$ 1,745,049.00	\$ 26,100,000.00	\$	436,262.25	\$	-	\$
Lawsons Ridge	Connelly Development, LLC	Spartanburg	4%	228	76-100%	\$ 1,940,935.00	\$ 27,500,000.00	\$	-	\$	-	\$
Robert Smalls	Equity Plus	Spartanburg	4%	190	76-100%	\$ 1,493,584.00	\$ 28,000,000.00	\$	373,396.00	\$	-	\$
Abbott Arms	DGA Residential	Cayce	4%	100	76-100%	\$ 1,057,671.87	\$ 25,000,000.00	\$	\$	\$	-	\$
The Sullivan	Schaumber Development & Douglas Development	Greenville	4%	180	76-100%	\$ 1,522,150.00	\$ 22,000,000.00	\$	370,951.81	\$	-	\$
Village at Congaree Pointe	Armada Development	Columbia	4%	240	76-100%	\$ 1,551,952.00	\$ 28,025,000.00	\$	387,988.00	\$	-	\$
Garden Oaks	GDA Partners	Beaufort	4%	288	76-100%	\$ 1,947,973.00	\$ 33,000,000.00	\$	466,759.28	\$	-	\$
Eastside Apartments	Flatiron Partners	Charleston	4%	64	51-75%	\$ 716,178.00	\$ 14,000,000.00	\$	59,958.33	\$	-	\$
Garden Lakes	GDA Partners	Columbia	4%	288	51-75%	\$ 2,064,110.15	\$ 35,000,000.00	\$	368,206.36	\$	-	\$
Haven at Congaree Pointe	Dominiumin	Columbia	4%	198	51-75%	\$ 2,765,963.90	\$ 30,000,000.00	\$	459,937.44	\$	-	\$
The Park at Wilkerson Road	KCG Development	Rock Hill	4%	136	51-75%	\$ 1,381,263.68	\$ 25,000,000.00	\$	117,993.40	\$	-	\$
Archer Apartments	Humanities Foundation	Charleston	4%	89	51-75%	\$ 1,257,430.00	\$ 23,000,000.00	\$	250,421.45	\$	-	\$
Oak Park	UrbanMatters Development	Columbia	4%	190	26-50%	\$ 1,997,540.00	\$ 24,000,000.00	\$	79,044.23	\$	-	\$
Shockley Terrace	KCG Development	Anderson	4%	258	26-50%	\$ 2,276,296.00	\$ 30,000,000.00	\$	569,074.00	\$	-	\$
Gateway at Cross Creek	Gateway Development	Central	4%	168	26-50%	\$ 1,665,594.00	\$ 20,000,000.00	\$	292,932.80	\$	-	\$
Oak Terrace	UrbanMatters Development	Columbia	4%	95	11-25%	\$ 1,004,876.00	\$ 12,000,000.00	\$	106,109.66	\$	-	\$
Dillon Graded Schools	Tapestry Development	Dillon	4%	37	10% or less	\$ 670,419.72	\$ 12,000,000.00	\$	-	\$	-	\$
Dunbar Place	Charlotte-Mecklenburg Housing Partnership	Rock Hill	4%	100	10% or less	\$ 1,282,496.00	\$ 17,750,000.00	\$	320,624.00	\$	-	\$
Section Total:						\$	5,511,123.21	\$	-	\$	7,252,696.36	\$
4% TEB- GRADING/ LAND DISTURBANCE PERMIT OR GC CONTRACT												
573 Meeting Street	Michael Development	Charleston	4%	70	10% or less	\$ 1,072,662.00	\$ 14,000,000.00	\$	228,612.05	\$	-	\$
Brookfield Pointe	Bradley Housing Developers	Columbia	4%	90	10% or less	\$ 941,628.00	\$ 9,999,999.00	\$	110,680.89	\$	-	\$
Cherokee Landing	TWG Development	Greenville	4%	128	10% or less	\$ 1,126,703.04	\$ 17,800,000.00	\$	270,369.25	\$	-	\$
Dunean Mill	Lincoln Avenue Capital	Greenville	4%	60	10% or less	\$ 873,262.37	\$ 16,000,000.00	\$	126,223.50	\$	-	\$
Esau Jenkins Village	UrbanMatters & Mungo Construction	Charleston	4%	72	10% or less	\$ 423,360.00	\$ 11,000,000.00	\$	105,840.00	\$	-	\$
Hope Road Apartments	Equity Plus	Spartanburg	4%	192	10% or less	\$ 2,017,034.83	\$ 27,000,000.00	\$	12,687.89	\$	-	\$
Lowline Housing	SCG Development and Davis	Charleston	4%	55	10% or less	\$ 1,155,000.00	\$ 7,250,000.00	\$	288,750.00	\$	-	\$
Magnolia Branch	Fitch Irick	North Charleston	4%	162	10% or less	\$ 2,028,194.00	\$ 21,600,000.00	\$	507,048.50	\$	-	\$
Edgewood Place Apartments	Fitch Irick	Rock Hill	4%	216	10% or less	\$ 2,000,000.00	\$ 23,070,000.00	\$	342,542.12	\$	-	\$
Seneca Mill-Lofts	JP Stevens-Mill	Seneca	4%	120	10% or less	\$ 1,167,276.00	\$ 30,000,000.00	\$	-	\$	3,164,253.04	\$
Settlement Manor Apartments	Hallmark	Greenville	4%	120	10% or less	\$ 1,231,305.00	\$ 20,000,000.00	\$	152,604.94	\$	-	\$
Talford Greene	Parallel Housing	Chester	4%	70	10% or less	\$ 611,151.00	\$ 6,730,000.00	\$	73,986.48	\$	-	\$
The Lofts at Lorick Place	ADK Development	Columbia	4%	144	10% or less	\$ 1,344,163.00	\$ 30,000,000.00	\$	97,118.45	\$	-	\$
Section Total:						\$	2,316,464.07	\$	-	\$	15,244,616.56	\$
4% TEB Total:						\$	7,827,587.28	\$	-	\$	22,497,312.92	\$
						\$	35,170,419.00	\$	-	\$	35,170,419.00	\$

Development Name	Development Company	Location	TEB/LIHTC	Units	Completion	Bond Ceiling			Supplemental STC	Supplemental FTC	Supplemental Housing Trust Fund	Additional Bond Ceiling Allocation Request
						Annual State Tax Credit Amount	Allocation/Ann Federal Tax Credit					
9% LIHTC- CLOSED ON CONSTRUCTION LOAN OR G702 PAY APPLICATION PRIOR TO 5/19/2023												
Bay Pointe III	Bradley Housing Developers	Myrtle Beach	9%	70	76-100%	\$ 798,841.79	\$ 798,841.79	\$ -	\$ 199,710.45	\$ -	\$ -	-
Brushy Creek Senior	Palmetto Housing Developers	Easley	9%	60	76-100%	\$ 751,318.29	\$ 751,318.29	\$ -	\$ 187,829.57	\$ -	\$ -	-
Westview Terrace	MPI GHD, LLC and South Creek Development	Spartanburg	9%	48	76-100%	\$ 588,305.00	\$ 588,305.00	\$ -	\$ 147,076.26	\$ -	\$ -	-
Gentry Place	Flatiron Partners	Pickens	9%	60	76-100%	\$ 641,266.00	\$ 641,266.00	\$ -	\$ 160,316.50	\$ -	\$ -	-
Glenwood Falls Apartments	Tri-State Development	Fort Mill	9%	48	76-100%	\$ 479,444.29	\$ 479,444.29	\$ -	\$ 93,993.14	\$ -	\$ -	-
Legacy Oaks II	Prestwick Companies	Greenville	9%	90	76-100%	\$ 957,322.34	\$ 957,322.34	\$ -	\$ 239,330.59	\$ -	\$ -	-
May River Village Phase 3	BBR Development	Bluffton	9%	24	51-75%	\$ 294,153.05	\$ 294,153.05	\$ -	\$ 73,538.26	\$ -	\$ -	-
The Park at Hanahan	Prestwick Companies	Hanahan	9%	72	51-75%	\$ 912,565.10	\$ 912,565.10	\$ -	\$ 228,141.28	\$ -	\$ -	-
Willow Creek Apartments	Hallmark Development Partners	McCormick	9%	24	26-50%	\$ 192,086.00	\$ 192,086.00	\$ -	\$ 48,021.50	\$ -	\$ -	-
Aston Pointe	Prestwick Companies	Anderson	9%	90	26-50%	\$ 1,424,722.83	\$ 1,424,722.83	\$ -	\$ 100,606.40	\$ -	\$ -	-
Bridge Creek Pointe	Prestwick Companies	Spartanburg	9%	90	11-25%	\$ 1,382,235.76	\$ 1,382,235.76	\$ -	\$ 318,015.81	\$ -	\$ -	-
Benton Crossing	Parallel Housing, Inc & Woda Cooper Development	Columbia	9%	56	11-25%	\$ 916,317.49	\$ 916,317.49	\$ -	\$ 220,175.89	\$ -	\$ -	-
Indigo Townes	Connelly Development, LLC	Florence	9%	60	11-25%	\$ 972,169.77	\$ 972,169.77	\$ -	\$ 139,946.08	\$ -	\$ -	-
Midtown at Bull	Connelly Development, LLC	Columbia	9%	90	10% or less	\$ 1,581,792.90	\$ 1,581,792.90	\$ -	\$ 194,402.87	\$ -	\$ -	-
Section Total:						\$ -	\$ -	\$ -	\$ 2,351,104.60	\$ -	\$ -	-

9% LIHTC -GRADING/LAND DISTURBANCE PERMIT OR GC CONTRACT												
Pintail Pointe	Connelly Development, LLC	Beaufort	9%	84	10% or less	\$ 956,358.70	\$ 956,358.70	\$	225,786.36	\$ 239,089.68	\$	-
The Magnolia	Southern Community Builders	Aiken	9%	60	10% or less	\$ 856,579.46	\$ 856,579.46	\$	-	\$ 166,019.68	\$	-
Havenwood Mathis	Lowcountry Housing Communities	Greenwood	9%	48	10% or less	\$ 752,228.74	\$ 752,228.74	\$	-	\$ 128,451.52	\$	-
Southpointe Senior Residences	Lowcountry Housing Communities	Greenville	9%	90	10% or less	\$ 893,728.46	\$ 893,728.46	\$	67,801.35	\$ 223,432.12	\$	-
Havenwood St. Ives	Lowcountry Housing Communities	North Charleston	9%	72	10% or less	\$ 774,890.31	\$ 774,890.31	\$	47,807.89	\$ 193,722.58	\$	-
Stoneridge Senior Village	The Banyan Foundation	Columbia	9%	90	10% or less	\$ 1,194,851.54	\$ 1,194,851.54	\$	-	\$ 234,187.29	\$	-
Dogwood Senior Village	Piedmont Housing Group	Greenwood	9%	48	10% or less	\$ 785,895.43	\$ 785,895.43	\$	-	\$ 143,402.00	\$	-
Riley at Overbrook	Schaumber Development	Greenville	9%	88	10% or less	\$ 1,086,747.13	\$ 1,086,747.13	\$	114,532.48	\$ 271,686.78	\$	-
Gateway at the Green	Gateway Development Corporation	Greenville	9%	72	10% or less	\$ 1,032,048.31	\$ 1,032,048.31	\$	-	\$ 209,839.69	\$	-
Gateway at Charleston	Gateway Development Corporation	Charleston	9%	69	10% or less	\$ 1,072,100.27	\$ 1,072,100.27	\$	-	\$ 189,305.08	\$	-
Carrington Manor	Commonwealth Development Corporation	Beaufort	9%	64	10% or less	\$ 805,223.73	\$ 805,223.73	\$	201,305.93	\$ 651,477.62	\$	-
The Peaks at Lexington	RHG Housing Development	Lexington	9%	78	10% or less	\$ 887,321.00	\$ 887,321.00	\$	-	\$ 221,830.25	\$	-
Clemons Greene	Woda Cooper Development	Lexington	9%	90	10% or less	\$ 772,717.92	\$ 772,717.92	\$	-	\$ 193,179.48	\$	-
Section Total:						\$	\$	\$	657,234.01	\$ 2,615,452.08	\$ 651,477.62	\$
9% Total:						\$	\$	\$	657,234.01	\$ 4,966,556.68	\$ 651,477.62	\$
4% TEB & 9% Total:						\$	\$	\$	8,484,821.29	\$ 4,966,556.68	\$ 23,148,790.54	\$ 35,170,419.00

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AGENCY: Joint Bond Review Committee

SUBJECT: Final Accounting of COVID-19 Response Reserve Account

Act 135 of 2020 among other things directed the transfer of \$175 million from the Fiscal Year 2018-19 Contingency Reserve Fund, with \$155 million designated for establishment of the COVID-19 Response Reserve Account for certain purposes. Expenditures from the Response Reserve were subject to review and comment by the Joint Bond Review Committee.

From enactment on May 18, 2020, through June 30, 2023, the Committee had received recommendations and made favorable determinations for expenditures totaling \$110,005,312, leaving an uncommitted balance of \$44,994,688 in the Response Reserve at the fiscal year ended June 30, 2023.

All funds remaining in the Response Reserve were redirected pursuant to Proviso 118.19(SR: Nonrecurring Revenue) of the Fiscal Year 2023-24 Appropriations Act.<sup>1</sup>

Accordingly, all funds appropriated to the Response Reserve have been exhausted.

COMMITTEE ACTION:

Receive as information.

ATTACHMENTS:

1. COVID-19 Response Reserve Account – Summary of Committed Funding.

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<sup>1</sup> Proviso 118.19(A)(3).

COVID-19 Response Reserve Account  
Summary of Committed Funding

Date		Action	Amount	Remaining Balance
Governor's Request	Committee Approval			
Enacted 5/18/2020		Act 135 of 2020 among other things directed the transfer of \$175 million from the 2018-19 Contingency Reserve Fund, with \$155 million designated for establishment of the COVID-19 Response Reserve Account for certain purposes.	\$ 155,000,000	\$ 155,000,000
5/18/2020	5/21/2020	South Carolina Election Commission to underwrite the costs for protection of the health and safety of voters, poll workers, and employees of county election commissions in conducting the 2020 primary, run-off, and general elections.	4,467,499	150,532,501
6/11/2020	6/23/2020*	South Carolina Department of Mental Health for state match funding to renovate the Fewell Pavilion located at the E. Roy Stone Veterans Nursing Home in Columbia as an isolation and quarantine facility.	3,675,000	146,857,501
7/30/2020	8/3/2020	South Carolina Department of Administration for the expedited purchase and distribution of personal protective equipment to certain school districts across the state.	10,000,000	136,857,501
8/26/2020	8/31/2020	South Carolina Educational Television Commission for expansion of the commission's datacasting technology initiative to provide digital broadcast delivery of classroom instructional content to students with limited or no broadband access.	1,293,427	135,564,074
9/15/2020	9/22/2020	South Carolina Election Commission to purchase and provide personal protective equipment; supplies and equipment to ensure the safe and secure conduct of the November 3, 2020 general election pursuant to CDC guidelines; and to provide each county with resources and personnel to address expected increases in voter participation via absentee ballot.	10,356,250	125,207,824
9/18/2020	10/6/2020*	South Carolina Department of Parks Recreation and Tourism to provide \$5 million for implementing a statewide tourism recovery advertising strategy, and \$15 million for recovery marketing funding for the five organizations that participate in the state's Destination Specific Marketing Program.	20,000,000	105,207,824
9/21/2020	10/15/2020**	Clemson University and University of South Carolina to expand testing capabilities, reduce testing result turnaround times, and increase capacity needs for their surrounding communities.	5,232,186	99,975,638
1/7/2021	1/15/2021	Medical University of South Carolina to address the shortage of 1,500 nurses throughout the MUSC Health system through recruitment bonuses and retention incentives for their most acute nursing staffing.	5,000,000	94,975,638
1/15/2021	1/27/2021*	South Carolina Department of Mental Health for an increase in state match to secure an additional \$2,286,050 in federal grant funding related to renovations at the Fewell Pavilion facility.	1,230,950	93,744,688
1/26/2021	2/9/2021	Lexington Medical Center (\$3 million); McLeod Health (\$3 million); and Prisma Health (\$3 million) to address pandemic-related hospital staffing challenges.	9,000,000	84,744,688
1/25/2021	2/18/2021	South Carolina Department of Mental Health to address the pandemic-related loss of capacity and workforce at the state's psychiatric hospitals.	5,000,000	79,744,688
2/4/2021	3/15/2021	AnMed Health (\$3 million), Regional Medical (\$3 million), Spartanburg Regional (\$3 million), and Tidelands (\$3 million) to address pandemic-related hospital staffing challenges.	12,000,000	67,744,688
2/24/2021	3/17/2021*	Workers Compensation Commission for additional video and audio equipment to support virtual hearings.	100,000	67,644,688
2/28/2021	2/28/2021	CARES Act Reimbursement - South Carolina Department of Administration for the expedited purchase and distribution of personal protective equipment to certain school districts across the state.	(10,000,000)	77,644,688

COVID-19 Response Reserve Account  
Summary of Committed Funding

Date				
Governor's Request	Committee Approval	Action	Amount	Remaining Balance
3/11/2021	4/6/2021	Self Memorial Hospital to address pandemic-related hospital staffing challenges.	3,000,000	74,644,688
4/9/2021	8/26/2021	Hampton Regional Medical Center to hire and retain nurses and staff for COVID-19 treatment and vaccinations.	2,000,000	72,644,688
1/21/2023	3/22/2023*	Medical University of South Carolina to conduct a clinical trial for an investigational drug for treatment of COVID-19 pursuant to Proviso 117.185 of General Appropriations Act for FY2022-23	27,650,000	44,994,688
	9/13/2023	Redirected pursuant to Proviso 118.19(A)(3) - FY2023-24	44,994,688	-

\* Regular meeting of the committee.

\*\* Governor's request was \$16,716,813; committee recommended additional \$5 million as contingency to cover capacity to support other state institutions, for a total of \$21,716,813. Of that amount, the committee recommended funding at \$5,232,186 from COVID-19 Response Reserve and \$16,484,627 from DHEC CARES Act funding.

AGENCY: Joint Bond Review Committee

SUBJECT: Future Meeting

The State Fiscal Accountability Authority is scheduled to meet on Tuesday, December 12, 2023.

## 2023

January							April							July							October							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	
1	2	3	4	5	6	7							1							1	1	2	3	4	5	6	7	
8	9	10	11	12	13	14		2	3	4	5	6	7	8	2	3	4	5	6	7	8	8	9	10	11	12	13	14
15	16	17	18	19	20	21		9	10	11	12	13	14	15	9	10	11	12	13	14	15	15	16	17	18	19	20	21
22	23	24	25	26	27	28		16	17	18	19	20	21	22	16	17	18	19	20	21	22	22	23	24	25	26	27	28
29	30	31						23	24	25	26	27	28	29	23	24	25	26	27	28	29	29	30	31				
								30							30	31												
February							May							August							November							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	
			1	2	3	4		1	2	3	4	5	6		1	2	3	4	5				1	2	3	4		
5	6	7	8	9	10	11		7	8	9	10	11	12	13	6	7	8	9	10	11	12	5	6	7	8	9	10	11
12	13	14	15	16	17	18		14	15	16	17	18	19	20	13	14	15	16	17	18	19	12	13	14	15	16	17	18
19	20	21	22	23	24	25		21	22	23	24	25	26	27	20	21	22	23	24	25	26	19	20	21	22	23	24	25
26	27	28						28	29	30	31				27	28	29	30	31			26	27	28	29	30		
March							June							September							December							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	
			1	2	3	4					1	2	3						1	2					1	2		
5	6	7	8	9	10	11		4	5	6	7	8	9	10	3	4	5	6	7	8	9	3	4	5	6	7	8	9
12	13	14	15	16	17	18		11	12	13	14	15	16	17	10	11	12	13	14	15	16	10	11	12	13	14	15	16
19	20	21	22	23	24	25		18	19	20	21	22	23	24	17	18	19	20	21	22	23	17	18	19	20	21	22	23
26	27	28	29	30	31			25	26	27	28	29	30		24	25	26	27	28	29	30	24	25	26	27	28	29	30
																											31	

### COMMITTEE ACTION:

Schedule next meeting.

### ATTACHMENTS:

1. Tentative Schedule of Calendar Year 2024 Meetings.



Joint Bond Review Committee  
Tentative Schedule of Calendar Year 2024 Meetings

Wednesday, January 24, 2024 – 10:00 a.m.

Wednesday, March 20, 2024 – 10:00 a.m.

Tuesday, May 28, 2024 – 1:00 p.m.

Tuesday, August 20, 2024 – 1:00 p.m.

Tuesday, October 8, 2024 – 1:00 p.m.

Tuesday, December 3, 2024 – 1:00 p.m.

2024

January							April							July							October						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6		1	2	3	4	5	6		1	2	3	4	5	6			1	2	3	4	5
7	8	9	10	11	12	13	7	8	9	10	11	12	13	7	8	9	10	11	12	13	6	7	8	9	10	11	12
14	15	16	17	18	19	20	14	15	16	17	18	19	20	14	15	16	17	18	19	20	13	14	15	16	17	18	19
21	22	23	24	25	26	27	21	22	23	24	25	26	27	21	22	23	24	25	26	27	20	21	22	23	24	25	26
28	29	30	31				28	29	30					28	29	30	31				27	28	29	30	31		
February							May							August							November						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3				1	2	3	4					1	2	3						1	2
4	5	6	7	8	9	10	5	6	7	8	9	10	11	4	5	6	7	8	9	10	3	4	5	6	7	8	9
11	12	13	14	15	16	17	12	13	14	15	16	17	18	11	12	13	14	15	16	17	10	11	12	13	14	15	16
18	19	20	21	22	23	24	19	20	21	22	23	24	25	18	19	20	21	22	23	24	17	18	19	20	21	22	23
25	26	27	28	29			26	27	28	29	30	31		25	26	27	28	29	30	31	24	25	26	27	28	29	30
March							June							September							December						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2							1	1	2	3	4	5	6	7	1	2	3	4	5	6	7
3	4	5	6	7	8	9	2	3	4	5	6	7	8	8	9	10	11	12	13	14	8	9	10	11	12	13	14
10	11	12	13	14	15	16	9	10	11	12	13	14	15	15	16	17	18	19	20	21	15	16	17	18	19	20	21
17	18	19	20	21	22	23	16	17	18	19	20	21	22	22	23	24	25	26	27	28	22	23	24	25	26	27	28
24	25	26	27	28	29	30	23	24	25	26	27	28	29	29	30						29	30	31				
31							30																				