



# Small Rental Development Program (SRDP)

---

## Implementation Manual

South Carolina State Housing Finance and Development Authority (SC Housing)  
300-C Outlet Pointe Blvd., Columbia, SC 29210  
803.896.9001 Fax: 803.896.8583 TDD: 803.896.8831

**SC Housing.com**

09/26/2024

**SC HOUSING**  
*Financing Housing. Building SC.*

# Table of Contents

---

<b>Getting Started</b> .....	<b>1</b>
Implementation Schedule .....	1
Staff Contact Information .....	1
Choice-Limiting Actions Pending Environmental Clearance.....	1
Award Revisions .....	2
Public Disclosure Requirements .....	2
Financial Commitments .....	2
Loan Closing Requirements .....	2
Financial Management & Audit Requirements.....	3
Financial Accountability.....	3
Financial Records.....	3
OMB A-133 Audit Requirements .....	4
Cost Certification and Project Financial Statements.....	5
Conflict of Interest Requirements.....	5
Record Keeping Requirements .....	6
Section 3 Project Applicability .....	7
<b>Pre-Construction Requirements</b> .....	<b>8</b>
Independent Cost Analysis, Final Plans & Specifications .....	8
Architect Requirements .....	9
Procurement Requirements .....	9
General Information.....	9
Contractor Credential Requirements .....	10
Method of Procurement .....	11
Submitting Procurement Documentation .....	14
Identity of Interest Relationships .....	14
Awarding Contracts .....	14
Contract Approval .....	14
10% Threshold Requirement.....	15
SRDP Contract Provisions .....	15
Pre-Construction Conferences .....	15
Bonding & Insurance Requirements.....	15
Building Permits .....	15
Construction Contingency .....	15

- Requirements During Construction ..... 16**
- Inspection Requirements..... 16
  - Developments Drawing SRDP Funds During Construction ..... 16
  - Change Orders..... 16
  - Processing Inspection Requests ..... 17
  - Submitting Final Inspection Requests ..... 17
- Disbursement Requests..... 17
  - General Information..... 17
  - Vendor Number Registration .....18
  - Drawing Funds During Construction..... 18
  - Drawing Funds at Project Completion ..... 19
- Additional Federal & State Requirements ..... 20**
- Federal Debarment Certification ..... 20
- Fair Labor Standards Act..... 20
- Byrd Anti-Lobbying Certification..... 20
- SC Illegal Immigration Reform Act ..... 20
- Section 3 Regulations ..... 21
  - Applicability of Section 3 to SRDP Developments..... 22
  - Section 3 Reporting Requirements..... 22
  - Section 3 Benchmarks ..... 23
  - Section 3 Clause .....23
- Small & Minority Business Involvement ..... 24
- Violence Against Women Act (VAWA)..... 25
- Reporting Requirements ..... 26**
- Quarterly Reports ..... 26
- Federal Reporting Requirements..... 26
- Award Close-Out Requirements ..... 27**
- Initial Lease-Up Approval..... 27
- Placed-In-Service Application ..... 27
- Project Completion Report..... 27
- Land Use Restriction Agreement Amendment..... 28
- Compliance Period ..... 28**
- Monitoring Reviews..... 28
- Ongoing Requirements ..... 28
  - Annual Financial Oversight .....28
  - Radon Testing .....29
  - Lead-Based Paint Maintenance .....29

CHDO Set-Aside Projects .....	29
Multiple Programs Compliance Guide .....	29
<b>Other Information.....</b>	<b>30</b>
<b>Forms Index.....</b>	<b>31</b>

# Getting Started

## IMPLEMENTATION SCHEDULE

The Implementation Schedule is provided as Exhibit A to both the HOME and NHTF Written Agreements. The implementation schedule is the same in both Exhibits and contains document submission deadlines and construction completion benchmarks that must be met. Recipients must adhere to the implementation schedule as required by the written agreements. Following the schedule and meeting the deadlines is imperative to meeting Federal requirements and Federal and State expenditure deadlines. **NOTE:** Developments that do not start construction within one year of executing the written agreements are considered stalled and may have all funds de-obligated.

## STAFF CONTACT INFORMATION

Contact information for SRDP staff is listed below. Recipients must always include their assigned Community Development Coordinator on all emails and communications submitted to SC Housing regarding the project.

Staff Name:	Phone:	Email:
Jennifer Cogan Director of Community Development	803-896-9824	jennifer.cogan@schousing.com
Jessica Donald Community Development Manager	803-896-9253	<a href="mailto:jessica.donald@schousing.com">jessica.donald@schousing.com</a>
John Thompson Inspections Manager	803-394-4671	john.thompson@schousing.com
Chris McMillan Development Finance Director	803-896-7409	chris.mcmillan@schousing.com
Demian Carpenter Multifamily Asset Manager	803-896-8741	demian.carpenter@schousing.com
Brenda Becraft Community Development Coordinator	803-896-9171	<a href="mailto:brenda.becraft@schousing.com">brenda.becraft@schousing.com</a>
Eric Kiesling Community Development Coordinator	803-896-9843	eric.kiesling@schousing.com
Jeff Lauffer Community Development Coordinator	803-896-9345	jeffrey.lauffer@schousing.com
Teri Stohlberg Federal Compliance Coordinator	803-896-4265	teri.stohlberg@schousing.com

## CHOICE-LIMITING ACTIONS PENDING ENVIRONMENTAL CLEARANCE

In accordance with 24 CFR Part 58, the Recipient acknowledges and agrees that **NO funds, HUD or non-HUD, may be committed to physical or choice-limiting actions and no physical or choice-limiting actions may be undertaken with respect to the development prior to the environmental clearance, including, but not limited to, the following:**

1. Property Acquisition;
2. Demolition;
3. Notice of Award;
4. Procurement, Execution of Construction Contract; and/or
5. Rehabilitation/Construction

In addition, if at any time it is determined that the area of land disturbance will exceed the parameters of the site for which the environmental review was completed the developer must notify SC Housing immediately. An increase in the area of land disturbance will require the scope of the environmental review to be expanded to include the additional land that will be disturbed during construction. Violation of this provision before the environmental review process has been completed and the Authority has received HUD form 7015.16, "Authority to Use Grant Funds," may result in the automatic termination of the conditional commitment of HOME funds. **If questions arise on what actions are or are not choice-limiting, call Community Development staff for guidance.**

## **AWARD REVISIONS**

The Authority must approve any changes or amendments to the SRDP application that result in changes to the development's financial structure or scope of work. **All requests for award revisions must be submitted in writing to your assigned Program Coordinator.**

## **PUBLIC DISCLOSURE REQUIREMENTS**

HOME and NHTF regulations require that award Recipients disclose publicly the receipt of their federal funding and any opportunities that may result from the funding. Sample disclosure language is provided in the **SRDP-1 Notice of Awards** form. The notice must be published in the legal section of a local newspaper that is distributed where the project is located for at least **one day**. A copy of the published notice and an affidavit of publication must be submitted to the Authority no later than the date identified in the **Implementation Schedules**. The purpose of publishing the notice is to ensure that the community and potential beneficiaries are informed of opportunities that may arise from the federal HOME and NHTF funds awarded to the development. The notice **must include** the Equal Housing Opportunity Logo and encourage the participation of women and minority businesses. Language must also be included that encourages the participation of Section 3 businesses and workers. A link to the Equal Housing Opportunity Logo can be found at SC Housing's website at: <https://www.hud.gov/library/bookshelf11/hudgraphics>.

## **FINANCIAL COMMITMENTS**

The financial commitments submitted with the SRDP application for all non-SC Housing funding were reviewed and approved by SC Housing's underwriting staff. If the terms and conditions of the approved financial structure of the project are revised at any time and for any reason, Community Development staff must be notified promptly. Changes to the financial structure of a project may require subsequent underwriting evaluations to determine if the financial structure still meets the Authority's underwriting criteria. **Regardless of stage of project completion, Recipients must notify their Program Coordinator immediately of any changes to the project's financial structure.**

## **LOAN CLOSING REQUIREMENTS**

All HOME, NHTF, and HTF monies are awarded in the form of a loan. Upon the receipt of a completed **SRDP-2 Loan Closing Request Form**, the Authority will prepare a loan closing package, which will be sent to your chosen attorney for closing. The loan closing package will include instructions for executing the Promissory Notes, Mortgages, and Land Use Restriction Agreement (formally referred to as Restrictive Covenants). The **SRDP-2 Loan Closing Request Form** must be completed by the closing attorney and submitted to your assigned Program Coordinator. A copy of the deed, legal description (provided in Microsoft Word format), tax map number, numbered street address (if known), and title insurance commitments must be submitted along with the **SRDP-2 Loan Closing Request** form. Each mortgage must be insured by a policy of mortgage title insurance on the subject property. The Authority requires that a Commitment for Title Insurance be provided with the **SRDP-2** for review prior to loan closing. The closings cannot be scheduled until the Authority's legal staff have reviewed and approved the Commitment(s) for Title Insurance. The loan agreements will address state and federal regulations, along with other terms and conditions, which consist of guidelines, laws, and requirements under

which the loans are to be administered. The loan documents for the HOME, NHTF, and SC HTF loans will be prepared simultaneously. If the SRDP funding is to be subordinated to conventional financing, a draft copy of the subordination agreement should be included with the loan closing documents. ***To begin the loan process, you must submit all necessary documentation to your assigned Program Coordinator at least 30 days prior to the day in which you anticipate closing the SRDP loans.***

## **FINANCIAL MANAGEMENT & AUDIT REQUIREMENTS**

### ***Financial Accountability***

Financial Management requirements must be provided to the appropriate finance staff of the SRDP award Recipient. Recipients must maintain complete and accurate financial records for all transactions performed under the HOME, NHTF and SC HTF agreements. Audited financial statements must be submitted annually and throughout the duration of the affordability period. Financial statements must be compiled, reviewed or audited by an independent CPA licensed by the State of South Carolina Board of Accountancy. Financial Statements must include an Income Statement and Balance Sheet.

Each SRDP Recipient's financial management systems must have a budget control system that makes it possible to compare actual expenditures with budgeted amounts for the development. Recipients must have a cash management procedure in place that minimizes the elapsed time between receipt and expenditure of SRDP funds. Recipients must monitor the cash management to ensure that systems are in compliance with requirements. Financial management systems must also have sound internal control procedures that cover cash, real property, and other assets. The internal control system must safeguard all SRDP funded property and ensure that such property is used solely for authorized purposes.

### ***Financial Records***

Separate accounting records must be maintained for HOME, NHTF and SC HTF monies. The co-mingling of funds is not permitted. SRDP funds must be kept in a non-interest bearing account. Not only will separate records serve to meet required recordkeeping requirements, but it will also eliminate potential conflicts with the Recipient's usual recordkeeping systems, which may reflect a different local fiscal year or accounting functions by department rather than by property and activity. In addition, separation of accounts reduces conflicts with other funds. All records and correspondence pertaining to SRDP funds must reflect the award numbers. At the time of a financial review, whether it is during the oversight period of the program or during the affordability period, the ledger and journals listed below must be available for review. The ledger and journals should be able to demonstrate that a budget control system exists in the accounting record system.

Financial records must be fully supported with source documentation. Examples of source documentation include: contracts, canceled checks, wire transfers, paid bills, invoices, draw request documents, deposit slips or other original documents supporting income or expenditures. This documentation must be on hand at the time disbursements are made and must be kept in one central location.

Recipients are required to establish procedures for recording SRDP-related transactions and establishing the appropriate checks and balances for accounting transparency:

#### **a. General Ledger**

This ledger must be maintained to summarize cash receipts and disbursements on a per-property basis. Entries to the General Ledger must be made from the Cash Receipts and Cash Disbursements Journal and must be kept separately for each activity.

#### **b. Cash Receipts Journal**

This journal must be maintained to record the receipt of all funds (local, state and federal) used for program activities. The journal must include the date funds were received, the amount of funds received, the source of funds and the properties

for which the funds were received.

**c. Cash Disbursements Journal**

This journal must be maintained to record checks issued for payment of program costs. It must include the date of payment, the payee, check number, disbursement amount and the property for which the disbursement was made against.

**d. Development Summary Journal**

This journal is required for SRDP developments which have multiple activities. This journal contains entries for each receipt and disbursement related to a particular activity or development. It also contains reference numbers to the Cash Receipts and Cash Disbursement Journals. A cash balance column is used to keep a running balance of the differences between receipts and disbursements.

**e. General Journal**

This journal may be maintained to enter all non-cash transactions. These entries must include a long-line statement to explain the origin or reason for the amount. The amount is then entered into the General Ledger.

**Questions related to financial management should be directed to Jessica Donald, Community Development Manager at 803-896-9253 or [jessica.donald@schousing.com](mailto:jessica.donald@schousing.com).**

***OMB A-133 Audit Requirements***

Audit Requirements for non-profits and governmental entities are annual requirements that remain in effect from award inception until the affordability periods of the project have expired. Each year at end of the entity's fiscal year, a determination must be made as to whether or not the entity is exempt for the fiscal year or if audit requirements have been triggered and an audit will need to be submitted. Non-Profit and government entities are required to submit an **SRDP-3 Audit Requirements Certification Form** annually no later than 30 days from the end of their fiscal year.

SRDP award Recipients that are non-profits and governmental entities that expend \$1,000,000 or more in total federal financial assistance within any one fiscal year are required to obtain an independent audit in accordance with OMB Circular A-133 as referenced at 2 CFR Part 200, Subpart F. The computation of expenditures includes all federal funds expended by the entity, not just the amount of HOME and NHTF dollars expended. For purposes of determining the amount of federal assistance expended, all federal assistance shall be considered, including that which is received directly from a federal agency, passed through a state or local government, passed through a non-profit organization or any combination thereof.

For those required to submit an audit, the annual due date is no later than nine months from the end of the entity's fiscal year that triggered the audit. Award Recipients that expended less than \$1,000,000 during their fiscal year, in federal financial assistance, are exempt from federal audit requirements. However, the Recipient must still have financial records available for review by the Authority. The costs incurred to complete audits cannot be paid for with SRDP project funds. In addition, non-federal entities cannot charge the following to a federal award:

The cost of any audit completed under the Single Audit Act Amendments of 1996, not conducted in accordance with 2 CFR Part 200, Subpart F.

- The costs of any audit completed under the Single Audit Act Amendments of 1996, not conducted in accordance with 2 CFR Part 200, Subpart F.
- The costs of auditing non-federal entities which are exempt from 2 CFR Part 200, Subpart F.

**For questions regarding audit requirements, contact Jessica Donald, Community Development Manager at (803) 896-9253 or [jessica.donald@schousing.com](mailto:jessica.donald@schousing.com).**



## **Cost Certification and Project Financial Statements**

As part of the Placed-in-Service Application for SC Housing funds, the Applicant is required to submit a cost certification acceptable to SC Housing. The cost certification must be completed in accordance with both GAAS and GAS auditing standards and be provided in the form of a CPA Cost Certification Letter (**SRDP-19A Cost Certification Letter** – Word template) accompanied by the **SRDP-19B Cost Certification Worksheet**. The cost certification must be an audit of the project's total development costs to determine whether the costs paid for the project are eligible, necessary and reasonable. The cost certification audit must be completed by an independent third-party CPA licensed by the South Carolina Board of Accountancy and be prepared for SC Housing, not the project owner. It must include a statement that a final copy of all costs incurred has been reviewed and is in accordance with the requirements of the SRDP program. The certification must indicate that after careful review and investigation into the eligible costs, the costs that are not eligible have been excluded from SC Housing funds. SC Housing reserves the right to request an additional CPA opinion, at the expense of the Applicant, for costs that are questionable as to their eligibility relating to the program being administered. SC Housing assumes no responsibility for determining which costs are eligible and urges the Applicant and their CPA to perform an independent investigation into the eligibility of all cost items.

Additionally, each project Owner is required to submit annual financial statements for each project assisted with SRDP funds, beginning the first year following the cost certification and ending with the final submission of financial statements occurring the last year of the project's affordability period.

**For questions regarding the cost certification or the annual submission of financial statements contact Chris McMillan, Development Finance Director at (803) 896-7409 or [chris.mcmillan@schousing.com](mailto:chris.mcmillan@schousing.com).**

## **CONFLICT OF INTEREST REQUIREMENTS**

Recipients must maintain in their procurement and beneficiary selection procedures a written code of conduct to govern the performance of its officers, employees or agents in contracting with and expending SRDP funds. SRDP Recipients are required to comply with the conflict of interest regulations found at 2 CFR Part 200. In all cases not governed by 200.112 and 200.318, the provisions of 24 CFR Part 92.356 and 93.353 will apply. Written procurement and selection procedures should contain the following regarding conflicts of interest:

1. **Applicability:** In the procurement of property and services by the Recipient, the provisions of this section apply.
2. **Conflicts prohibited:** No persons described in this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with SRDP funds, or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a SRDP-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.
3. **Persons covered:** The conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, elected official or appointed official, owner, developer or sponsor of a development assisted with SRDP funds (or officer, employee, agent or consultant of the owner, developer or sponsor).
4. **Exceptions:** Upon the written request of the Authority, an exception may be awarded from HUD with regard to the provisions of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME and/or NHTF Programs and the effective and efficient administration of the Authority's program or development. An exception may be considered only after the Recipient has provided the following:
  - a) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
  - b) An opinion of the Recipient's attorney that the interest for which the exception is sought would not violate

State or local law.

5. **Factors to be considered for exceptions:** In determining whether to award a requested exception after the Recipient has satisfactorily met the requirements, the Authority will consider the following:
  - a) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or development which would otherwise not be available;
  - b) Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
  - c) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
  - d) Whether the interest or benefit was present before the affected person was in a position as described in number three of this section;
  - e) Whether undue hardship will result either to the Recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
  - f) Any other relevant considerations.
6. **Owners and Developers:** No owner, developer or sponsor of a development assisted with SRDP funds (or officer, employee, agent or consultant of the owner, developer or sponsor) whether private, for-profit or non-profit, may occupy a SRDP-assisted housing unit in a development. This provision does not apply to an employee or agent of the owner or developer of a rental housing development who occupies a housing unit as the property manager or maintenance worker.

Recipients are required to include the **SRDP-10 Conflict of Interest Certification Form**, which is included in the **SRDP-6 Contract Submittal Packet** in all bid packages. Each general contractor awarded a contract to be paid for with SRDP funds must complete the certification form. Recipients must notify the Authority when a conflict of interest arises. Recipients that choose to request an exception from HUD must contact their Program Coordinator for the specific requirements for submitting an exception application package.

## **RECORD KEEPING REQUIREMENTS**

SRDP Recipients must establish and maintain sufficient records that clearly and satisfactorily demonstrate that program requirements are being met. All records must be retained for the period as described in the funding agreements. Records with respect to any questioned costs, audit disallowances, litigation or dispute between the Recipient and SC Housing shall be maintained for the time needed for the resolution of said question. In the event of early termination of the funding agreement, or if for any reason SC Housing shall require a review of the records related to SRDP, Recipients shall, at their own cost and expense, segregate all such records related to SRDP from its other records of operation.

Recipients must provide citizens, public agencies and other interested parties with reasonable access to records, consistent with applicable state and local laws regarding privacy and obligations of confidentiality. SC Housing, the U.S. Department of Housing and Urban Development, the Inspector General, and any of their representatives, will have the right of access to any pertinent books, documents, papers or other records of the Recipients, in order to make audits, examinations, excerpts and transcripts.

The period of retention for HOME, NHTF, and SC HTF rental developments is five years after development completion, which is the date the project is closed in HUD's IDIS system and is also the date of the initiation of the affordability period for development related records. The records of individual tenant income verifications, development rents and inspections must be retained for the most recent five-year period, until five years after the termination of the affordability periods. Retention periods for other federal requirements are provided in the Funding Agreements.

## SECTION 3 PROJECT APPLICABILITY

A **SRDP-4 Section 3 Applicability Form** must be submitted not later than the date identified in the **Implementation Schedules** provided as Exhibits to the written agreements. This form is used to determine whether or not your development will have to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968 [24 CFR Part 75] which is HUD's legislative directive for providing preference to low- and very low-income residents of the local community (regardless of race or gender), and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded developments. Additional information about the requirements of Section 3 is found on Page 23.

# Pre-Construction Requirements

## INDEPENDENT COST ANALYSIS, FINAL PLANS & SPECIFICATIONS

The **SRDP- Exhibit 10 Construction Cost Addendum** (independent cost analysis), development budget, and preliminary plans and specifications are reviewed during the application review process. Prior to the issuance of the HOME and NHTF Award Agreements the final plans and specifications must be approved by SC Housing. If at any point in time during the development there are revisions to the approved final plans or specifications, a change order must be submitted and approved by SC Housing inspection staff prior to those changes being made. Refer to Page 17 for additional information on change orders.

**Final Plans and Specifications for SRDP projects are due to SC Housing approximately 3 months after the conditional commitment letters are issued.** You may submit the final plans and specifications at any time prior to this deadline to start the review process. All development plans and specifications will be reviewed for compliance with the SRDP Mandatory Design Criteria, code requirements, and accessibility compliance. The plans and specifications must also include all design and amenity items which were chosen for points. Procurement and contracting activities may not begin until both of the following conditions have been met:

1. The Authority's Inspection Manager, John Thompson, has reviewed and approved the final plans and specifications and a memorandum is issued from the Authority indicating such; and
2. The NEPA environmental review process has been completed and approved by the Authority and a memorandum is issued from the Authority indicating such.

The project architect must be provided a copy of the mandatory design criteria outlined in the SRDP Application Manual. Recipients are also responsible for providing the architect information on the amenity and design criteria included for points. The final plans submitted must be sealed by the architect indicating they are ready to be released for construction. They do not, at the time of submission, need to be approved by the locality. A copy of the accessibility consultant's certification Appendix AA, report and related accessibility documents must be provided with the final plans and specifications. **Recipients that do not receive approval of their final plans and specifications by SC Housing within 6 months of submission are at risk of having their SRDP awards de-obligated.**

The **SRDP-14 Unit Designation Form** is used to identify which specific units are designated to the specific fund type, bedroom size, household income served, and to identify Section 504 mobility and sensory units. SRDP funds are awarded to "fixed" units, meaning each of the funding sources allocated a specific dollar amount to a specific number of units/bedroom sizes. The unit's designation never changes. Units designated for higher income households will provide the most flexibility to lease 504 units to disabled income qualified tenants. The **SRDP- 14 Unit Designation Form** must be submitted with the final plans and specifications so inspection staff can determine which units are the designated Section 504 units.

**Instructions for Submitting Plans and Specifications:** Plans and specifications must be submitted electronically in pdf format. A completed **SRDP-5 Inspection Request Form** must be included with the submission. **Contact John Thompson, Inspection Manager for specific instructions on how to submit the documents electronically.**

All developments are subject to the minimum inspection requirements described on the **SRDP-5 Inspection Request Form**. The architect and construction superintendent must be provided a copy of this form so that they are aware of the construction inspection review process. Recipients must have an architect under contract for the duration of the project.

Once the final plans and specifications have been approved by SC Housing, the **SRDP Exhibit 11: Construction Design**

**Certification** must be updated by the architect to confirm that the square footage measurements on the **Exhibit 11** reflect the square footage measurements on the final plans and specifications. In addition, if there was a change in the final plans regarding which units are designated as Section 504 units the SRDP 14 – Unit Designation Form must be updated and resubmitted to identify the Section 504 sensory and physically impaired units.

## **Architect Requirements**

All projects must contract “Turn Key” design services with South Carolina licensed Architect, Landscape Architect, and Engineers that will complete the work in the following manner:

1. Architect shall serve as the central design and design-document coordinator for all plans and specifications for the project - even if separate professional service agreements are held between the owner/developer and various members of the design team. The coordination includes, but is not limited to the Architectural plans, MEP plans, Civil plans, Landscape plans and Specifications.
2. Architect will provide and/or coordinate with data and information provided by all of the project’s third-party professional design-related consultants and engineers including; but not limited to, the Exhibit 10 Estimator, Geotechnical, ADA, Energy Star, and Sustainable Building consultants.
3. Architect shall provide consultation support to the owner with respect to procurement and contracting requirements.
4. Architect will prepare and/or assemble for dissemination the entire bid package. Architect will manage the sealed bid process and support (through advice and comment) the owner/developer in developing an advertising statement and will provide bid results directly to SC Housing.
5. Architect will prepare, provide or review as appropriate to the form involved, (i.e., GC will prepare AIA documents intended for contractor preparation) and process all AIA form documentation.
6. Architect will provide submittal review and architectural onsite construction phase observation services at an interval appropriate to the project size and will be available to communicate, coordinate, and advise as needed with the SC Housing Inspector to resolve any issues revealed during construction.
7. If the signed contract between the Applicant and Architect for providing these services was not provided with the SRDP application, it must be provided with the submission of the final plans and specifications to SC Housing. The contract must include language stating “All project plans, specifications and documents will be designed and provided to comply with the SC Housing’s (enter funding cycle year) Small Rental Development Manual and Appendices” and that the “contract going forward is subject to the Applicant successfully being awarded funding for the project in the SRDP (enter funding cycle year) funding cycle.”

**Please contact John Thompson, Inspection Manager if you have any questions about the submission of final plans and specifications at (803) 394-4671 or [john.thompson@schousing.com](mailto:john.thompson@schousing.com).**

## **PROCUREMENT REQUIREMENTS**

### **General Information**

Recipients must follow procurement policies and procedures that comply with 2 CFR Part 200, and all applicable state and local laws and regulations. This section describes the policies and procedures that must be followed when procuring for construction contracts when SRDP funds are being used. The primary purpose of these requirements is to assure free and open competition is achieved and to ensure cost reasonableness. Any exception to the Authority’s procurement

requirements must be approved in writing by the Authority.

Procurement policies or bid selection procedures must comply with the regulations of Section 3, MBE/WBE outreach requirements, and federal labor standards when applicable. Developments subject to Section 3 regulations must include the **SRDP-12A Section 3 Recipients/Contractors/Subcontractors Packet** and the **SRDP-12C Section 3 Business Concern Certification** in all bid packages.

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The Recipient shall be alert to prohibited conflicts of interest, as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. Solicitations shall clearly set forth all requirements that the bidder shall fulfill in order for the bid to be evaluated by the Recipient. Bidders must be informed of all the federal requirements the project will be subject to. Contracts shall be entered into only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

Examples of what is considered to be restrictive to competition include, but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business
- Non-competitive practices between firms
- Conflicts of interest
- Unnecessary experience and bonding requirements

A minimum of three bids is preferred. The bids shall be from general contractors or residential builders who are licensed in the State of South Carolina. **All** bids shall be submitted with line item costs on the **SRDP-23 Bid Itemization Workbook**. The acceptable bid for a general contractor shall be no more than 10% higher or lower than the independent cost analysis (**SRDP Exhibit 10**) or the work write-up approved by the Authority. SC Housing will evaluate the bids to determine if they fall within the 10% range. **Any exception to the above items must be approved by the Authority.** If there are no bids received that fall within the 10% limitation, contact your Program Coordinator for guidance.

**Phased Projects** – If the awarded SRDP project is a subsequent phase of a previously awarded SRDP project, the Recipient may request a waiver of the procurement requirements to use the same general contractor hired to complete the previous phase(s) of the project to also complete the current phase.

### **Contractor Credential Requirements**

Selected general contractors must meet the following minimum requirements to be awarded SRDP construction contracts. Documentation that the contractor meets these requirements must be included in the bid package and submitted proposals.

1. Construction companies must have been in business for a minimum of five years and have permanent full-time employees.
  - Documentation must be provided that demonstrates the construction company been in business for at least five years of continuous operation, operating under the same business name.
  - Documentation that the company is in good standing with the SC Secretary of State
  - Copy of most current license issued by SC Department of Licensing, Labor and Regulations
  - Completed W-9

Final plans and specifications must be approved by the Authority prior to bidding out developments. Failure to follow this procedure may result in project delays and disallowed costs.

2. Provide a list of projects similar in scope and size to the SRDP project that the construction company has successfully completed during the last five years. Include the following information for each project:
  - Project Name
  - Project Owner
  - Project Address
  - # of Units and Type (affordable, market rate)
  - Construction Start/End dates
  - Project Type (New Construction, Rehab, Adaptive Re-Use, Conversion) - Description of Funding Sources
  - Color Photos of Completed Projects
  
3. Provide the construction company's organizational chart (including employee names and titles) and employee roster. The construction company must have full-time permanent employees, including full-time on-site job superintendents and project managers. Provide the following information for each employee:
  - Employee Name
  - Job Title
  - Resumes of all key staff members and principals
  - Description of responsibilities and job duties
  - Type (i.e. full-time/part-time)
  
4. Contracts cannot be awarded to contractors that are working on other Authority funded projects that have fallen behind schedule. Behind schedule refers to the project's Implementation Schedule and/or the construction completion schedule or completion requirements identified in the construction contract. Any exception to the Authority's contractor requirements must be approved in writing by the Authority.

### ***Method of Procurement***

The appropriate procurement method to use for soliciting construction services is the competitive sealed bid method. The current Simplified Acquisition Threshold is \$150,000. **Drafts of the advertisement for bid and the bid package must be provided to SC Housing for review prior to commencing the bid solicitation process.** Recipients are encouraged to advertise for bids through the South Carolina Business Opportunities (SCEBO) website at [SCBO - Procurement Services](#).

The competitive sealed bid method is required when procuring for **ALL construction contracts and for all goods and services costing more than \$150,000.** During the competitive sealed bid process, bids are publicly solicited and a firm, fixed-price contract is awarded to the most responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. In order for sealed bidding to be feasible, the following conditions should be present:

1. A complete, adequate, and realistic specification or purchase description is available; and
2. Two or more responsible bidders are willing and able to compete effectively for the business; and
3. The procurement lends itself to a firm, fixed-price contract and the selection of the successful bidder can be made principally on the basis of price.

The following requirements apply:

1. **Publication Period:** The invitation for bids will be publicly advertised for **a minimum of 7 days** and bids shall be solicited from an adequate number of known suppliers, providing them **at least 21 days to submit a bid**, the advertisement should also indicate the date set for opening the bids;
2. **Federal Funding Advertised:** The advertisement should indicate that the project is being funded with HOME and NHTF funds and that federal requirements will apply to the contracts;
3. **Clear Definition:** The invitation of bids, which will include any specifications and pertinent attachments, shall



define the items or services in order for the bidder to properly respond;

4. Itemized Costs: Bids must show the quantity and cost of each line item. Lump sum bids and/or bid items that are not specifically identified or are generally grouped as miscellaneous or contingency are not allowed;
5. Public Opening: All bids will be publicly opened at the time and place prescribed in the invitation for bids;
6. Selection and Contracting: A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder; and
7. Rejection of Bids: Any or all bids may be rejected if there is a sound documented reason.

**Negotiations after Unsuccessful Competitive Sealed Bidding:** Recipients must notify the Authority upon realization that the bid procedure was unsuccessful. Bid processes are deemed unsuccessful when an insufficient number of proposals are submitted or proposals received are not within 10% of the cost estimate approved by the Authority. The Authority, at its discretion, based on the circumstances, may allow a bid to be awarded, permit negotiations or require the project to be re-bid.

### **Preparing a Bid Package for Construction Services**

#### ***Step 1: What should be included?***

The architect will prepare the technical bid specifications for new construction projects and will also prepare the necessary work write-up for rehabilitation. The information concerning both of these types of activities should provide a complete and accurate description of the work to be completed, specifications for materials, products, and services to be provided or performed. In addition, Recipients and their architects must ensure that the bid package includes the SRDP mandatory design criteria, design and amenity criteria included for points, required federal and State provisions and clauses, such as compliance with minimum standards for accessibility, Davis-Bacon, Section 3, and HUD and EPA Lead-Based Paint regulations when applicable.

Bid and contract documents should include, but are not limited to the following:

- ***SRDP-23 Bid Itemization Workbook***
- Technical specifications
- Local, State and Federal requirements
- Equal opportunity requirements including ***SRDP-12A – Recipient/Contractors/Subcontractors Packet, SRDP-12B - Section 3 Clause Contract Addendum, and SRDP-12C Section 3 Business Concern Certification***
- Davis-Bacon Labor standards requirements (if applicable)
- General contract terms and conditions such as termination clauses, access to and retention of records, etc.
- Timeframe for contract completion
- General industry conditions
- All bids for any project shall include costs of permits, licenses and fees applicable to the scope of work.
- If required for fabrication, installation or if required by the General contractor, all subcontractors and suppliers will be required to furnish shop drawings, certificates, tests and/or samples for approval
- Each bidder performing work on any project will be required to remove completely from the job site their own construction debris, trash, etc. and to leave his work in a neat and workmanlike manner
- Method of payment and amount of contract
- Advertisement for Bid
- A request that all bidders return bids even if they are not going to bid. Have them mark the bid "No Bid." A "No Bid" is considered a bid.
- Insurance and bonding requirements, ***SRDP-6 Contract Submittal Packet, SRDP-7 Contract Provisions, SRDP-8 Debarment Certification, SRDP-9 SC Illegal Immigration Reform Act Certification, SRDP-10 Conflict of Interest Certification, and SRDP-11 Byrd Anti- Lobbying Certification.*** (Note: the ***SRDP-6 Contract Submittal Packet*** contains forms 8-11)



**Step 2: Reviewing the bid package prior to soliciting bids** Prior to bidding the project, Recipients should review the bid documents to ensure that the scope of work is consistent with the approved SRDP project.

**Step 3: What method to use when soliciting bids** Construction bids must be publicly solicited using sealed bids.

**Step 4: Handling corrections to bid package** If any amendments are made to the bid documents, they must be sent to all bidders who were sent or who obtained bid documents. A log should be maintained of all bidders who were sent or obtained bid documents. All bids received during the bidding period should be logged with the name and address of the bidder and the date and time of receipt.

**Step 5: Confirm Davis-Bacon Wage Decision (if applicable)** Wage decision must be confirmed no later than ten days prior to bid opening.

**Step 6: Conduct a public bid opening** All bids should be read aloud during this meeting and minutes kept.

**Step 7: Reviewing Bids**

- Determine if bids are legally and technically responsive and fall within 10% of the approved cost estimate.
- Check with the State’s Licensing Board for General Contractors to verify contractor’s business license number and type, and the types of work the contractor is permitted to bid on or perform.
- Evaluate the contractor’s capacity.
- Check to make sure the contractor has not been debarred from participating in federally funded developments (SAM.gov).
- Notify the Authority if an insufficient number of bids are received.
- Submit contractor credentials, documentation of procurement, a draft of the contract, and a draft of the AIA Application for Payment to SC Housing for review and approval of the contractor and draft contract.
- Prepare and provide a notice of intent to award to the selected bidder after procurement and the contractor’s credentials have been approved by SC Housing.

**BEST PRACTICES TO FOLLOW WHEN PROCURING**

- Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. This description must not contain features that unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, set forth minimum essential characteristics and standards to which it must conform to be satisfactory. Clearly set forth all requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals.
- Awards shall be made only to responsive and responsible contractors who possess the ability or have access to resources to perform successfully under the terms and conditions of a proposed procurement. Consideration must be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- Proposed procurement actions must be reviewed by the Recipient to avoid purchasing unnecessary or duplicative items.
- The Cost Plus a Percentage of Cost Method of contracting shall not be used.
- Contracts with other public agencies will only allow actual costs to be paid. No profit is allowable when contracting with other public agencies.
- Recipients must maintain sufficient records detailing the significant history of the procurement. These records must include, but are not necessarily limited to:
  1. Information pertinent to the rationale for the method of procurement
  2. Selection of contract type

3. Contractor selection or rejection
  4. The basis for the cost or price
  5. Copy of the advertisement for bids
  6. Copy of the bid package that was provided to bidders
  7. Bid tabulation of all bids received
  8. Copies of all bids received, including “no bids”
- Recipients must maintain a contract administration system that ensures contractors perform in accordance with the terms, conditions and specifications of their contract.
  - It is recommended that development owners require a bid guarantee from each bidder equal to 5% of the bid price. If utilized, the bid guarantee should consist of a bid bond, certified check, or other negotiable instrument accompanying the bid.

### ***Submitting Procurement Documentation***

SRDP Recipients may not award contracts until documentation of procurement and the contractor’s credentials have been approved by SC Housing. The following documentation must be submitted for review:

1. ***SRDP-6 Contract Submittal Packet*** contains the required forms (***SRDP 8 – 11***) and lists the contract documents and the contractor’s credentials to be submitted;
2. Copy of the Bid Advertisement
3. Copy of the Bid Package provided to bidders
4. Copy of all bids received (including “no bids”) itemized using the ***SRDP-23 Bid Itemization Workbook***,
5. Bid Tabulation that identifies which contractor the Recipient would prefer to select
6. Draft of Contract
7. Draft of the ***AIA G702 Application for Payment***
8. Draft Construction Schedule

### ***Identity of Interest Relationships***

In circumstances where the SRDP project owner also owns a general contracting company, the Recipient may request to waive the procurement requirements and have the related entity perform the general contracting services. The recipient must request approval to use their contracting company by submitting a completed ***SRDP-25 Request for Identity of Interest and an SRDP-25A Identity of Interest Certification Form for SC Housing approval***. To be approved, the general contracting company must meet the contractor credential requirements described on pages 10 – 11.

## **AWARDING CONTRACTS**

### ***Contract Approval***

**Drafts** of the contract and ***AIA G702 Application for Payment*** along with an ***SRDP-6 Contract Submittal Packet*** and applicable contractor credential documents must be submitted for approval. **All general/primary contracts must be approved by the Authority prior to execution.** Proceeding to sign a contract and/or begin construction without SC Housing’s approval may result in the de-obligation of the SRDP awards. Once approved, the executed contract needs to be submitted with a construction schedule that has been signed off on by the architect, contractor and the owner. The draft of the ***AIA G702 Application for Payment*** will be reviewed to verify percentages withheld for retainage (5%-10%), and percentages allowed for General Requirements (6%) and Contractor Profit and Overhead (8%) do not exceed (14%) of hard construction costs per the SRDP underwriting guidelines found in the Application Manual. SRDP Recipients must execute construction contracts that are in-line with approved cost estimates (+/- 10% threshold) and include the federal provisions provided in the ***SRDP-7 Contract Provisions*** as an addendum to the contract. Failure to include the contract addendum will result in the return of the contract and cause delay of contract approval. All construction contracts to be paid for with SRDP funds must be properly procured, determined to be cost reasonable, and include required contract provisions. All subcontracts

awarded by the General Contractor must be awarded in the form of a written contract and include the Section 3 Clause. Verbal agreements between the General Contractor and their subcontractors are not allowed.

### ***10% Threshold Requirement***

Contracts must only be awarded to the lowest most responsive and responsible bidder. Eligible proposals must fall within 10% above or below the approved independent cost analysis or work write-up. If there are no proposals received that fall within the allowable range, contact your Program Coordinator. The Authority, at its discretion based on the circumstances, may allow a bid to be accepted outside of the 10% range, permit negotiations or require the service to be re-bid.

### ***SRDP Contract Provisions***

All contracts are required to contain federal and state provisions pertaining to equal opportunity, labor standards, and general terms and conditions. The Authority has provided a standard set of these provisions, provided as ***SRDP-7 Contract Provisions*** for use in construction contracts. In addition, all contracts including subcontracts must include Section 3 Clause Contract Addendum. Note: The Section 3 Clause for the General Contractor's contract is provided in the ***SRDP-7 Contract Provisions*** and the Section 3 Clause for subcontracts is provided in the ***SRDP-12B Section 3 Clause Contract Addendum***.

### ***Pre-Construction Conferences***

Recipients should notify their assigned Program Coordinator at least two weeks prior to the date of the pre-construction conference. A representative of the Authority may elect to attend the pre-construction conference.

### ***Bonding & Insurance Requirements***

A payment and performance bond or letter of credit is required for **ALL** SRDP projects drawing funds during construction, regardless of the amount of the contract. Contractors that cannot meet bonding and insurance requirements cannot be awarded contracts for SRDP projects. In addition, all SRDP projects are required to follow local procedures relating to bonding and insurance. Recipients should consult with their engineers in order to protect their interests. For projects drawing during construction, the minimum bonding and insurance requirements are as follows:

- A payment and performance bond or Letter of Credit from contractors for 100% of the contract shall be executed in connection with each construction contract that the SRDP Recipient elects to draw funds for during construction. Irrevocable Direct Pay Letters of Credit are acceptable to provide in place of payment and performance bonds; however, they must be payable directly to SC State Housing Finance & Development Authority and be for an amount equal to the contract amount to ensure payment in full for all completed work in place. All Letters of Credit will be reviewed to limit the Authority's liability.
- SRDP Recipients must require adequate liability/hazard, automobile, and workers' compensation insurance from contractors. Builder's Risk insurance coverage amounts at a minimum must be equal to the entire contract amount.

### ***Building Permits***

A copy of the building permits must be submitted to the Authority once pulled.

### ***Construction Contingency***

The amount initially budgeted for construction contingency is approved during the review of the ***Exhibit 10 – Construction Costs Addendum*** during the application review process. The approved estimated amount is included in the Development Budget on page 8 of the SRDP Application and the Development Budget Exhibits included in the HOME and NHTF written agreements. Once procurement has been completed and the construction contract has been awarded the Development Budget Exhibits in the written agreements will be updated to reflect the actual amount of the construction contract and construction contingency (10% of the awarded construction contract). The amount budgeted for construction contingency cannot be used unless a change order to the contract is approved by SC Housing.

# Requirements During Construction

## INSPECTION REQUIREMENTS

Inspections are required at certain phases of completion during construction. It is the responsibility of the SRDP Recipient to submit inspection requests as the development reaches each of the phases of construction completion, as listed below. An **SRDP-5 Inspection Request Form** must be submitted to your assigned Program Coordinator to request required inspections.

- **Final Plans and Specification Approval** – refer to page 3 of Appendix B of the SRDP Application Manual.
- **Site Inspection** – Request when erosion/sediment controls are in place AND clearing, grubbing, and rough grading is complete.
- **Footing Inspection** – Email pictures to the Inspection Manager and Program Coordinator of dug footings with rebar in place, ready for placement of concrete. Pictures must be clear and provide location characteristics.
- **Foundation Completion** – Request when foundation is complete, **before** slab is poured or floor framing is finished.
- **Dried-in inspection** – Request when framing is complete, to include windows and doorways with exterior wrapped.
- **Rough-in inspection** – Request when electrical, plumbing, HVAC and insulation are complete.
- **75% completion** – Request when interior doors, trim, kitchen cabinets, etc., are installed or when building is 75% complete, whichever comes first. The **SRDP-14 Unit Designation Form** must be re-submitted when construction is approximately 75%, prior to the execution of lease agreements.
- **Pre-100% completion inspection** – To be completed when punch list work is underway.
- **Final Inspection** – Request at 100% completion – refer to checklist on page 2 of the inspection request form
- **Change Order Review** – All change orders must be submitted for review.
- **Disbursement Inspections** – submit to your assigned Community Development Coordinator with required inspections or as needed when drawing SRDP funds during construction.

## Developments Drawing SRDP Funds During Construction

Recipients electing to draw down funds during construction may submit requests for payment in conjunction with the above listed required inspections, or, if necessary, additional inspection requests may be submitted as needed for disbursements. All requests for payment for construction expenses must be submitted with an **SRDP-5 Inspection Request Form**. An Authority inspector will inspect for work in place as identified in the AIA Application for Payment documents, **which must be signed off on by the project architect**. The inspection and disbursement requests must be submitted with the appropriate AIA Application for Payment demonstrating the completed work in place for which funds are being requested. Disbursement requests will not be processed if the work in place being inspected is not approved.

## Change Orders

Change orders are necessary when changes arise to the scope of work, costs or timing identified in executed construction contracts. Change orders should be kept to an absolute minimum and are for unforeseen problems or issues that arise during construction. Change orders will not be used to correct bidding computation errors or errors made by the contractor. Any change orders should be agreed upon, signed by the owner and contractor and submitted to the Authority for review and approval. Change orders will be evaluated for cost reasonableness and necessity. Change orders will also be reviewed to determine whether or not the change in cost or scope of work will affect the approved development budget, lead-based paint exemption status or calculated levels of assistance. To request approval for a change order, the change order must be submitted to your Program Coordinator along with a **SRDP-5 Inspection Request Form** and a **SRDP-**

### **13 Change Order Request Form.**

**All change orders must be approved by the Authority before the work is undertaken.** Failure to follow this requirement may result in disallowed costs. In situations where the change order is extremely time sensitive, notify your assigned inspector for guidance on how to proceed. All change orders must be submitted and reviewed by SC Housing inspection staff prior to submitting a request for final inspection.

### **Processing Inspection Requests**

Upon receipt of a complete **SRDP-5 Inspection Request Form**, an email notification will be sent from your assigned Program Coordinator stating that the inspection request has been provided to inspection staff for scheduling. You will be contacted by an inspector to schedule the inspection within 7 business days from the date of the email. Be aware that delays may occur during the holidays or during severe weather conditions. When completing the **SRDP-5 Inspection Request Form**, provide the contact information for the staff person you want the inspection staff to contact to schedule the inspection. The SRDP Recipient must be present at the project site during the inspection.

### **Submitting Final Inspection Requests**

When submitting final inspection requests, refer to the **SRDP -5A 100% Inspection Checklist** to ensure the following items are included: Certificates of Occupancy, Appendices DD, EE, and FF, final AIA Application for Payment, AHRI's, Energy Star Certification, and radon test results. In addition, depending on the scope of the project, other documentation may be required to be submitted with the final inspection request. Required documentation is based on the specific scope of work being undertaken by the Recipient and may vary from project to project. Developments requiring LBP hazard reduction work must submit a copy of the clearance report, and developments funded to construct Energy Star Certified properties must submit documentation of the Energy Star Certification. If unsure, contact your Program Coordinator for the requirements specific to your project.

## **DISBURSEMENT REQUESTS**

### **General Information**

Recipients were required to elect to draw funds during construction or at the completion of construction during the application submittal process. Disbursements are requested using the **SRDP-15A-C Disbursement Request Workbook**. Due to federal commitment and expenditure deadlines, Recipients must contact their Program Coordinator prior to submitting a disbursement request to determine which source or sources of funding should be requested. The final disbursement request for developer fees, reserves, and compliance monitoring fees is submitted with the Placed-in-Service Application and is not processed to release the payment until the Placed-in-Service Application is approved. In general, the following requirements must be met before a request for payment can be processed:

- Final plans, specifications, and contracts must be approved; and
- The HOME/NHTF/HTF loans must be closed; and
- If funds are being drawn during construction, a payment & performance bond or letter of credit must be submitted; and
- If requesting payment for construction costs, the work must be approved by an Authority Inspector; and
- If requesting payment for soft costs, vertical construction must be underway; and
- For Final Disbursements, the Placed-in-Service Application, Cost Certification, **SRDP-15A-C Draw Summary Form -All Funding Sources** (provided as a "live" Excel file), and the Final Inspection be approved by Authority staff.
- If requesting reimbursement of incurred expenses, a copy of the cancelled check used to make the payment.

The Authority, at its discretion, reserves the right to withhold payments for any issues related to compliance with federal

or state requirements. The Authority may elect to stop payment of SRDP funds for reasons including, but not limited to, the following:

- Required reports are not received
- Audit reports are not received
- Additional required documentation is not received
- Recipient is not in compliance with Davis-Bacon, Section 3 or other program requirements

### ***Vendor Number Registration***

To receive payments all SRDP awardees are required to register the ownership entity through the below vendor registration website to receive a vendor number. Once an entity is registered it is not necessary to re-register if the awardee receives an additional award. Once you have received your vendor # please provide a screen print copy of the vendor number to your program coordinator.

**To register click here-** <https://procurement.sc.gov/doing-biz/registration>

Registration instructions are provided on the SCEIS website.

**To check vendor registration status, click here-** <http://webprod.cio.sc.gov/SCVendorSearch/vendorSearch.do>

### ***Drawing Funds at Project Completion***

#### **Requesting Funds for Acquisition Expenses**

Recipients that were awarded funds for acquisition costs must submit disbursement request forms along with a fully executed copy of the Closing Disclosure Statement, a recorded copy of the deed, and invoices for any legal fees paid outside of closing. Acquisition funds must be part of the approved development budget to be an eligible expense. Disbursements for acquisition expenses will not be processed until vertical construction is underway.

**NOTE:** If using HOME or NHTF for acquisition expenses, federal regulations require that construction start within 12 months of acquisition. Not meeting this requirement will result in the SRDP award being de-obligated. Developments that have budgeted NHTF funds for acquisition expenses must close and hold title to the property within 6 months of executing the NHTF written agreement. Not meeting the 6-month deadline will render the use of NHTF funds ineligible for acquisition expenses. HOME and NHTF dollars cannot be used to reimburse acquisition expenses incurred for acquiring project sites prior to the submission of the SRDP application. SC HTF may be requested to reimburse acquisition expenses incurred within 24 months prior to the submission of the SRDP application.

#### **Requesting Funds for Soft Costs**

Recipients that were awarded funds for soft costs must submit disbursement request forms along with invoices for all expenses being requested. The expenses must be part of the approved development budget to be an eligible expense. If the Recipient is requesting to be reimbursed for soft costs they have already paid for, documentation of payment should be included with the invoice(s). Pre-award costs incurred 24 months prior to the execution of the HOME and NHTF written agreements are eligible, as long as they were included in the development budget submitted in the application and are determined to be cost reasonable and necessary. Disbursements for soft costs will not be processed until vertical construction is underway.

#### **Requesting Funds for Construction Expenses**

To request funds for construction expenses, an ***SRDP-15A Draw Summary Form, SRDP-15B Draw Summary Form, SRDP-15A-C Excel Workbook*** and an ***SRDP-5 Inspection Request Form*** must be submitted to your Program Coordinator. AIA Applications for Payment signed by the project architect must be provided with the disbursement and inspection request forms. Disbursements will not be processed until the disbursement forms, documentation, and inspection are approved.

Once these items are approved, payment can be expected to be received within 21 calendar days. The funds requested must be for amounts necessary to meet current disbursement needs. Current disbursement needs are for completed work in place. Payment cannot be disbursed for stored materials. Recipients should do everything feasible to disburse funds in excess of \$5,000 to vendors within 3 business days of deposit. In situations where payment takes longer than 3 business days, written justification should be maintained in the file as to the reason for the delay of disbursement.

Submitting incomplete or incorrect draw paperwork will delay payment. Any request for payment that is not completed properly or accompanied by the applicable documentation will be denied. Common reasons a request for payment may be denied include, but are not limited to the following:

- Funds requested exceed invoice or approved budget amounts;
- Payee's name is not written on form exactly as it is recognized by the IRS (*must match name exactly as it appears on your W-9*);
- The Federal Tax Identification number provided does not match your organization;
- Budget amounts, amounts previously drawn, and/or total expenditures to date on the disbursement forms are not correct; and/or
- Disbursement request forms are not signed.

### ***Drawing Funds at Project Completion***

Owners electing to draw funds at the completion of construction may submit a disbursement request for construction expenses upon approval of the final inspection. The final disbursement requests for each funding source to request the remaining funds for developer fees, reserves, compliance monitoring fees, etc. are submitted with the Placed-in-Service Application after the final inspection has been approved. To request the final disbursements, the Placed-in-Service Application must be submitted to your Program Coordinator. Disbursements will not be processed until the disbursement forms, documentation, Placed-in-Service Application and final inspection are approved. Once these items are approved payment can be expected to be received within 21 calendar days. Recipients should do everything feasible to disburse funds in excess of \$5,000 to vendors within 3 business days of deposit. In situations where payment takes longer than 3 business days, written justification should be maintained in the file as to the reason for the delay of disbursement. Due to HUD expenditure deadlines an election to draw funds at project completion may not always be an option SC Housing is able to allow. In instances where an expenditure deadline will prevent SC Housing from approving an election to draw funds at project completion the applicant will be notified during the application review process.

**NOTE:** If the final inspection and/or Placed-in-Service Application review requires award reductions, revisions to financial terms in the loan agreements, alterations to the unit designations, and/or adjustments to rents, the final draw requests and/or legal documents will need to be revised accordingly.



# Additional Federal & State Requirements

---

HOME and NHTF developments are subject to several federal regulations. Recipients are responsible for knowing which of those federal requirements their developments must comply with. This section discusses those various regulations and their applicability.

## FEDERAL DEBARMENT CERTIFICATION

SRDP funded projects may not employ any contractors that have been debarred or suspended from participating in federally funded programs. A listing of debarred contractors can be found on the **System for Award Management (SAM)** website at <https://sam.gov/content/home>. SRDP Recipients are responsible for checking the website to verify a contractor's status prior to executing contracts. All contractors awarded contracts must sign the **SRDP-8 Debarment Certification Form** certifying that they are not included on the Excluded Parties Listing System and are eligible to participate in federally assisted programs. An **SRDP-8 Debarment Certification Form** must be submitted along with each contract awarded **with a copy of the search results from sam.gov**. Separate searches must be conducted on sam.gov for the firm name and owner name(s). Note: the **SRDP-8** can also be found in the **SRDP-6 Contract Submittal Packet**.

## FAIR LABOR STANDARDS ACT

The Fair Labor Standards Act (FLSA) contains federal minimum wage rates and overtime (O/T) and child labor requirements. These requirements generally apply to any labor performed and may be pre-empted by other federal standards, such as the Davis Bacon Act, related prevailing wage requirements, and the Contract Work Hours and Safety Standards Act. Only the Department of Labor has the authority to administer and enforce FLSA. HUD will refer to the DOL any possible FLSA violations that are found on HUD developments.

## BYRD ANTI-LOBBYING CERTIFICATION

Contractors who bid for awards in excess of \$100,000 must provide the required certification. Each tier certifies to the tier above that it will not and has not used federal funds to pay any person or organization influencing, or attempting to influence, an officer/employee of any agency, a member of Congress, officer/employee of Congress or an employee of a member of Congress in connection with obtaining any federal contract, award or any other award covered by 31 USC 1352. Each tier should disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the Recipient. A **SRDP-11 Byrd Anti-Lobbying Certification Form** must be completed by the contractor and the SRDP Recipient. Note: the **SRDP-11** can also be found in the **SRDP-6 Contract Submittal Packet**.

## SC ILLEGAL IMMIGRATION REFORM ACT

Effective July 1, 2009, South Carolina businesses that employ 100 or more workers must verify the legal status of new employees and remove from their payrolls any worker who is not legally in the United States and authorized to work. These requirements are a part of the South Carolina Illegal Immigration Reform Act that became effective on June 2, 2008. Employers who employ less than 100 workers had until July 1, 2010 to fully comply with the law.

Beginning July 1, 2009, all businesses in South Carolina are issued a South Carolina employment license which permits an employer to hire employees. The employment license remains in effect as long as the business abides by the law. The South Carolina Department of Labor, Licensing and Regulation will investigate complaints and conduct audits of employers to assure



compliance with the law. An **SRDP-9 SC Illegal Immigration Reform Act Certification Form** must be submitted along with each contract awarded.

#### **Verification Requirements:**

In addition to completing and maintaining the federal employment eligibility verification form, more commonly known as the Form I-9, all South Carolina employers must, within five days after employing a new employee, verify the following:

1. The employee's work authorization through the E-Verify federal work authorization program administered by the U.S. Department of Homeland Security; or
2. The employee possesses a valid South Carolina driver's license or identification card issued by the South Carolina Department of Motor Vehicles; is eligible to obtain a South Carolina driver's license or identification card; or possesses a valid driver's license or identification card from another state whose qualification requirements are as strict as those of the state of South Carolina.

For information on E-Verify, and to register for the program, go to the **E-Verify** website at: <https://www.e-verify.gov/>

#### **Compliance Dates:**

Compliance with verification requirements begins July 1, 2009 for private employers who employ 100 or more employees. For private employers who employ less than 100 employees, the compliance date is July 1, 2010.

#### **Enforcement and Penalties:**

The South Carolina Department of Labor, Licensing and Regulation is responsible for:

- Notifying the United States Immigration and Customs Enforcement of suspected unauthorized aliens employed by a private employer;
- Notifying state and local law enforcement agencies responsible for enforcing state immigration laws, and;
- Assessing penalties for violations of the Act.

For violations of the procedures for verifying worker eligibility, a private employer can be assessed a civil penalty of not less than \$100 and not more than \$1,000 for each violation. Upon the first violation, the employer can avoid assessment of a penalty if, within 72 hours of notification of a violation, the employer complies with the verification provisions. An employer who knowingly or intentionally hires an unauthorized alien faces suspension or revocation of the employer's imputed license. During the time that the license is suspended or revoked, the employer cannot employ any employees.

## **SECTION 3 REGULATIONS**

Each year the U.S. Department of Housing and Urban Development invests billions of federal dollars into distressed communities for developments designed to build and rehabilitate housing, improve roads, develop community centers and otherwise assist families to achieve the American Dream. The Section 3 regulation recognizes that HUD funding typically results in developments/activities that generate new employment, training and contracting opportunities. These economic opportunities not only provide, "bricks and mortar" but can also positively impact the lives of local residents who live in the neighborhoods being redeveloped.

Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701u and 24 CFR Part 75] is HUD's legislative directive for providing preference to low- and very low-income residents of the local community (regardless of race or gender), and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded developments. Further, as a condition of receiving HUD Community Planning and Development assistance, Recipients certify that they will comply with the requirements of Section 3. Accordingly, HUD has the legal responsibility to monitor Recipients for compliance and can impose penalties upon those that fail to meet these obligations. **All SRDP Award Recipients are required to participate in a mandatory Section 3 Training that will be**

scheduled by your Program Coordinator.

### ***Applicability of Section 3 to SRDP Developments***

A Section 3 project means housing rehabilitation, housing construction, and other public construction projects that are assisted under HUD programs which provide housing and community development financial assistance for the project that exceeds the threshold of \$200,000. The threshold is \$100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C.1701z-1 or 1701z-2), the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 *et seq*).

Therefore, SC Housing and the entities to which it provides HOME, NHTF and NSP funds (collectively HUD Funds) in excess of \$200,000 must comply with Section 3, as amended. Whether the project is fully or partially assisted under HUD CPD programs, Section 3 applies to the entire project [24CFR 75.3(a)(2)(iii)]. **All Contractors and Subcontractors** must be made aware of the need to comply with Section 3 requirements.

Section 3 requirements do not apply to material supply contracts [24 CFR 75.3(b)] or “non-construction” professional service jobs that require an advanced degree or professional licensing, including but not limited to contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

### **Section 3 Covered Community Planning and Development Funding:**

The following federal programs are subject to the requirements of Section 3:

- Community Development Block Awards (CDBG)
- Home Investment Partnership Assistance (HOME)
- Housing Opportunities for Persons with Aids (HOPWA)
- Economic Development Initiative (EDI)
- Brownfield Economic Development Initiative (BEDI)
- Emergency Shelter Awards (ESG)
- Homeless Assistance
- University Partnership Awards
- Neighborhood Stabilization Program (NSP)
- Certain Awards Awarded Under HUD Notices of Funding Availability (NOFAs)
- National Housing Trust Fund (HTF)

### ***Section 3 Reporting Requirements***

All contractors and subcontractors are required to submit an ***SRDP – 12F-G Contractors/Subcontractors Total Labor Hours Report***, along with supporting documentation, if applicable to the Award Recipient upon completion of their construction contract. Award Recipients are required to submit an ***SRDP-12H Master Award Recipient Total Labor Hours Report along with all collected Section contractor and subcontractor documentation and reports to SC Housing with the Placed-in-Service Application***. The following labor hours data will be reported for each construction and contract and subcontract awarded to the project:

- a. Total Labor hours during construction
- b. Total Labor hours during construction for Section 3 Workers.
- c. Total Labor hours during construction for Targeted Section 3 Workers
- d. Qualitative efforts that were taken if benchmarks are not met. Documentation of these efforts is submitted with the reports.

### ***Section 3 Benchmarks***

The Section 3 benchmarks established by HUD for all Award Recipients/Contractors/Subcontractors are:

- **25%** or more of total labor hours of the development construction worked by Section 3 Workers,  
**AND**
- **5%** or more of total labor hours of the development construction worked by Targeted Section 3 workers

**If the Award Recipient's/Contractor's/Subcontractor's reporting indicates the Section 3 benchmarks have not been met, qualitative efforts must be included in the SRDP-12G Qualitative Efforts Report and evidence must be provided indicating that, to the greatest extent feasible, low- and very low-income persons were given employment and training opportunities. Qualitative Efforts include but are not limited to:**

- Outreach efforts to generate job applicants who are Public Housing Targeted Workers
- Outreach efforts to generate job applicants who are Other Funded Targeted Workers
- Direct, on-the-job training (including apprenticeships)
- Indirect training such as arranging for, contracting for, or paying tuition for off-site training
- Technical training such as arranging for, contracting for, or paying for tuition for off-site training
- Outreach efforts to identify and secure bids from Section 3 Business Concerns
- Technical assistance to help Section 3 business concerns understand and bid on contracts
- Division of contracts into smaller jobs to facilitate participation by Section 3 Business Concerns
- Provided or connected residents with assistance in seeking employment, including drafting resumes, preparing for interviews, finding job opportunities, connecting resident to job placement services
- Held one or more job fairs
- Provided or connected residents with supportive services that can provide direct services or referrals
- Provided or connected residents with supportive services that provide one or more of the following: work readiness, health screenings, interview clothing, uniforms, test fees, transportation
- Assisted residents with finding childcare
- Assisted residents to apply for or attend community college or a four-year educational institution
- Assisted residents to apply for or attend vocational/technical training
- Bonding assistance, guaranties, or other efforts to support viable bids form Section 3 Business Concerns
- Provided or connected residents with training on computer use or online technologies

Award Recipients, Contractors and Subcontractors will be considered compliant if they meet both benchmarks for total hours worked for Section 3 workers and Targeted Section 3 workers as stated above. If Award Recipients, Contractors or Subcontractors did not meet the benchmarks, but can provide evidence that they made qualitative efforts to provide low- and very low-income persons with employment and training opportunities, they will be considered compliant with Section 3. Documentation of qualitative efforts must be provided along with the **SRDP- 12G – Section 3 Qualitative Efforts Report**.

### **Section 3 Clause**

In accordance with 24 CFR Part 75.27, all Section 3 covered contracts shall include the following clause **VERBATIM** (referred to as the Section 3 clause):

#### **Section 3 Clause:**

- A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section3), contributes to the establishment of stronger, more sustainable communities by ensuring that employment and other economic opportunities generated by HUD financial assistance for housing and community development programs are, to the greatest extent feasible, directed toward

low- and very low-income persons, particularly those who receive HUD financial assistance for housing and those residing in communities where the financial assistance is expended.

- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 75, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 75 regulations.
- C. The contractor agrees to include this Section 3 Clause in every subcontract subject to compliance with regulations in 24 CFR Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 Clause, upon finding that the subcontractor is in violation of the regulations in 24 CFR Part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 75.
- D. Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD-assisted contracts.

Award Recipients, Contractors, and Subcontractors must retain all records pertaining to Section 3 for a period of five (5) years after project completion. Refer to the **SRDP-12A - Section 3 Packet for Award Recipients/Contractors/Subcontractors** for additional information on compliance with Section 3 regulatory requirements.

For questions about Section 3 contact Teri Stohlberg at 803-896-4265 or [Teri.Stohlberg@schousing.com](mailto:Teri.Stohlberg@schousing.com).

## **SMALL & MINORITY BUSINESS INVOLVEMENT**

When procuring goods and services, HUD requires that Recipients encourage and support the involvement of small, minority and female-owned business firms in HOME and NHTF funded developments. HUD has placed the following requirements with regard to the HOME and NHTF programs to ensure the following minimum affirmative steps are taken to afford MBE/WBE owned businesses every opportunity to participate in SRDP generated contracts:

- Placing minorities and women on solicitation lists;
- Assuring that MBE and WBE firms are solicited whenever they are potential sources;
- Dividing the total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business enterprises and women business enterprises;
- Where the requirement permits, establishing delivery schedules that encourage participation by small and minority business enterprises, and women business enterprises;
- Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- Requiring the prime contractor, if subcontractors are to be let, to take all the same affirmative steps listed here.

Additional guidance can be found at: <https://www.hudexchange.info/resource/248/guidance-on-minority-business-enterprise-and-womens-business-enterprise-outreach/>. The **South Carolina Minority Business Directory** is a valuable resource for attracting services from minority owned businesses located in South Carolina. A link to download the directory can be accessed at <https://osmba.sc.gov/directory.html>.

If a contractor cannot demonstrate an ability to comply with federal requirements, such as Section 3 and minority outreach requirements, it should not be selected to perform work in connection with any SRDP funded developments. It is important to effectively communicate up front all applicable SRDP requirements related to HUD generated economic opportunities by clearly stating what is required in all contract solicitations. **All SRDP Recipients are required to submit the SRDP-17 MBE/WBE Annual Report (HUD 2516), not later than September 30<sup>th</sup> of each year.**

For questions about MBE/WBE requirements contact Teri Stohlberg at 803-896-4265 or [Teri.Stohlberg@schousing.com](mailto:Teri.Stohlberg@schousing.com).

## ***VIOLENCE AGAINST WOMEN ACT (VAWA)***

On March 15, 2022 President Biden signed into law the Violence Against Women Act Reauthorization Act of 2022 (VAWA 2022), which included new requirements that HUD must implement and enforce. VAWA 2022 requires that the Office of Fair Housing and Equal Opportunity (FHEO) to implement and enforce the housing provisions of VAWA consistent with and in a manner that provides the same rights and remedies as those provided for in the Fair Housing Act. Effective October 1, 2022 individuals who believe their VAWA rights have been violated may file complaints with the FHEO, and the FHEO will investigate such complaints using HUD's Fair Housing Act compliant process. HOME and NHTF funds are subject to the Violence Against Women Act (VAWA) Final Rule issued by HUD, in an effort to support victims of crimes covered by VAWA. The final rule can be found at 24 CFR Part 5. The rule states that applicants and tenants may not be denied assistance or have assistance terminated on the basis, or as a direct result of having been a victim of domestic violence, dating violence, sexual assault, or stalking and allows Recipients to establish a preference for tenants who have been victims of those crimes, and provides guidance on protecting victims from further crimes by establishing emergency transfer plans. The final rule also establishes confidentiality measures put in place to further protect victims, and lease bifurcation regulations in order to protect members of a household when another household member has presented as an actual and imminent threat to them. VAWA Protections are not limited to women and are available to all, without regard to sex, gender identity, or sexual orientation. Owners of SRDP properties are required to include a VAWA lease addendum with each lease agreement that includes VAWA protection language.

# Reporting Requirements

## QUARTERLY REPORTS

Included in this packet is a copy of the **SRDP-18 Quarterly Report**. This report is mandatory and is submitted quarterly until development close-out and is due not later than the following dates listed below:

Quarter	Reporting Period	Due
First Quarter	January 1– March 31	April 15th
Second Quarter	April 1– June 30	July 15th
Third Quarter	July 1– September 30	October 15th
Fourth Quarter	October 1– December 31	January 15th

**NOTE:** Reports must be submitted quarterly until award is 100% completed. If completion benchmarks are not met as identified in the Implementation Schedules, monthly reports may be required until progress has improved. Developments that are drawing funds at project completion must include a copy of the most recent certified AIA Application for Payment with the **SRDP-18 Quarterly Report** once construction begins.

## FEDERAL REPORTING REQUIREMENTS

Federal Reports are due annually until development is 100% completed, all funds have been drawn, the **SRDP-20 Project Completion Report** is submitted, and the SRDP Recipient has received their Award close out letter.

### **SRDP-17 MBE/WBE Annual Report (HUD 2516)**

Recipients are required to submit a **2516 report** annually to the Authority **no later than September 30th**. This annual report collects data on contracts awarded in conjunction with your SRDP development. The report must include **all contracts** executed during the report period of October 1 – September 30 that are for \$10,000 or more. The Authority will email SRDP Recipients a reminder annually to submit their 2516 report by the required deadline.

For questions about the HUD 2516 Report contact Teri Stohlberg at 803-896-4265 or [Teri.Stohlberg@schousing.com](mailto:Teri.Stohlberg@schousing.com).

**Note:** Section 3 documentation and subcontractor labor hour reports (**SRDP-12F-G**) are due throughout project construction. Refer to the **SRDP-12A Award Recipient/Contractor/Subcontractor Packet** for more details. The **SRDP-12H Recipient Labor Hours Report & Master Workbook** is submitted at project completion with the **Placed-in-Service Application**.

# Award Close-Out Requirements

## INITIAL LEASE-UP APPROVAL

The **SRDP-14 Unit Designation Form** must be re-submitted when construction is approximately 75%, prior to the execution of lease agreements. SC Housing will review the proposed initial rents, tenant AMI, and unit designations to verify compliance with funding source requirements. SRDP units are awarded as fixed units and the unit designations will remain in place throughout the duration of the affordability periods of each funding source. SRDP units cannot be occupied until an SC Housing inspector has approved the final inspection.

## FINAL INSPECTION REQUIREMENTS

Recipients must receive a notification from the Authority that the development has passed a final inspection prior to allowing tenants to occupy units. SRDP developments must follow the inspection requirements and processes as described in the **SRDP-5A 100% Inspection Checklist** found at: <https://schousing.com/library/SRDP/Implementation-Manual-and-Forms/SRDP-5A%20100%25%20Inspection%20Checklist.pdf>

## PLACED-IN-SERVICE APPLICATION

Placed-in-Service (PIS) Applications must be submitted and approved prior to the release of the final disbursement requests. PIS Applications are located on the Authority's website and must be submitted along with the **SRDP-19 Placed-in-Service Application Checklist** and the appropriate documentation. **PIS applications are due 60 days after SC Housing approves the project's final inspection.** Final payments will not be released until the final inspection and Placed-in-Service Application are approved. The submission of complete and accurate Placed-in-Service documentation is necessary to prevent delays for the release of the final payment. The awarded amount of funding and the terms and conditions of the SRDP loans may be modified at the sole discretion of the Authority as a result of the review and approval of the Placed-in-Service Application.

The Placed-in-Service Application cannot be submitted until the final inspection is approved and is due to SC Housing no later than 60 days after SC Housing has approved the project's final inspection. The Placed-in-Service Application may be submitted on a flash drive or uploaded to SC Housing's Secure File Exchange. The Placed-in-Service Application must be submitted in accordance with the tabbing system identified on the **SRDP-19 Place-In-Service Application Checklist** and contain a "live" Excel **SRDP-15A-C Draw Summary Form – All Funding Sources**.

**Please contact Chris McMillan, Development Finance Director at (803) 896-7409 or [chris.mcmillan@schousing.com](mailto:chris.mcmillan@schousing.com) with any questions regarding the *Placed-in-Service Application*.**

## PROJECT COMPLETION REPORT

**SRDP-20 Rental Project Completion Report** is submitted with the **SRDP Placed-in-Service Application**, which is due 60 days from the date of SC Housing's approval of the project's final inspection. This report is necessary for Authority staff to input close-out data in HUD's IDIS system for HOME and NHTF reporting requirements. The date the project completion data is entered into the IDIS system is the date that officially begins the affordability periods identified in the HOME and NHTF Land Use Restriction Agreements.

HUD requires that all initial occupancy data is entered into the IDIS system. If your development has vacant units at the time the project completion report is submitted, the Authority will follow up with you to provide the occupancy data for



vacant units until the information for all units is collected. The Authority will email a ***Vacant Unit Status Memo*** to collect the tenant data until data for each HOME and HTF unit has been provided. All initial tenant data for HOME units must be entered into the IDIS system within six months of the date of project completion. If a rental unit remains vacant for 6 months, the project owner must provide to SC Housing documentation of marketing efforts and if appropriate, an enhanced plan for marketing the vacant unit(s) so that it is leased as quickly as possible. Upon receipt of the marketing documentation and if applicable, enhanced marketing plan SC Housing is required to provide this information to HUD. In addition, if any HOME unit has not yet been rented to an income eligible tenant within eighteen months of project completion, HUD requires the SRDP Recipient repay the HOME funds invested in the unoccupied unit.

## **LAND USE RESTRICTION AGREEMENT AMENDMENTS**

HOME and NHTF affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership and are imposed by land use restriction agreements that run with the land as required by HUD. To ensure that HOME, NHTF, and SC HTF assisted units meet affordability requirements for the duration of the affordability periods, the Authority requires that Land Use Restriction Agreement Amendments are recorded and returned to the Authority within 60 days of receipt. After the Placed-in-Service application is approved and the data from the ***SRDP-20 Project Completion Report*** is entered into HUD's IDIS system the Authority will prepare and send out amendments to the HOME, NHTF, and SC HTF Land Use Restriction Agreements. The amendments are issued to identify the starting and ending dates of the HOME, NHTF, and SC HTF affordability periods. HUD requires that the affordability periods begin on the date the project completion data is entered in the IDIS system.

# Compliance Period

## **MONITORING REVIEWS**

### **Types of Reviews**

HUD requires the Authority to evaluate the following components of federal awards when monitoring its HOME and NHTF Award Recipients. To meet these requirements, the Authority conducts reviews that are conducted by different divisions of Authority Staff.

- Programmatic Reviews – *conducted by Community Development Staff*
- Rental Development On-Site Reviews – *conducted by Compliance Monitoring Staff*
- Financial Management Reviews – *conducted by the Multi-Family Asset Manager*

Throughout the affordability period owners are responsible for ensuring SRDP units meet the property condition standards of the National Standards for the Physical Inspection of Real Estate [NSPIRE](#) and are responsible for certifying the income of tenants in compliance with the Housing Opportunity through Modernization Act of 2016 [HOTMA](#).

## **On-Going Requirements**

### **Annual Financial Oversight**

**Project Financial Reviews:** A requirement imposed by the 2013 HOME Final Rule (24 CFR Part 92) and 24 CFR Part 91 and 93 for HTF, requires that the Authority annually examine the financial condition of rental developments with ten (10) or more HOME-assisted units and/or ten (10) or more NHTF-assisted units to determine the continued financial viability of the development. The annual review is required throughout the duration of the development's affordability period.



The Owner shall provide the Authority an annual financial operating statement specific to the project (not the ownership entity) containing a balance sheet and a statement of income and expenses. The financial statements must be provided in the manner prescribed by the Authority and may include electronic document submission.

**For questions regarding annual project financial reporting requirements, contact Demian Carpenter, Multi-Family Asset Manager at (803) 896-8741 or [demian.carpenter@schousing.com](mailto:demian.carpenter@schousing.com).**

**Organization Financial Reviews:** Annually throughout the duration of the affordability period, nonprofits and government entities that are required to have an audit completed in accordance with 2 CFR Part 200 must provide a copy of the audit to SC Housing not later than 9 months from the end of the entity's fiscal year. Refer to page 4 for more information on annual organization audit submission requirements.

**Radon Testing** Radon testing is required to be conducted prior to the move in of residents. In accordance with SC Housing's mandatory design criteria, all project buildings must be built using Radon Resistant New Construction Practices per the American National Standards Institute (ANSI)/American Association of Radon Scientists and Technologists (AARST) standards. Test results must indicate that radon levels are below 4 pCi/L to pass SC Housing's 100% construction inspection. Buildings that have radon levels at or above 4 pCi/L must install a radon mitigation system and retest for radon every two years throughout the duration of the affordability period. Buildings that test below 4 pCi/L must be tested for radon at least every five years throughout the duration of the affordability period.

**Lead-Based Paint Maintenance** Projects built prior to January 1, 1978 that are rehabilitated with SRDP funding are subject to HUD and EPA lead-based paint regulations and owners must comply with on-going maintenance requirements throughout the duration of the affordability period as applicable. Annual visual assessments to check for the failure of lead hazard reduction work or defective paint must be conducted. If a visual assessment determines that lead hazard control treatments are no longer effective additional lead hazard control or reduction work must be undertaken.

**CHDO Set-Aside Projects** Ownership Requirements: In accordance with 24 CFR Part 92.300 CHDO owners agree to own the rental housing during project development and for a period at least equal to the period of affordability as defined in 92.252. The CHDO must submit annually to SC Housing, a CHDO Certification Application to document the entity meets the required criteria to retain its CHDO designation. Rental housing that is funded with CHDO-set aside funds must remain owned by a CHDO entity for the duration of the affordability period.

## **MULTIPLE PROGRAMS COMPLIANCE GUIDE**

The **Multiple Programs Compliance Guide** can be accessed on the Authority's website at <https://www.schousing.com/library/Monitoring/Multiple%20Program%20Compliance%20Guidebook%20-%20FINAL%2007.01.2022.pdf>. This Manual is prepared by the Authority's Compliance Monitoring staff and contains information needed to prepare for On-Site Compliance Reviews which are conducted throughout the affordability period for rental developments. These reviews focus primarily on occupancy requirements, property standards, and reserve requirements.

Contact [ComplianceDepartment@schousing.com](mailto:ComplianceDepartment@schousing.com) with questions.

# Other Information

---

The information provided in this manual is intended to provide basic guidelines for the Recipient to follow and should not be construed as inclusive of every conceivable action that should be taken. Furthermore, this guide should not be used as a substitute for the federal guidance governing the HOME Program as set forth in 24 CFR Part 92, the National Housing Trust Fund Program as set forth in 24 CFR Parts 91 and 93, or the state requirements for SC Housing Trust Fund set forth in the SC Code of Laws Section 31-13-400. Please read your regulations carefully. Recipients that have questions concerning compliance with regulations should contact their assigned Program Coordinator immediately.

The Authority reserves the right to revise directives and policies as needed. Recipients will be notified of any changes to program policies and procedures as they are implemented.

# SRDP Forms Index

Notice of Awards.....	SRDP-1
Loan Closing Request Form.....	SRDP-2
Audit Requirements Certification Form .....	SRDP-3
Section 3 Applicability Form .....	SRDP-4
Inspection Request Form .....	SRDP-5
100% Inspection Checklist .....	SRDP-5A
Contract Submittal Packet (SRDP 8 – 11).....	SRDP-6
SRDP Contract Provisions .....	SRDP-7
Debarment Certification Form .....	SRDP-8
SC Illegal Immigration Reform Act Certification Form .....	SRDP-9
Conflict of Interest Certification Form .....	SRDP-10
Byrd Anti-Lobbying Certification Form .....	SRDP-11
Section 3 Recipients/Contractors/Subcontractors Packet .....	SRDP-12A
Section 3 Clause.....	SRDP-12B
Section 3 Business Concern Certification.....	SRDP-12C
Section 3 Worker Self-Certification Forms.....	SRDP-12D
Section 3 Contractor/Subcontractor Hours Report .....	SRDP-12F-G
Section 3 Recipient Labor Hours Report & Master Workbook.....	SRDP-12H
Change Order Request Form .....	SRDP-13
Unit Designation Form.. .....	SRDP-14
Disbursement Request Form .....	SRDP-15
MBE/WBE Annual Report (HUD 2516).....	SRDP-17
Quarterly Report .....	SRDP-18
Placed-in-Service Application Checklist .....	SRDP-19
CPA Cost Certification Letter.....	SRDP-19A
Cost Certification Worksheet.....	SRDP-19B
Rental Project Completion Report .....	SRDP-20
Bid Itemization Workbook.....	SRDP-23
Accessibility Consultant Qualifications Statement.....	Appendix AA
Accessibility Consultant Qualifications Package Checklist .....	Appendix BB
Certification of Minimum Scope & Reporting.....	Appendix CC
Final Accessibility Inspection Checklist .....	Appendix DD
Housing Consultant Accessibility Certification .....	Appendix EE
Owner Accessibility Certification Form.....	Appendix FF

The forms provided in this manual are available on the Authority’s website, located at the link below:

<https://www.schousing.com/Home/SmallRentalDevelopmentProgram>