

South Carolina State Housing Finance and Development Authority

Memorandum of Understanding to Streamline Subsidy Layering

Federal and State Collaboration Will Allow Agencies to Better Serve Low-Income Rental Families

“This initiative is an important step forward in SC Housing’s effort to continue affordable rental housing’s success in serving our at-risk families. Through the launch of our pilot program, our partners and customers can begin to realize cost- and time-savings that will help enable low-income families to have access to affordable housing where it is needed most.”

- Valarie M. Williams, Executive Director, SC Housing

Brief Background

In March of this year, the South Carolina State Housing Finance and Development Authority (SC Housing), the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Agriculture–Rural Development (USDA-RD) solidified a partnership that will enable state and federal agencies to better serve low-income rental families. The agencies approved a Memorandum of Understanding (MOU) to reduce regulatory burdens on affordable housing developers and owners.

The agreement, almost a year in the making, aligns the Subsidy Layering Review requirements that developers must go through with each agency to acquire funding for affordable housing developments in South Carolina. Prior to the creation of the MOU, each agency had its own set of applications, procedures, supporting documents and needs assessments. With this agreement, each agency agrees to use a single set of procedures.

“The purpose of this agreement is to reduce the regulatory burdens and cost on affordable housing developers and owners. It makes sense for the three government agencies to work together, to better coordinate services and remove duplication.”

- Vernita F. Dore, State Director, U.S. Dept. of Agriculture-Rural Development

Innovative, Beneficial & Measurable

The MOU was created in response to the White House Domestic Policy Council’s (Council) request for better coordinated federal rental policy and shows a concerted effort to work together to align the often burdensome Subsidy Layering Review requirements of the different federal rental programs for affordable housing. The Council hopes to use these types of agreements to make such cooperation the national standard.

The current Low Income Housing Tax Credit cycle will be the first test that allows us to measure improvements in agency operations. Our anticipation is that this alignment will: increase communication between agencies; provide a “one-stop-shop” for development applicants; implement timelines to ensure expediency of reviews; and

simplify the application process – all of which will benefit owners, developers, tenants and local communities working to create and preserve affordable housing.

“This allows us to maximize our review while minimizing the paperwork and effort on the part of the developer. It eliminates duplicative requirements and saves time, money and waste on everyone’s behalf. In the end, this will mean affordable housing is available faster and more economically to our citizens who need it most.”

- Valarie M. Williams, Executive Director, SC Housing

Responsive to Management Challenges & Opportunities

The MOU allows SC Housing to strengthen its operations and effectively use its resources and put an emphasis on additional projects that expand and improve affordable housing opportunities throughout the state. It also allows the agency to achieve strategic goals such as ‘developing mutually supportive relationships that expand the agency’s ability to provide affordable housing while enhancing the value of its investments,’ and ‘actively seeking new and innovative ideas to improve affordable housing opportunities.’