



THE PROPOSED CDBG SUBSTANTIAL AMENDMENTS TO THE

- 2020 ANNUAL ACTION PLAN
- 2021 ANNUAL ACTION PLAN
- 2017-2021 FIVE-YEAR CONSOLIDATED PLAN

DRAFT FOR PUBLIC REVIEW – OCTOBER 27, 2023

Jurisdiction: Richland County, South Carolina	Community Development: Callison Richardson
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**Summary**

The proposed Substantial Amendments to the County's 2017-2021 Five-Year Consolidated Plan, 2020 Annual Action Plan, and 2021 Annual Action Plan are to expand the goal of creating more affordable rental housing for Richland County. The amendments will create a new Project to develop affordable rental units by reallocating unused Community Development Block Grant (CDBG) funds from owner-occupied rehabilitation projects and an economic development project. The Substantial Amendments will reallocate \$600,000 of CDBG funds for the acquisition and rehabilitation of affordable rental units for Low- and Moderate-Income (LMI) residents of unincorporated Richland County. Amendment of the Annual Action Plan is necessary because the proposed action meets the following criteria as listed in the County's CDBG Citizen Participation Plan:

- a) an increase or decrease greater than 50% in a budget line item
- b) any addition or deletion of major proposed activities

**Fiscal Impact**

The U.S. Department of Housing and Urban Development (HUD) determines each year the CDBG amount the County receives in the form of an entitlement amount (based on the County's overall population, its proportion of low-and moderate-income residents, and other demographic factors). Each year, the County uses public input to create and submit an Annual Action Plan to allocate the funds to specific projects aimed at benefiting low-to-moderate-income households in unincorporated Richland County

Activity & Program Year	Unused Amount	Activity Status
Operation One Touch – 2020 funds	\$225,000	Funds were not fully expended.
Owner-Occupied Housing Rehabilitation – 2021 funds	\$175,000	Funds were not fully expended.
Economic Development Project - 2021 funds	\$200,000	Program under development – Funds not expended.
<b>Total to be Reallocated</b>	<b>\$ 600,000</b>	

The \$600,000 in funds will be reallocated to affordable rental house from the following Projects:

**Staff Recommendations and Strategic Funding Reallocations**

Staff is recommending that the \$600,000 be reallocated for a new affordable rental housing development program to allow for the easy expenditure of built up CDBG funds to meet a critical community need (rental housing development) while also positioning the County to successfully meet the fast-approaching CDBG Timeliness Test Deadline of July 31, 2024.

Over the last several years, there has been a build-up of CDBG funds for two Community Development programs --

- 1) Operation One Touch, the County's signature minor home repair program for LMI families and seniors and,
- 2) A Proposed (but never executed) Small Business Grant Program.

This build-up of funds is due to the fact that CDBG project activity largely came to a halt during the COVID-19 Pandemic and the Division experienced turnover in staffing. Under new leadership and with a fully-staff team, the Division has reopened programs including Operation One Touch with houses currently in the process of being repaired. However, the build-up of funds has reached a point where funding levels are beyond the current capacity of the CD Team to expend such funds through these programs in a timely manner. Staff will continue with the homeowner rehab program to serve qualified residents and will continue to develop a small business grant program for execution in 2024. After the \$600,000 reallocation, the two affected programs will still have sufficient funding levels to

allow these important initiatives to continue at a realistic level on a reasonable timeline.

### Eligibility & Affordable Rental Housing Details

The proposed rental housing project and activity to receive reallocated funds under the proposed Substantial Amendment constitutes an eligible use of CDBG funds as permitted in 24 CFR 570.202 (a)(1).

With this \$600,000, staff anticipates the creation of five new rental units through this acquisition and rehabilitation project. Resulting CDBG-assisted units will be owned, maintained, and monitored for compliance by eligible community organizations experienced in affordable rental housing development. Each unit will require a 15-Year Affordability Period enforced using a Restrictive Covenant as part of the property acquisition process. Any organization assisted with the acquisition or rehab of a rental unit will be required to target families whose income is 60% (very low) or below area median income. Monthly rents and utilities should not exceed 30% of annual gross household income.

HUD has established rent limits and housing income thresholds for 2023 as follows and these limits will be utilized on all CDBG-assisted units during the Program Year 2023:

#### 2023 HOME PROGRAM RENT LIMITS Columbia, SC HUD Metro FMR Area

Program	Efficiency	1BR	2BR	3BR	4BR	5BR	6 BR
Low HOME Rent Limits	\$735	\$787	\$945	\$1091	\$1217	\$1343	\$1468
High HOME Rents	\$935	\$996	\$1125	\$1385	\$1525	\$1664	\$1803
Fair Market Rent	\$944	\$996	\$1125	\$1442	\$1724	\$1983	\$2241

#### 2023 HOME INCOME LIMITS Columbia, SC MSA (Richland County)

Income Threshold by Household Size	1	2	3	4	5	6	7	8
30% Limits	\$17,650	\$20,150	\$22,650	\$25,150	\$27,200	\$29,200	\$31,200	\$33,200
50% Limits	\$29,400	\$33,600	\$37,800	\$41,950	\$45,350	\$48,700	\$52,050	\$55,400
60% Limits	\$35,280	\$40,320	\$45,360	\$50,340	\$54,420	\$58,440	\$62,460	\$66,480
80% Limit	\$47,000	\$53,700	\$60,400	\$67,100	\$72,500	\$77,850	\$83,250	\$88,600

### Activities to Be Affected by the Change

Allocations in 2020-2022 and 2021-2022 Annual Action Plans for Selected Activities (in dollars)						
Activity Name	Original Allocation			Revised Allocation		
	2020 & 2021 Entitlement Funds	Remaining 2018, 2019, 2022, 2023 Funds	Total Allocation	Entitlement Funds	Remaining 2018, 2019, 2022, 2023 Funds	Total Allocation
Housing Rehabilitation and Operation One	\$486,166.54	\$533,773.34	\$1,019,939.88	\$86,166.64	\$533,773.34	\$619,939.54

Touch						
Economic Development	\$250,000	\$200,000	\$450,000	\$50,000	\$200,000	\$250,000

**Impact on Annual Action Plan Goals and Objectives**

The proposed Amendments and creation of a rental housing rehabilitation program is in-keeping with the 2020 and 2021 Annual Action Plans (AAP), and the 2017-2021 Five-Year Consolidated Plan.

- The 2017-2021 Consolidated Plan and 2020 AAP include a goal for the, *“Production of new affordable housing units and acquisition of existing affordable housing units.”* with the anticipated outcome of producing two (2) affordable rental units. The original plan called for the investment of HOME funds to achieve this outcome. The Amendment will allow for the use of CDBG funds instead. The goal outcome will remain at two (2) rental units.
- The 2021 AAP includes a goal for the, *“Production of new affordable housing units and acquisition of existing affordable housing units.”* with the anticipated outcome of producing one (1) affordable rental unit. The original plan called for the investment of \$111,616 in HOME funds to achieve this outcome. The Amendment will allow for the use of \$375,000 CDBG funds instead. The goal outcome will be increased to three (3) rental units.

**Public Comment**

As per HUD regulations, and as provided for in Richland County’s CDBG Program Citizen Participation Plan, a public notice will be posted in The State newspaper on Friday, October 27, 2023 and a 30-Day public display and comment period for the proposed Substantial Amendment will continue through November 27, 2023. In addition, a public hearing is scheduled to be held regarding the proposed Substantial Amendment by the Community Development Division on Thursday, November 9, 2023 at 6:00 PM in the Council Chambers prior to its approval by County Council for submission to HUD.

A summary of public comments received regarding the proposed CDBG Substantial Amendments will be attached to the final version of the Substantial Amendments submitted to HUD.

**Attachment: Notice of 30-Day Public Comment Period**