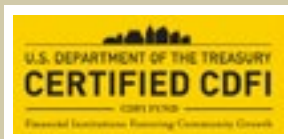


Affordable Quality • Housing Solutions



Our Lending

The Midlands Housing Trust Funds provides flexibly underwritten, low-interest loans to developers to create housing that is affordable for people who earn less than 80% of area median income. In Richland County, South Carolina, a single person earning \$35,950 or a family of four earning \$51,300 meets the 80% of area median income threshold. In just two counties in our service area – Richland and Lexington – more than 90,000 households earn below 80% of area median income.

Our Impact

Affordable housing units financed by the Midlands Housing Trust Fund reduce the number of households in the region suffering from “housing cost burden,” paying more than 30% of their income for housing costs. Housing cost burden forces working adults and families to make difficult choices between keeping a roof over their heads, accessing health care or medication, buying nutritious food, or maintaining reliable transportation needed to get to and from work. Sadly, across our entire twenty-three county service area, more than 50% of all renters and 35% of homeowners are housing cost-burdened and regularly face such choices.

Our Mission

The Midlands Housing Trust Fund provides financing, technical assistance, and advocacy for the creation, preservation, and rehabilitation of affordable housing for households at or below 80% of area median income in twenty three South Carolina counties (Abbeville, Aiken, Allendale, Bamberg, Barnwell, Calhoun, Clarendon, Edgefield, Fairfield, Florence, Greenwood, Horry, Kershaw, Lexington, Lee, McCormick, Marion, Newberry, Orangeburg, Richland, Saluda, Sumter, and Williamsburg).

Affordable Housing Loans made by the Midlands Housing Trust Fund also:

- (1) Provide and sustain employment opportunities;
- (2) Strengthen and revitalize neighborhoods;
- (3) Improve or stabilize property values;
- (4) Catalyze other community development initiatives, such as reducing food deserts and create community facilities like schools and health care facilities;
- (5) Help households build financial wealth by reducing the amount of money they must spend on housing.



December 31, 2016

From the Executive Director and Board of Directors Chairman

We are pleased to provide this report on the activities and accomplishments of the Midlands Housing Trust Fund for 2016. We extend our gratitude for collaboration opportunities with many partners, borrowers, funders, stakeholders, investors, government leaders, and friends. We are profoundly blessed by the opportunity to make a difference in the lives of the people who live in affordable housing units we help to finance.

The last year has been notable for growth in The Midlands Housing Trust Fund's loan portfolio as well as achievement of several specific objectives that were set by the organization in 2013. Our assets grew by more than \$460,000 to \$1,188,166. Our loan portfolio is sound, with no troubled loans, no delinquencies, and no defaults. We have sustained low overall operating costs and have also managed to keep our cost of funds low.

The United States Department of Treasury certified the Midlands Housing Trust Fund as a Community Development Financial Institution (CDFI) in 2016, increasing our capacity to attract a wider variety of investments to fund our loan capital. This certification was achieved nearly a full year ahead of internal and external deadlines. We also completed a formal plan to provide specific three-year capitalization goals and objectives, with a healthy balance of debt and equity, and a roadmap toward organizational self-sufficiency. In January 2016, the Midlands Housing Trust Fund decided to expand its service area to include sixteen more counties. We now serve half of all South Carolina counties.

Most importantly, our financing in 2016 helped with the creation of thirty new units of affordable housing.

Housing within the financial means of South Carolina's citizens is more than just shelter. The Midlands Housing Trust Fund holds a foundational belief that access to quality affordable housing is the cornerstone of family success, good health, educational achievement, individual wealth building, and thriving communities. Affordable housing is a vital driver of quality of life in any city. It is also a critical – and often overlooked – component of sustainable, holistic community economic development.

The Midlands Housing Trust Fund remains committed to growing a sustainable organization that strengthens cities and towns across our service area through provision of loans for affordable housing creation that meet the needs of specific communities, both urban and rural. Lack of access to affordable housing is one of the factors that trap people in vicious cycles of poverty from which some can never escape. The Midlands Housing Trust Fund seeks to reduce the number of households suffering housing cost burden to help them achieve greater prosperity and participate more fully in the civic and economic potential of the communities in which they live.

We continue to build our capacity to finance many more affordable housing units for years to come with your support and goodwill. Thank you for being a partner in our success.

Respectfully yours,



Brian Huskey
Executive Director
Midlands Housing Trust Fund



Jeff Allen
Chairman, Board of Directors
Midlands Housing Trust Fund



Fiscal Year 2015-16 Highlights

- > Provided financing that helped create 30 new units of affordable housing.

- > \$125,000 Technical Assistance award from the CDFI Fund of the United States Department of Treasury (our second award in a highly competitive sector).

- > Certified by the CDFI Fund of the United States Department of the Treasury as a Community Development Financial Institution (CDFI).

- > Completed a comprehensive formal capitalization plan to build the long-term sustainability of the Midlands Housing Trust Fund.

- > Provided capacity-building technical assistance to 28 existing or potential affordable housing developers;

Produced overall regional economic impact demonstrating:

- > Total annual impact of \$4.8 million;
- > 46 jobs created or sustained;
- > Projected five-year direct and indirect economic impact of:
More than \$43 million, including 303 jobs and \$13.1 million in wages and salaries.
More than \$1 million in state tax revenue.

Housing is considered affordable when people pay no more than 30% of monthly income for housing. Paying more than 30% is considered housing cost burdened.

The Midlands Housing Trust Fund believes that access to quality affordable housing is a cornerstone of family success, good health, and thriving communities.

Accomplishments to Date

Since 2012 the Midlands Housing Trust Fund has provided more than \$1 million on affordable housing financing that leveraged almost \$30 million in funding from other public and private sources and created or preserved 228 housing units to serve more than 600 individuals.

Project Name	Project Sponsor	City	County	MHTF Investment	Other Sources	Total	# Units	# Served*	Type
Live Oak Place	Trinity Housing Corporation	Columbia	Richland	\$75,000	\$491,364	\$566,364	4	8	Duplex (2, 4 units total)
Sloan Road Apartments	Santee Lynches CDC	Columbia	Richland	\$45,000	\$1,005,000	\$1,050,000	24	65	Multi-family
Colleton St	Santee Lynches CDC	Columbia	Richland	\$15,000	\$15,000	\$30,000	1	2	Single Family
Parliament Dr	Community Assistance Provider	Columbia	Richland	\$15,000	\$53,200	\$68,200	1	2	Single Family
Faraway Dr	Community Assistance Provider	Columbia	Richland	\$15,000	\$196,300.00	\$211,300	3	11	Single Family (3)
Daleview Project	Community Assistance Provider	Columbia	Richland	\$30,000	\$235,050	\$265,050	4	12	Single Family (4)
Daleview Project	Community Assistance Provider	Columbia	Richland	\$36,000	\$27,000	\$63,000	1	3	Single Family (1)
Coco Rd	Central SC Habitat for Humanity	Columbia	Richland	\$11,000	\$109,972	\$120,972	1	2	Single Family
Floyd St	Central SC Habitat for Humanity	Columbia	Richland	\$9,123	\$65,664	\$74,787	1	2	Single Family
New State Rd	Central SC Habitat for Humanity	Cayce	Lexington	\$12,400	\$96,268	\$108,668	1	3	Single Family
Laurie Lane	Affordable Housing Resources	Columbia	Richland	\$8,500	\$11,000	\$19,500	1	3	Single Family (1)
Edisto Ct. Townhouses	Columbia Development Corp.	Columbia	Richland	\$120,000	\$3,000,000	\$3,120,000	32	100	Multi-family
Phase II Village at Rivers Edge	VRE II, LLC	Columbia	Richland	\$250,000	\$20,559,032	\$20,809,032	124	250	Multi-family
Shakespeare Crossing	Community Assistance Provider	Columbia	Richland	\$50,000	\$2,256,000	\$2,276,000	24	60	Multi-family, rental
Springwood Lakes	Community Assistance Provider	Columbia	Richland	\$180,000	\$30,000	\$210,000	4	12	Multi-family (2 duplexes), rental
Southern Realty Resource	Southern Realty Resource	Columbia	Richland	\$175,000	\$40,000	\$215,000	2	8	Single Family (2) homeownership
				\$1,047,023	\$28,190,850	\$29,207,873	228	643	

Locations

Inside City of Columbia

Unincorporated areas of Richland County

Outside Richland County

*Total projected to be served after all construction is complete.

Statements of Financial Position for the year ended June 30, 2016

CURRENT ASSETS

Cash and cash equivalents	\$ 365,612
Restricted cash	\$ 239,947
Contributions and grants receivable	\$ 120,000
Loans receivable, net	\$ 265,975
Prepaid expenses	\$ 1,196
Other current assets	\$ 500
TOTAL CURRENT ASSETS	\$ 993,230

OTHER CURRENT ASSETS

Property & equipment	\$ 2,417
Loans receivable, net of allowance for loan losses and current portion	\$ 192,519
Total other assets	\$ 194,936
TOTAL ASSETS	\$ 1,188,166

LIABILITIES & NET ASSETS

Accounts payable	\$ 1,000
Accrued expenses	\$ 2,683
Notes payable, current portion	\$ —
TOTAL CURRENT LIABILITIES	\$ 3,683

OTHER LIABILITIES

Notes payable	\$ 350,000
Total other liabilities	\$ 350,000
TOTAL LIABILITIES	\$ 353,683

NET ASSETS

Unrestricted	\$ 521,279
Board designated	\$ 73,257
Temporarily restricted	\$ 239,947
Total net assets	\$ 834,483
TOTAL LIABILITIES AND NET ASSETS	\$ 1,188,166

REVENUE	Unrestricted	Temporarily Restricted	Total
Grants	\$ 135,000	\$ 297,835	\$ 432,835
Contributions	\$ 8,852	-	\$ 8,852
Program fees	\$ 7,450	-	\$ 7,450
Miscellaneous revenue	\$ 459	-	\$ 459
Net assets released from restriction	\$ 241,488	(\$241,488)	-
TOTAL REVENUES	\$ 393,249	\$ 56,347	\$ 449,596
EXPENSES			
Program services	\$ 152,142	-	\$ 152,142
Management & general	\$ 31,450	-	\$ 31,450
Fundraising	\$ 9,433	-	\$ 9,433
TOTAL EXPENSES	\$ 193,115	-	\$ 193,115
CHANGE IN NET ASSETS	\$ 200,134	\$ 56,347	\$ 256,481
Net assets, beginning of year	\$ 394,402	\$ 183,600	\$ 578,002
Net assets, end of year	\$ 594,536	\$ 239,947	\$ 834,483

Elliott Davis Decosimo audited the Midlands Housing Trust Fund for the period ending June 30, 2016, and provided an unmodified opinion of the organization's financial statements, the highest such rating offered.

Board of Directors – Fiscal Year 2015-16

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Brokerage Associate
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Jamie Devine, Secretary

Chief Executive Officer
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Amanda Koehler

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Architect
Watson, Tate, & Savory Architecture
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Columbia, SC 29201



The Village at Rivers' Edge

Supporters

The Midlands Housing Trust Fund wishes to publicly recognize the following corporations and organizations for their commitment to creation of affordable housing opportunities in our region. These organizations are actively creating a stronger, safer, better Midlands regional community for everyone.

First Citizens Bank

United Way of the Midlands

NAI Avant

Richland County

City of Columbia

Kyle Michel Law Firm

Nord Family Foundation

Cassels Foundation

Sisters of Charity of South Carolina
Foundation

Bank of America

BB&T Bank

First Citizens Bank

TD Bank

Wells Fargo Bank

Palmetto Health

Mary Reynolds Babcock Foundation

Adrian Dominican Sisters

Community Investment Fund

AT&T Foundation

The Seton Enablement Fund of the
Sisters of Charity of Cincinnati

Regions Bank

U.S. Department of the Treasury

Community Development Financial
Institutions Fund

Wood Forest Bank

McNair Law Firm Foundation

Regions Bank

Security Federal Bank

Jeff Allen

Peyton Bryant

Cindy Cox

Grant Duffield

Anita Floyd

John Kessler

Amanda Koehler

Chris Kopecky

Jeff Larimore

John McLean

Our Developer Partnerships

Local developer Jim Brophy of Southern Realty Resource has been involved in real estate ever since he acquired his first rental property in 1993 while he was a student at Loras College in Iowa. He was later involved in a variety of real estate developments in his hometown of Chicago. Jim's career in financial management eventually led him to South Carolina, where he was introduced to the Midlands Housing Trust Fund by one of the organization's board members.

"I got involved with affordable housing because there was a need, good investment opportunity, and a way to do it successfully because of my background," Mr. Brophy says. "My heart got truly involved when I spent time in the neighborhoods while I was working on the houses I purchased to rent to families that need something they can afford that's not derelict, sub-par accommodation. After I spent time with the neighbors and the pastors who live and work in these communities, and the families who were looking for good housing, the need for affordable housing became very personal for me."

When asked why he thinks affordable housing is important, Mr. Brophy doesn't mince his words. "The home is the heart of the family. It provides stability, safety, shelter, and a place to raise a family. That's important for the betterment of society as a whole."



Jim Brophy (right), MHTF Executive Director Brian Huskey, and a happy family newly housed in one of Mr. Brophy's renovated homes.

Tenant Spotlight

Ameisha Robinson is a tenant at the newly constructed Phase II at Village at River's Edge, a 124-unit multi-family complex located off River Drive in Columbia, SC. CHAMIRE Holdings, LLC served as the developer. The Midlands Housing Trust Fund provided a portion of financing for the overall \$25 million cost of the Low Income Housing Tax Credit (LIHTC) development.

Ms. Robinson has three children, ages 2-7. She is employed as an assistant property manager for another apartment complex in Columbia. Her job gives her a unique insight to affordable housing needs. Prior to moving in to Village at River's Edge in November 2016, she was paying almost \$800 for a 3-bedroom apartment, which comprised more than 60% of her monthly income. She now pays less than \$300 for more space in a brand new complex, thanks to the tax credits used to development the property, which keep costs down and allow property developers to offer much lower rents.

Midlands Housing Trust Fund Executive Assistant Beth Lemmonds recently visited with Ms. Robinson to learn more about what having affordable housing has meant to her family. "Now that I have a place I can afford, my bills all get paid on time. Paying rent was always a challenge. It's due on the first of the month, along with everything else, and if you don't pay, you can be evicted. So I worked overtime a lot to keep up, which meant I had less time to spend with my children."

When asked what she can now afford with a lower housing cost burden, it is clear Ms. Robinson has set her priorities. "All my bills get paid on time. I have set up a savings program for my kids' college education. Moving in during November helped my family have a nicer Christmas, too. And now that I don't work so much overtime, I have more time for my family."

Ms. Robinson was also asked what she thought was the most common misconception about affordable housing. She responded, "A lot of people think that people who live in affordable housing are lazy and are 'working the system.' I have a job. I have a family I support. I'm working to make sure my children can afford to go to college. Paying less rent gives them that chance because I'm able to save now. I couldn't do that until I moved in here."



Ameisha Robinson, Village at River's Edge resident.

“A lot of people think that people who live in affordable housing are lazy and are ‘working the system.’ I have a job. I have a family I support. I’m working to make sure my children can afford to go to college.”

MIDLANDS HOUSING TRUST FUND Community News



Kathleen Abraham, Wood Forest Bank Community Development Relationship Manager presents a \$5,000 contribution to Executive Director Brian Huskey. Wood Forest Bank was also the first financial institution to make a major investment (\$500,000 low interest loan) in the Midlands Housing Trust Fund soon after the organization received its Community Development Financial Institution (CDFI) certification in 2016.



Jamie Devine
CEO of Community Assistance Provider



Groundbreaking at Shakespeare Crossing, a 24-unit multifamily development in Richland County developed by Community Assistance Provider.



Brian Huskey
Executive Director Midlands Housing Trust Fund



Partners, developers, tenants, and others celebrating the ribbon-cutting for Phase II at Village at River's Edge, a new 124 unit multifamily project.



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