

2018 Annual Report

# 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 for year 2018, a single person earning \$39,150 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 100,000 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.



November 30, 2018

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## From the Board of Directors Chairman

We are pleased to provide this report on the activities and accomplishments of the Midlands Housing Trust Fund for fiscal year end June 30, 2018. 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 fund managed through a transition in leadership that slowed some of its momentum secured in previous years. With some recent principal repayments, our current loan portfolio has decreased slightly at June 30, 2018 to \$515,794. Our loan portfolio remains sound, with no troubled loans, no delinquencies, and no defaults. We continue to sustain low overall operating costs and have also managed to keep our cost of funds low.

The United States Department of Treasury re-certified the Midlands Housing Trust Fund as a Community Development Financial Institution (CDFI) in 2018, increasing our capacity to attract a wider variety of investments to fund our loan capital. We are continuing with a formal plan to provide specific three-year capitalization goals and objectives, with a healthy balance of debt and equity. The Midlands Housing Trust Fund continues to support its service area which now serves half of all South Carolina counties.

Over the past two years, our financing has helped with the preservation of 133 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,



Jeff Allen  
Chairman, Board of Directors

# Accomplishments to Date

Since 2012 the Midlands Housing Trust Fund has provided more than \$1.4 million on affordable housing financing that leveraged over \$36 million in funding from other public and private sources and created or preserved 361 housing units to serve more than 800 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 Street	Santee Lynches CDC	Columbia	Richland	\$15,000	\$15,000	\$30,000	1	2	Single Family
Parliament Drive	Community Assistance Provider	Columbia	Richland	\$15,000	\$53,200	\$68,200	1	2	Single Family
Faraway Drive	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 Road	Central SC Habitat for Humanity	Columbia	Richland	\$11,000	\$109,972	\$120,972	1	2	Single Family
Floyd Street	Central SC Habitat for Humanity	Columbia	Richland	\$9,123	\$65,664	\$74,787	1	2	Single Family
New State Road	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 Court 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	350	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
Howell Court Apartments	Mitchell Development	Columbia	Richland	\$292,500	\$32,500	\$325,000	34	68	Multi-family, rental
Craven Street	Community Assistance Provider	Columbia	Richland	\$36,000	\$4,000	\$40,000	1	3	Single Family (1), rental
Mason Manor Apartments	Fitch Inck Partners	Boiling Springs	Spartanburg	\$37,500	\$8,166,328	\$8,203,828	98	98	Multi-family, rental
				<b>\$1,413,023</b>	<b>\$36,393,678</b>	<b>\$37,776,701</b>	<b>361</b>	<b>812</b>	

## 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 years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 674,401	\$ 440,582
Restricted cash	4,725	19,756
Contributions and grants receivable	104,589	—
Loans receivable, net	26,585	278,365
Construction note receivable	—	53,739
Prepaid expenses	1,760	2,246
Other current assets	500	500
<b>Total current assets</b>	<u>812,560</u>	<u>795,188</u>
<b>Other Assets</b>		
Property & equipment, net	1,129	1,773
Loans receivable, net of allowance for loan losses and current portion	460,899	442,964
<b>Total other assets</b>	<u>462,028</u>	<u>444,737</u>
<b>Total assets</b>	<u>\$ 1,274,588</u>	<u>\$ 1,239,925</u>
<b>Liabilities &amp; Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 714	\$ —
Accrued expenses	—	1,378
Notes payable, current portion	13,884	63,610
<b>Total current liabilities</b>	<u>14,598</u>	<u>64,988</u>
<b>Other Liabilities</b>		
Notes payable	267,923	286,390
<b>Total other liabilities</b>	<u>267,923</u>	<u>286,390</u>
<b>Total liabilities</b>	<u>282,521</u>	<u>351,378</u>
<b>Net Assets</b>		
Unrestricted		
Undesignated	912,891	781,831
Board designated	74,451	86,960
Temporarily restricted	4,725	19,756
<b>Total net assets</b>	<u>992,067</u>	<u>888,547</u>
<b>Total liabilities and net assets</b>	<u>\$ 1,274,588</u>	<u>\$ 1,239,925</u>

*Elliott Davis Decosimo audited the Midlands Housing Trust Fund for the period ending June 30, 2017 and June 30, 2018 and provided an unmodified opinion of the organization's financial statements, the highest such rating offered.*

## Statement of Activities for the year ended June 30, 2018

	Unrestricted	Temporarily Restricted	Total
<b>Revenue</b>			
Grants	\$ 29,000	\$ 96,539	\$ 125,539
Contributions	690	—	690
Program service fees	81,248	—	81,248
Miscellaneous revenue	1,234	—	1,234
Net assets released from restriction	111,570	(111,570)	—
<b>Total Revenues</b>	<u>223,742</u>	<u>(15,031)</u>	<u>208,711</u>
<b>Expenses</b>			
Program services	43,720	—	43,720
Management & general	59,403	—	59,403
Fundraising	2,068	—	2,068
<b>Total expenses</b>	<u>105,191</u>	<u>—</u>	<u>105,191</u>
<b>Change in net assets</b>	118,551	(15,031)	103,520
<b>Net assets, beginning of year</b>	<u>868,791</u>	<u>19,756</u>	<u>888,547</u>
<b>Net assets, end of year</b>	<u>\$ 987,342</u>	<u>\$ 4,725</u>	<u>\$ 992,067</u>

## Statement of Activities for the year ended June 30, 2017

	Unrestricted	Temporarily Restricted	Total
<b>Revenue</b>			
Grants	\$ 111,000	\$ 140,000	\$ 251,000
Contributions	9,210	—	9,210
Program service fees	29,025	—	29,025
Miscellaneous revenue	756	—	756
Net assets released from restriction	360,191	(360,191)	—
<b>Total Revenues</b>	<u>510,182</u>	<u>(220,191)</u>	<u>289,991</u>
<b>Expenses</b>			
Program services	158,880	—	158,880
Management & general	69,196	—	69,196
Fundraising	7,851	—	7,851
<b>Total expenses</b>	<u>235,927</u>	<u>—</u>	<u>235,927</u>
<b>Change in net assets</b>	274,255	(220,191)	54,064
<b>Net assets, beginning of year</b>	<u>594,536</u>	<u>239,947</u>	<u>834,483</u>
<b>Net assets, end of year</b>	<u>\$ 868,791</u>	<u>\$ 19,756</u>	<u>\$ 888,547</u>

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# Board of Directors – Fiscal Year 2018-19

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**Jeff Allen, Chairperson**

Attorney-at-Law  
McNair Law Firm  
1221 Main St., Ste. 1800  
Columbia, SC, 29201

**Peyton Bryant, Vice-Chair**

Brokerage Associate  
NAI/Avant  
807 Gervais Street, Suite 300  
Columbia, SC 29201

**Amanda Koehler, Treasurer**

Chief Operating Officer  
Turner, Padgett, Graham & Laney  
1901 Main Street, Suite 1700  
Columbia, SC 29201

**Jamie Devine, Secretary**

Chief Executive Officer  
Community Assistance Provider  
2800 N. Main Street  
Columbia, SC 29201

**Tommy Harris**

Vice-President  
First Citizens Bank  
1314 Park Street  
Columbia, SC 29201

**Kathleen Abraham**

AVP/Community Development  
Divisional Manager  
Woodforest National Bank  
3733 N. Main Street  
Columbia, SC 29203

**Ellis Bleakley**

AgFirst Farm Credit Bank  
1901 Main Street, 11th Floor  
Columbia, SC 29201

**Anita Floyd**

Senior Director  
United Way of the Midlands  
1818 Blanding Street  
Columbia, SC 29201

**Rhonda Hughey**

VP/Fair Lending Officer  
Arthur State Bank  
1700 Gervais Street  
Columbia, SC 29201

**John McLean**

Architect  
Watson, Tate, & Savory Architecture  
1316 Washington St., Ste. 100  
Columbia, SC 29201

**Kyle Michel**

Attorney-at Law  
Kyle Michel Law Firm  
1520 Main Street  
Columbia, SC 29201

4300 North Main Street | Columbia, SC 29203  
803.764.3976 | Email: [info@midlandshousing.org](mailto:info@midlandshousing.org)  
[www.midlandshousing.org](http://www.midlandshousing.org)

