



# Home

IS MORE IMPORTANT **NOW** THAN **EVER.**

SC Housing FY2020 Annual Report  
July 1, 2019 - June 30, 2020



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# Message from the Executive Director

Millions of our South Carolina neighbors struggled with housing insecurity even before this year's global pandemic. For individuals trying to cope during a time filled with change and uncertainty, the ability to live in a safe, decent and affordable home is now more important than ever.

In recent years, South Carolina's coastal and metropolitan areas have seen economic and population growth that has driven the cost of housing out of an affordable range for the state's average income-earner. Meanwhile, the state's rural areas have been struggling with a lack of housing investment, leaving some with affordable, but often substandard, housing.

These housing needs have only been intensified by the current Coronavirus (COVID-19) global pandemic. While our state continues to take measures to adjust for the impact of COVID-19 on our daily lives, for many this "new normal" has resulted in job disruptions, housing uncertainties, worsening health conditions, increased family stressors and economic hardships that make it difficult to continue living in the place that they call home. With this in mind, the accomplishments in this report represent mere milestones on our journey to making safe, decent and affordable housing a reality for every South Carolinian.

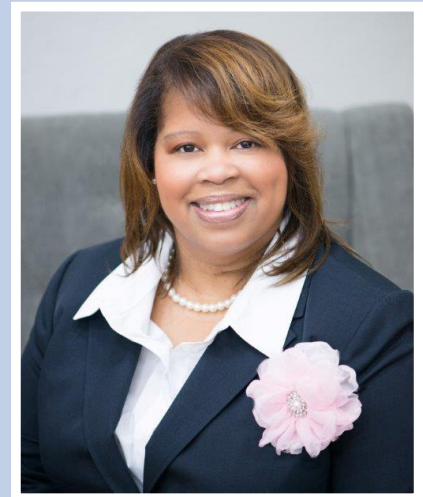
In April 2020, Governor McMaster issued a Home or Work Order in response to the imminent public health threat at that time. Today, we have another threat on the horizon—an imminent eviction emergency. Though temporarily halted by the federal evictions moratorium issued by the Centers for Disease Control and Prevention on September 1, 2020, a recent report released by the National Council of State Housing Agencies (NCSHA) projects 120,000 eviction filings in our state by January 2021, representing an estimated rent shortfall of between \$329 million and \$429 million. In addition, roughly one in 10 Federal Housing Administration mortgages is seriously delinquent according to the National Association of Realtors.

Without assistance, catching up on this amount of back rent will further overwhelm households and mom-and-pop landlords that are already under financial strain, placing our state's economic recovery at risk. Therefore, I invite you to join us as we continue to work for homes for every South Carolinian and support our state's recovery efforts. Together, we remain South Carolina strong!

Sincerely,

*Bonita Shropshire*

**Bonita Shropshire, Executive Director**



# Homeownership



Home is where we live, work and learn. Home shelters our family and provides us with comfort. Home is our safe place.

## OVERVIEW

SC Housing provides funds to participating banks and private mortgage originators to assist low- and moderate-income homebuyers with what is often their first home purchase. This is primarily done by offering low-interest, fixed-rate, 30-year mortgages that include down payment assistance (DPA), reducing the amount of savings necessary to make homeownership affordable; DPA is forgivable after either 10 or 20 years of living in the home, depending on household income. Both new construction and existing single-family homes are eligible, as are townhomes, condominiums, and off-frame modular homes.

The Homebuyer Program is financed with tax-exempt mortgage revenue bonds, which SC Housing issues under federal law to attract low-cost capital. These loans may be insured by the Federal Housing Administration (FHA), U.S. Department of Agriculture (USDA), or the Veterans Administration (VA), or securitized as a conventional mortgage through Fannie Mae or Freddie Mac. SC Housing services



Homebuyer Program loans in-house, ensuring quality customer service and assistance to those who may be struggling.

Also, on a seasonal basis, SC Housing offers the Palmetto Heroes program, which offers a lower interest rate and expanded DPA for first responders, teachers, and veterans. In 2020, this was expanded to include licensed medical professionals, grocery store employees, and package delivery drivers in recognition of the challenges those workers have faced during the COVID-19 pandemic.

Palmetto Home Advantage (PHA) loans are self-financed by the agency via securities transactions, which removes some of the restrictions that govern traditional SC Housing lending. Homebuyers may borrow up to 97% of the home's value, with SC Housing also providing down payment assistance and flexible qualifying requirements.

Additionally, beyond mortgage lending, SC Housing also offers Mortgage Credit Certificates (MCCs), which allow homebuyers to convert part of their home interest deduction to a refundable tax credit worth up to \$2,000, providing a substantial financial incentive to homeownership. MCCs can be obtained independently of an SC Housing loan or in conjunction with a PHA loan.

# PERFORMANCE

In Fiscal Year 2020, SC Housing’s homeownership programs helped **1,792** households buy a home, up 27% from 1,415 families and individuals served in the year prior. Despite the economic headwinds generated by the COVID-19 pandemic, consumer demand remained robust in the housing market at large and for SC Housing products in particular. A total of **1,648** loans were funded, of which 170 were Palmetto Home Advantage (PHA) mortgages. For the year, 154 Mortgage Credit Certificates were issued, up modestly from 137 in the year prior, including 10 that were paired with a PHA loan. Across all programs, \$260 million in lending activity was financed or supported by SC Housing homeownership products.

Federal Housing Administration loans made up 68% of mortgage origination activity in FY 2020, with conventional loans representing 30%. Twelve percent of loans were to finance a newly constructed home, with the remainder used to purchase an existing home.

Who is the typical SC Housing homebuyer? Here are a few facts and figures about the 1,648 households that qualified for a loan from us in FY 2020:

## SC HOUSING HOMEBUYER OVERVIEW:



Average loan amount:

**\$142,185**

Average purchase price:

**\$147,895**

(96% average

loan-to-value ratio)



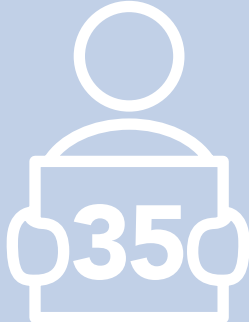
Average annual income:

**\$50,801**

Average monthly payment:

**\$895**

(21% of gross household income)\*



Average age of homebuyer:

**35**

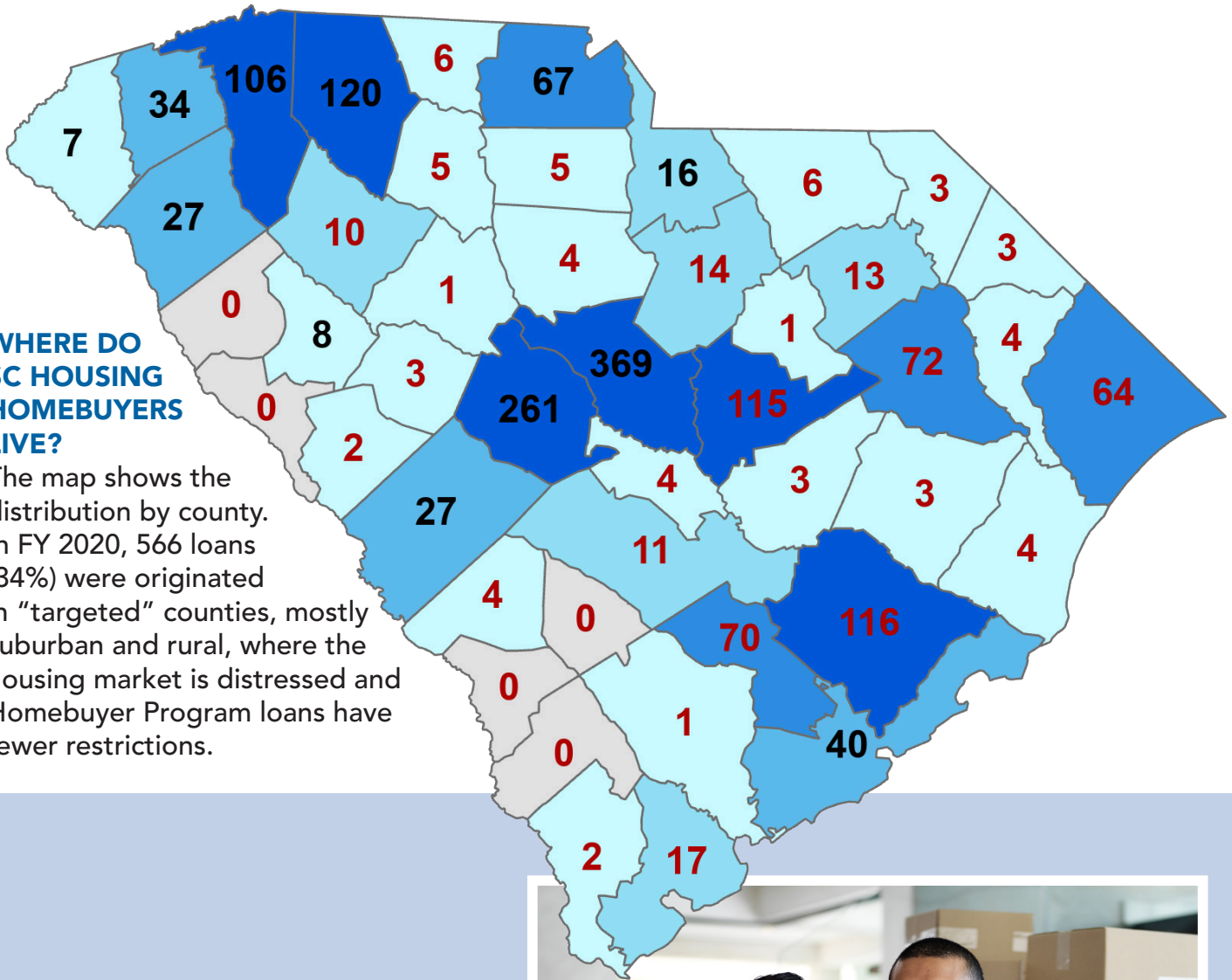
Average FICO credit score:

**685**

Average household size:

**2.04**

\* This indicates that SC Housing homebuyers are affordably housed, able to spend no more than 30% of their income on their housing payment and utilities, a common standard for cost burden.



**WHERE DO SC HOUSING HOMEBUYERS LIVE?**

The map shows the distribution by county. In FY 2020, 566 loans (34%) were originated in "targeted" counties, mostly suburban and rural, where the housing market is distressed and Homebuyer Program loans have fewer restrictions.

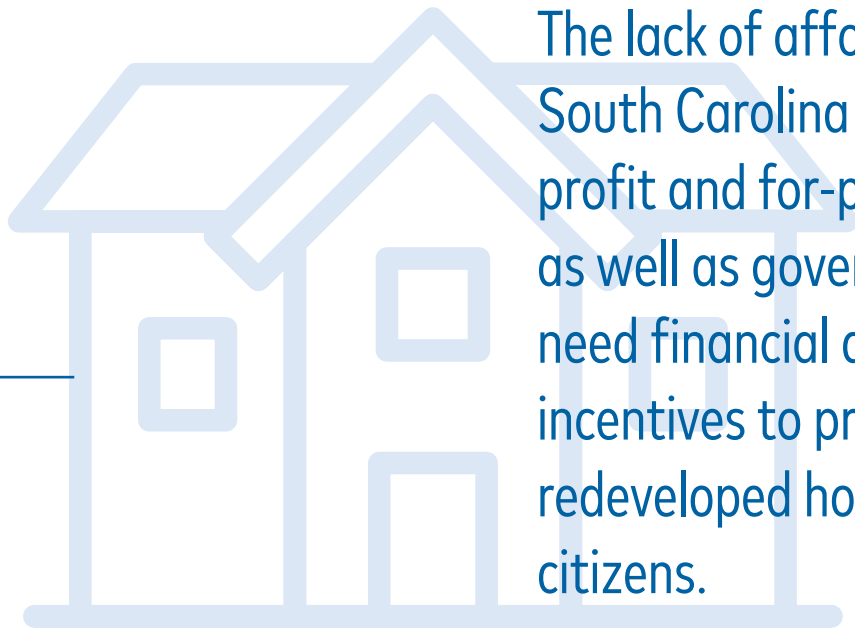
**57%** of homebuyers are Female  
**53%** White  
**42%** African-American  
**5%** Hispanic or Latino



# Development







The lack of affordable housing in South Carolina is critical. Non-profit and for-profit organizations, as well as governmental agencies, need financial assistance and incentives to provide new and redeveloped housing for our citizens.

The Development Division oversees several programs that provide for the construction, rehabilitation, and repair of housing across South Carolina. Nearly all of this work is concentrated in three areas:

- The Low-Income Housing Tax Credit (LIHTC) program, the nation’s largest source of funding for affordable housing, which provides financial incentives for building or preserving rent-restricted rental homes for households making no more than 60% of area median income (AMI);
- The Small Rental Development Program (SRDP), created by SC Housing in 2018, which combines financing from the South Carolina Housing Trust Fund (SCHTF), National Housing Trust Fund (NHTF), and the HOME Investment Partnerships Program to fund affordable rental properties too small to be financially viable under LIHTC; and
- The Home Repair Program (HRP), which helps very low-income homeowners by providing grants using SCHTF dollars to local non-profit organizations to provide essential housing needs, such as replacing roofs and air conditioners or installing ramps for residents with mobility impairments.

While SC Housing’s development efforts have experienced challenges due to imposed restrictions related to COVID-19 and other public health safety measures, projects have resumed with extended time periods for completion. Recent federal guidance has relaxed certain program requirements because of the pandemic. In other cases, some program activities have been limited due to social distancing and other Centers for Disease Control and Prevention - recommended health protocols.

## LOW-INCOME HOUSING TAX CREDITS (LIHTC)

The Housing Tax Credit Program (LIHTC) is designed to provide for-profit and nonprofit developers an incentive to create and maintain affordable housing. This is the country's most extensive affordable housing program. Developments that may qualify for credits include new construction, acquisition with rehabilitation, rehabilitation and adaptive reuse. Owners of and investors in qualifying developments can use the credit as a dollar-for-dollar reduction of federal income tax liability. Allocations of credits are used to leverage public, private and other funds to keep rent to tenants affordable.

The housing tax offers two tiers of credits:

- A 9% Tax Credit Program, which is awarded annually on a competitive basis and is designed to offset approximately 70% of construction costs; and
- A 4% Tax Credit Program, designed to cover 30% of construction costs that is traditionally paired with tax-exempt bond financing to cover much of the remainder.

In 2020, the 9% tax credits were supplemented with HOME Investment Partnerships Program (HOME) funds to stretch LIHTC resources.

In order to obtain housing tax credits under the LIHTC program, real estate developers submit applications to SC Housing. If successful, they receive a LIHTC award, which provides a ten-year stream of tax credits once the property starts accepting tenants after the new construction or rehabilitation is complete. Because the funds are needed up front for the construction process, these credits are sold to investors through a process known as syndication, exchanging future tax credits for present equity. The developer then uses these funds to complete the promised work. A similar application process occurs in other housing finance agencies across the country.

This process is governed by Section 42 of the Internal Revenue Code and related federal regulations to ensure that the proposed development is completed in a timely manner and that it meets all requirements for LIHTCs to be awarded. Under Section 42, each state is tasked with developing a Qualified Allocation Plan (QAP), which outlines how LIHTC applications will be evaluated. While there are some requirements of what a QAP must do to satisfy federal law, the vast majority of policymaking is left up to the states. If applicants request more LIHTCs than are available, as is typically the case with the 9% Tax Credit Program, the QAP outlines how the state allocating agency will award the credits. It also informs developers of rules regarding how the program will operate in the state and what requirements there might be above and beyond the minimum specified in the federal statute. States typically specify requirements to address various local needs. This ensures that the program meets the

needs of the state and is not managed in a top-down manner from Washington. There were two major events in FY 2020 that dramatically changed the LIHTC program in South Carolina:

1. The QAP was completely overhauled for the 2020 funding cycle. These changes covered most components of the QAP, including developer experience requirements, cost containment rules, design standards, site selection criteria, and underwriting practices. This resulted in applications for 9% credits in 2020 being more geographically targeted to meet local needs and requests for smaller LIHTC awards, allowing SC Housing’s limited financial resources to go further. Additionally, the inclusion of supportive housing was incentivized, increasing housing resources available to individuals at risk of chronic homelessness.
2. On May 14, Gov. McMaster signed H.3998, the Workforce and Senior Affordable Housing Act, into law. This legislation created a state-level companion to the federal tax credit, providing a one-for-one match for eligible federal LIHTC developments placed in service between January 1, 2020 and December 31, 2030. In short, this significantly increases the resources that SC Housing is able to deploy in both the 9% and 4% LIHTC programs. Similar state-level credits have been successful nationwide.

Overall, in FY 2020, 19 developments, to include 969 multifamily rental homes, will receive 9% LIHTCs upon completion. Please note the listing of developments with anticipated operating dates no later than 2022.

Name	County	Credits	Population	Build Type	Units
Fountain Arms	Greenville	\$377,827	General/Family	Rehabilitation	50
Havenwood Woodland	Lancaster	\$843,869	Older Persons	New Construction	50
Havenwood Camellia	Aiken	\$664,262	Older Persons	New Construction	40
Refinery	Abbeville	\$839,056	General/Family	New Construction	60
Villages on Mill Street	Kershaw	\$850,000	General/Family	New Construction	50
The Ellington	Spartanburg	\$849,302	Older Persons	New Construction	50
The Belmont	Florence	\$741,767	General/Family	New Construction	40
Mauldin Center	Greenville	\$717,854	General/Family	New Construction	46
Villas at Winyah Bay	Georgetown	\$782,176	Older Persons	New Construction	42
Villas at Northlake	Lexington	\$737,396	Older Persons	New Construction	43
Abbingtion Willow Lake	Lancaster	\$746,491	General/Family	New Construction	40
Forest Glen	Laurens	\$850,000	General/Family	New Construction	60
Creekside Village	Pickens	\$762,989	General/Family	New Construction	60
Renaissance Place	Greenville	\$900,000	Older Persons	New Construction	57
Victoria Gardens	Spartanburg	\$505,789	General/Family	Rehabilitation	80
Cooper's Trace	Lexington	\$781,170	General/Family	New Construction	48
Dove Place	Richland	\$794,585	General/Family	New Construction	48
Bulls Creek	Charleston	\$869,318	General/Family	New Construction	57
Woodford Trace	Aiken	\$788,779	General/Family	New Construction	48

**Note:** Credits are awarded annually for 10 years.

Additionally, SC Housing’s Board of Commissioners authorized the future issuance of tax-exempt bonds for eight developments in FY 2020 that will receive 4% LIHTCs upon completion. These projects will create or preserve 1,210 rental homes. A list of those developments is provided below.

Name	County	Issuance	Build Type	Units
Waters at Ribaut	Beaufort	\$11,000,000	Rehabilitation	60
Waters at West Ashley	Charleston	\$17,225,000	Rehabilitation	100
Bridgeview Village	Charleston	\$89,500,000	Rehabilitation	300
Canebreak Apartments	Charleston	\$18,745,000	Rehabilitation	120
James Lewis Eastside Apartments	Charleston	\$17,600,000	New Construction	64
Waters at Oakbrook	Charleston	\$25,331,000	New Construction	216
Broad River Village	Beaufort	\$21,850,000	New Construction	160
Robert Smalls Apartments	Spartanburg	\$25,000,000	New Construction	190

**Note:** Issuance amounts are preliminary and subject to change.

## SMALL RENTAL DEVELOPMENT PROGRAM (SRDP)

As noted earlier, the Small Rental Development Program allows the agency to fund a wider array of rental housing by combining state and federal funding sources to provide a flexible source of financing for smaller rental properties. The most notable change was the expansion of potential uses of funding implemented during the 2020 program year to include rehabilitation developments, supportive and transitional housing, and housing ranging from scattered-site, single-family homes to traditional apartments. Scoring incentives were introduced to produce mixed-income housing developments as site selection criteria were brought in alignment with those in the QAP. These changes led to 15 applications being received in 2020, up from seven in 2019.

The funding programs that support SRDP vary substantially. The most flexible is SCHTF, which was authorized by the legislature in 1992 to “increase the supply of safe, decent, and affordable housing” for low-income households, i.e., those earning no more than 80% of AMI. SC Housing serves as the administrator of SCHTF, and deploys these resources to a variety of eligible uses, including SRDP. SCHTF receives its funding from a portion of the deed stamp taxes on property transfers. Meanwhile, NHTF is a relatively new federal resource that the agency, on the state’s behalf, has received since 2016; these funds must exclusively serve extremely low-income households (no more than 30% of AMI) that are in the most need. This restriction essentially requires NHTF to be combined with other funding sources to make rental developments financially viable. Finally, HOME is a long-standing federal program that provides funds to states, counties, and cities for a variety of housing uses; these

funds are also restricted to assisting low-income households. Both HOME and NHTF are administered by the U.S. Department of Housing and Urban Development.

In FY 2020, four projects received Small Rental Development Program awards. These properties will create 37 new rental homes in the areas listed below.

Name	County	Award	Population	Units
Sunset Park	York	\$314,738	Older Persons	6
Woodside	Greenville	\$1,140,000	Mixed	15
Accabee Acres	Charleston	\$394,113	General/Family	8
Golden Dream	Charleston	\$480,000	General/Family	8

## HOME REPAIR PROGRAM

The SCHTF home repair program provides funds to non-profit partner organizations statewide to reimburse work in the community to fix serious issues in the owner-occupied housing stock, serving very low-income homeowners (earning no more than 50% of AMI). These repairs are often necessary to ensure that the home is in livable condition. As of the end of FY 2020, there are 41 non-profits that are approved SCHTF participants, each of whom assists SC Housing in administration of the program. SCHTF awards fall into two groups:

1. Emergency Repair grants cover up to \$10,000 in repairs (plus a \$750 fee) to a single home that are necessary for the life, health, or safety of the occupant. Emergency repairs can involve no more than two construction trades.
2. Owner-Occupied Repair block grants cover up to \$100,000 in repairs (a maximum of \$25,000 per home) for up to four homes (plus a \$2,250 fee per home) that cover a wider range of repairs, though non-profits are required to address life, health, or safety needs first before other structural deficiencies. This program was suspended in March due to COVID-19.

In FY 2020, SC Housing provided 227 Emergency Repair grants totaling over \$1.7 million serving homeowners in 34 counties statewide, as well as 31 Owner-Occupied Repair grants totaling over \$1.9 million that assisted 72 homeowners in 16 counties statewide.

# Rental Assistance & Compliance

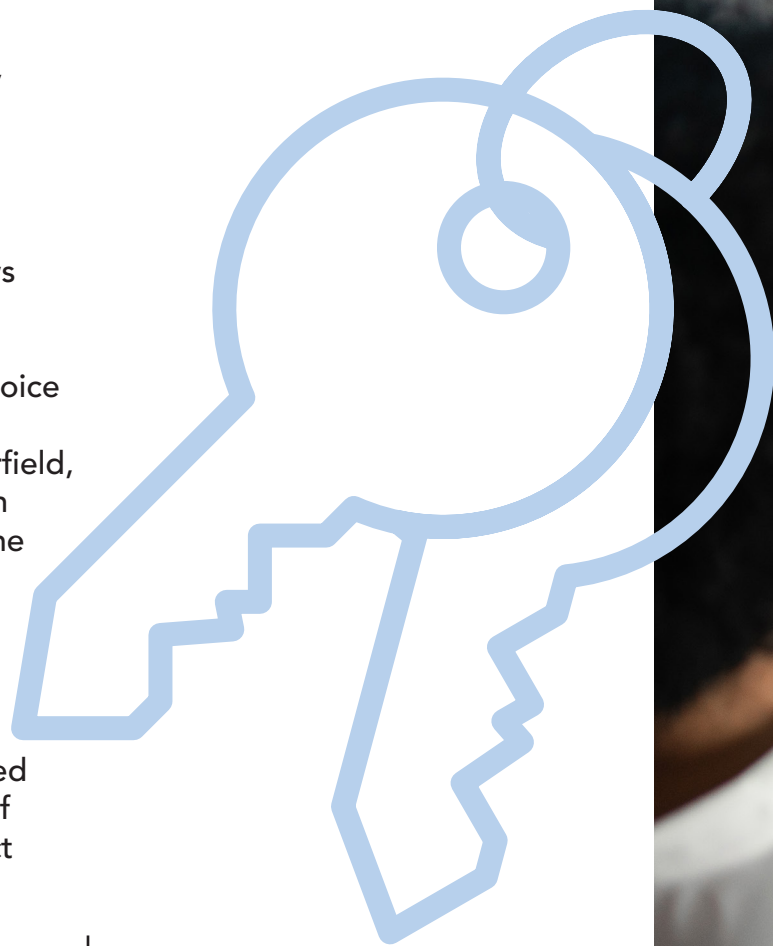
The Rental Assistance & Compliance Division of SC Housing has three primary responsibilities:

- Monitoring properties funded by the Development Division to ensure compliance with federal and state laws pertaining to affordability, health and safety, and tenant eligibility;
- Administering the federal Housing Choice Voucher Program in seven counties (Clarendon, Colleton, Dorchester, Fairfield, Kershaw, Lee and Lexington) under an Annual Contributions Contract with the U.S. Department of Housing of Urban Development (HUD), which provides assistance for low-income households to help them afford rental housing in the private market; and
- Overseeing a portfolio of Project-Based Rental Assistance properties on behalf of HUD via the Project-Based Contract Administration Program.

As with all functions within the agency, COVID-19 has produced substantial disruptions to the workflow of the division and accompanying changes in the regulatory environment. The primary result has been the suspension or modification of property inspections, as well as the postponement of some federal deadlines and flexibility regarding program operations.

## PROGRAM COMPLIANCE

Program Compliance is tasked with ensuring that the properties that received funding from the Development Division meet



SC Housing is working through cooperative partnerships to offer rental assistance for South Carolina citizens facing eviction due to the economic effects of COVID-19.



applicable laws and rules applied by federal and state authorities. This work consists primarily of on-site inspections to ensure the property meets health and safety standards and reviews of the property managers' files to validate that the proper rents have been charged and the tenants are income-eligible to live in their homes, among other regulatory requirements. The owners of such housing must adhere to these terms for a compliance period of between 15 and 35 years, depending on the program and elections made by the applicant.

In FY 2020, Program Compliance oversaw 36,619 rental homes within 45 of 46 counties. The vast majority of these homes received a LIHTC award (34,322 units across 623 properties), but other projects receiving tax-exempt bond financing, HOME Investment Partnership Program funds, South Carolina and National Housing Trust Fund awards, and Neighborhood Stabilization Program dollars without LIHTC are also included (2,297 units located within 428 projects).

In the prior year, Program Compliance staff conducted 197 on-site and/or desk reviews of paperwork covering 12,860 units. In the wake of COVID-19, relevant federal regulatory authorities provided relief from some or all aspects of in-person inspections. This resulted in many employees having to shift duties from one program to another, namely tax-exempt bonds, in an effort to complete as much work as possible while travel was severely restricted.

Staff conducted several trainings for property owners and managers, to include participating in the 2020 Southeastern Affordable Housing Management Association conference in Columbia. The agency also migrated to a new software system to better support multifamily programs.

All the while, staff demonstrated their ongoing commitment to ensuring compliance as efficiently and effectively as possible while minimizing regulatory burden to the extent possible.

## LIHTC BENEFICIARY OVERVIEW:



Residents that live alone

**43%**

Two-person households

**24%**

Larger households

**33%**



Median annual household income:

**\$16,128**

Median monthly rent paid by tenant:

**\$460**

20% received federal rental assistance  
(median monthly benefit: \$438)



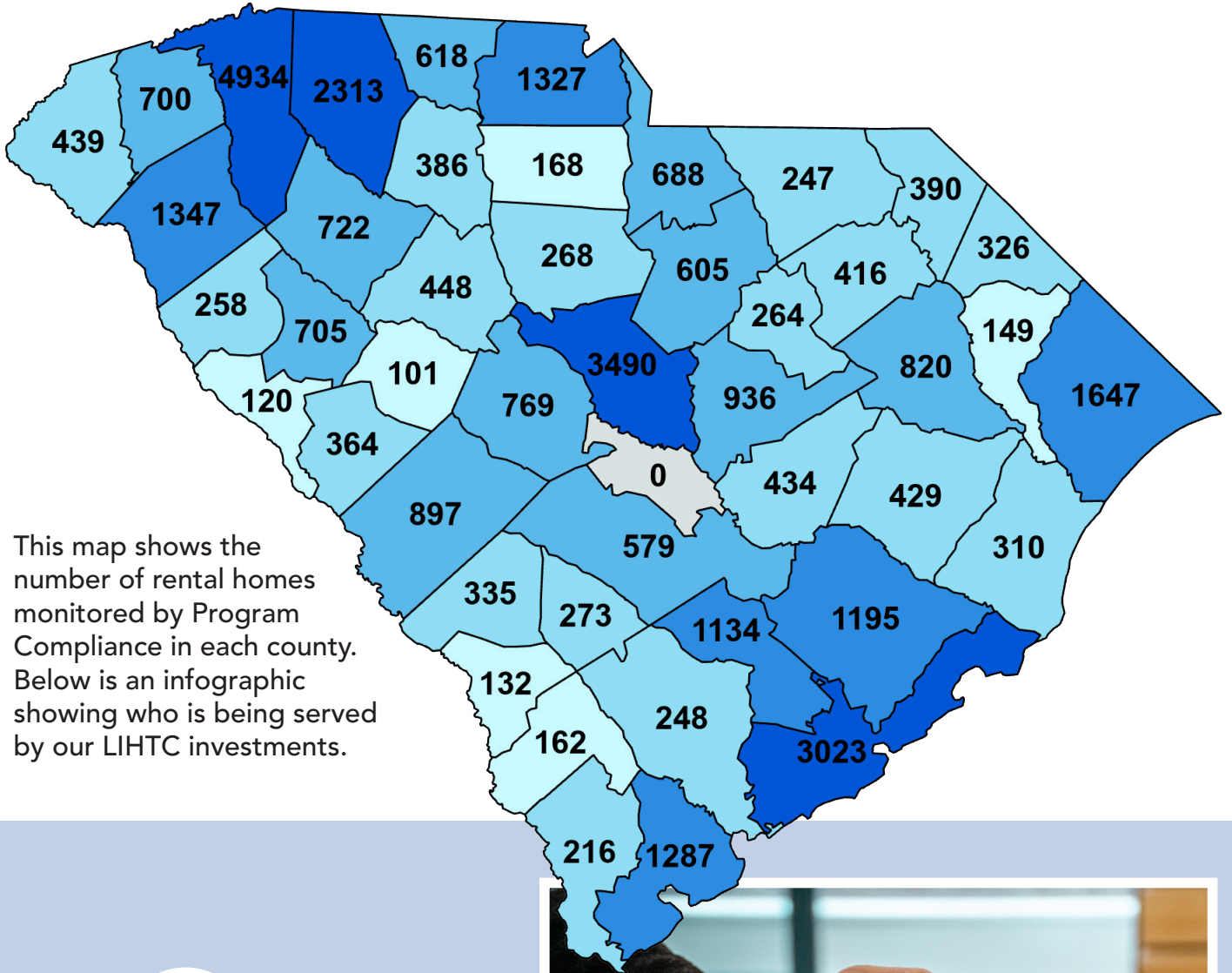
Residents that are children (0-17)

**41%**

Residents that are older adults (55+)

**20%**





This map shows the number of rental homes monitored by Program Compliance in each county. Below is an infographic showing who is being served by our LIHTC investments.



## HOUSING CHOICE VOUCHER PROGRAM (HCVP)

SC Housing oversees the Housing Choice Voucher Program (HCVP) in the seven counties that do not have an eligible local public housing agency: Clarendon, Colleton, Dorchester, Fairfield, Kershaw, Lee and Lexington. The breakdown of vouchers available in FY 2020 by county is provided below.

**Clarendon – 148**      **Colleton – 125**      **Dorchester – 340**      **Lee – 90**  
**Fairfield – 130**      **Kershaw – 156**      **Lexington – 935**

This federal program, operated by the Department of Housing and Urban Development (HUD), provides rental assistance to eligible households in an effort to bridge the gap between the rent charged and 30% of a household's income, ensuring that the tenant does not experience housing cost burden. These families and individuals live in privately owned properties, both single-family homes and apartment buildings, allowing families to choose where they want to live while supporting the state's landlords. Unlike public sector programs that provide assistance to all eligible households, there are only enough housing vouchers to help fewer than one in four tenants who qualify. Many authorities, including SC Housing, have years-long wait lists to receive this aid. Below is an overview of households receiving vouchers.

### HOUSING CHOICE VOUCHER DEMOGRAPHICS:



Households that include someone with a disability

**43%**

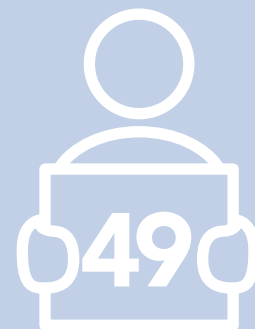


Median annual household income:

**\$11,196**

Median monthly contract rent:

**\$675**



Average age:

**49**

Average household size:

**2.37**



**90%**  
are Female  
**13%** White  
**87%** African-American  
**1.3%** Hispanic  
or Latino

Staff continued their track record of excellent performance in FY 2020:

- Received a Section 8 Management Assessment Program score of 100% resulting in HUD’s recognition as a “High Performer” for the nineteenth consecutive year.
- Exceeded HUD’s 95% family record reporting requirement with an average score of 100%.
- Exceeded program goals for customer satisfaction on its Landlord and Participant Survey.

In FY 2020, Housing Choice Vouchers made rent more affordable for 1,938 individuals and families in South Carolina utilizing \$13.1 million in HUD funds administered by SC Housing.

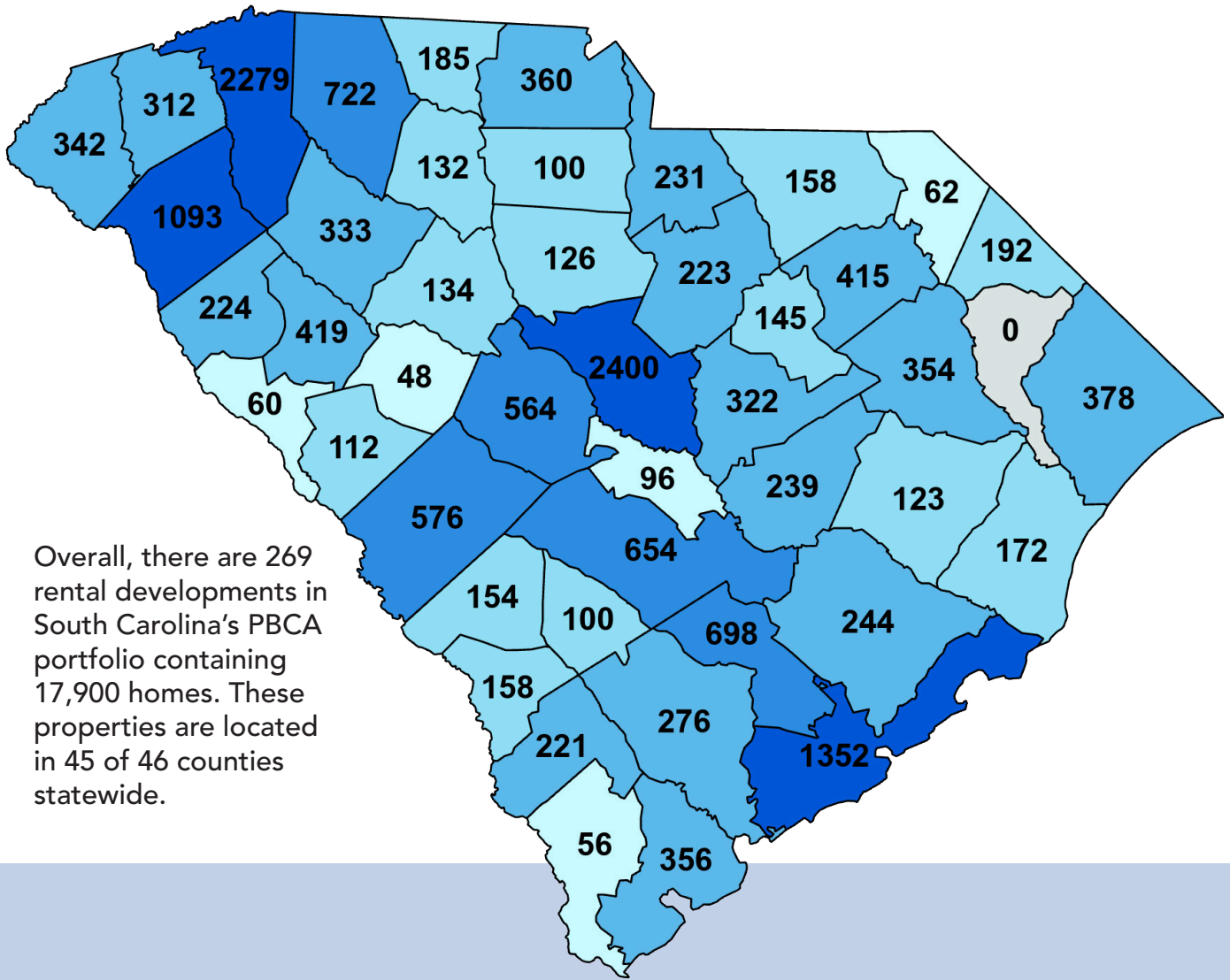


## PROJECT-BASED CONTRACT ADMINISTRATION (PBCA)

SC Housing monitors a portfolio of hundreds of Section 8 rental properties across the state on behalf of the U.S. Department of Housing and Urban Development through the Project-Based Contract Administration (PBCA) program. HUD procures these oversight activities, reducing overhead cost for the federal taxpayer and devolving responsibilities to the state level. HUD provides SC Housing with funds to review and approve monthly assistance payments, conduct management and occupancy reviews to ensure compliance with federal law, serve as an ombudsman for tenant concerns, oversee subsidy contracts with property owners, and advocate on behalf of the Section 8 program statewide.

PBCA staff met or exceeded a number of performance metrics in FY 2020:

- Conducted 124 Management and Occupancy Reviews.
- Effectively addressed 400 tenant complaints and assisted 588 families with housing needs.



Overall, there are 269 rental developments in South Carolina’s PBCA portfolio containing 17,900 homes. These properties are located in 45 of 46 counties statewide.



- Completed 283 rental adjustments within 30 days and 27 contract renewals within 60 days.
- Reviewed, verified and processed 269 vouchers on the first business day of every month.
- Processed and approved 714 Special Claims from property managers within 30 days.

In FY 2020, SC Housing dispersed \$141.8 million in rental assistance payments on behalf of HUD, ensuring that tenants paid no more than 30% of their income on rent and utilities.

# Support Services





Our support services divisions work together to ensure that administrative systems and supports are effective and responsive to the needs of citizens. They are committed to improving customer experiences through the use of best practice tools and approaches.

## **COMMUNICATIONS AND OUTREACH**

The role of the Communications and Outreach Division is to educate, inform, and engage the community about affordable housing issues, needs, and resources using various communication approaches and tools for reaching diverse sectors of the community. The division created a specific COVID-19 Connection Hub on the agency’s website to provide relevant and timely information about mortgage relief options, rental assistance, evictions moratoriums, program operational changes, and other resources to help South Carolinians navigate the uncertainties related to pandemic. The division was able to rely upon established relationships with key stakeholder groups and its public-private partners, to ensure a coordinated response to citizens seeking assistance during the public health disaster and concurrent April severe storms that hit the upstate. This collective impact approach is a key component of the division’s partnership development and outreach strategy.

The Communications Division has also made effective use of digital platforms and tools to better reach and inform the public. Information is disseminated via social media outlets and the agency’s website. In FY 2020, the division has a combined 8,118 Facebook likes, Twitter followers, and YouTube subscribers to the agency’s pages. This represents increased engagement of 36% over FY 2019. The division has plans to add social media outlets, such as Instagram, in the near future.

One of the most effective and impactful means of learning about the benefits of a program is when participants get to tell their own stories in their own words. The division continues to produce a video collection of participant stories called “Faces of Home.” Due to COVID-19 travel restrictions and safety precautions, interviews have been temporarily halted.

In terms of messaging, the division has increased its use of infographics to present key information and data in a more user-friendly, easy-to-understand format. Staff worked with the Chief Research Officer to produce a wider range of publications, from the Housing Needs Assessment to the agency’s new Strategic Plan to county- and Congressional district-level fact sheets on local housing conditions. The goal is to empower local communities with information about housing needs and conditions unique to their locale to better inform program development around targeted needs.

## **INFORMATION TECHNOLOGY (IT)**

SC Housing is continuing to push forward on modernizing its information technology infrastructure and software to ensure that the agency is able to fully confront the housing challenges that South Carolina faces today and will face in the years to come while securing personally identifiable information and other business documents. Immense progress on this front was made in FY 2020.

The most central task has been the implementation of a new software suite that coordinates activities across the agency’s three program divisions. This required extensive efforts by both IT and program staff to translate decades of data and processes from one complex system to another. Not only does this process create new opportunities to leverage internal resources for evidence-based policymaking, but it also reduces the agency’s software expenses considerably.

When the pandemic struck, SC Housing was prepared to pivot to a remote workforce, thanks in large part to the efforts of IT personnel. In the months prior, the division completed updates to its disaster recovery and business continuity policies, then tested the efficacy of those policies and made changes as needed. SC Housing quickly deployed computers and other devices, as well as video conferencing software, to ensure that employees could continue working toward the agency’s mission.

SC Housing is also recognized as a leader in its field with regard to IT issues. At the National Council of State Housing Agencies (NCSHA) Annual Conference last October in Boston, SC Housing’s Director of Information Technology was invited to address industry stakeholders on a panel about cybersecurity challenges. These acknowledgments demonstrate the skill and expertise of agency leadership.



## RESEARCH

The first full year of the agency's research division was an extremely fruitful one. In August, SC Housing published Volume 1 of the South Carolina Housing Needs Assessment (Housing Needs Assessment), the first such analysis conducted since 2002. This work pulled together a wide variety of data sources from federal and state government as well as those produced in the private sector to present a comprehensive but accessible view of the challenges our state faces with housing affordability and availability. The report also leveraged prior work done by the agency's Chief Research Officer to quantify "shelter poverty," the level of deprivation and economic destruction caused by our state's lack of affordable housing. The peer-reviewed paper on which the shelter poverty methodology is based was published in the November 2019 issue of Housing Policy Debate. Fact sheets based on the Housing Needs Assessment have also been produced.

This work helped inform policy changes throughout SC Housing, particularly with respect to the work done by the Development Division to update the Qualified Allocation Plan and funding guidelines for the Small Rental Development Program. The Housing Needs Assessment identified the needs of various real estate markets and the degree to which existing supplies of affordable housing fell short of demand at the county level, identifying how and where limited resources should be targeted. Other data sources identified by the research division helped identify site scoring criteria as well. More broadly, the agency's research department was tasked with facilitating the creation of SC Housing's new strategic plan to address issues identified in the Housing Needs Assessment.

The Housing Needs Assessment was also the backbone of a number of talks SC Housing's Chief Research Officer gave to local public officials and civic organizations about housing conditions in their community. Presentations were given to the Municipal Association of South Carolina, South Carolina Community Loan Fund, Greenville County Redevelopment Authority, and Central Carolina Community Foundation, among others. Ultimately, the work of ensuring that all South Carolinians have access to safe, decent, and affordable housing is not the sole responsibility of SC Housing, but a wide array of stakeholders. Providing reliable information to these parties is an essential part of the work done by the research division.

The Housing Needs Assessment affirmed SC Housing's role as a state and national authority on housing issues. Within South Carolina, the report captured the attention of numerous media outlets and was presented at a number of state and regional forums on housing issues. Nationally, the agency's Chief Research Officer was invited to appear on a number of academic and professional panels on topics ranging from data-driven policymaking to measurement of housing affordability to the community-level impacts of LIHTC development.

# Strategic Plan

On June 17, 2020, the SC Housing Board of Commissioners approved a new two-year Strategic Plan for the agency, the culmination of months of work that engaged dozens of employees across all levels and functions. This effort involved a top-to-bottom reevaluation of activities within the agency. While the mission and vision of the agency still reflect our responsibilities as a state entity, senior directors saw fit to update our institutional values. Each value is embodied by a single word and a brief description of how it applies to the work SC Housing does on a daily basis for the people of South Carolina.

**COMMUNITY:** We help make big cities and small towns across the Palmetto State better places to live.

**INTEGRITY:** We act ethically in everything that we do and treat our partners and customers with respect.

**INNOVATION:** We are deeply motivated to pursue new and better ways to serve the people of our state.

**PROFESSIONALISM:** We perform our tasks effectively and efficiently and steward resources responsibly.

**EXPERTISE:** We are capable, resourceful, and deeply informed about housing issues in South Carolina.

The four overarching categories of activities identified within the plan align with the agency's three main program offices: Homeownership, Development, and Rental Assistance and Compliance. A fourth, Innovation, was included to reflect the central importance of not merely perpetuating the agency's activities, but refining and even overhauling them when necessary to best serve our state's citizens. Each of these four categories had a goal statement, three strategies for achieving that goal, and a number of initiatives that indicate exactly what the agency will do toward those ends in the years ahead. The goals and strategies are listed below; please review the full plan for more details.

## HOMEOWNERSHIP



**GOAL STATEMENT:** Expand homeownership opportunities for South Carolinians by partnering with a variety of lenders, providing superior customer service, and offering competitive and innovative products that build resilient communities and support the finances of the agency.

- 1: Expand homeownership opportunities for low- and moderate-income households.
- 2: Expand investment in economically distressed, or “targeted,” counties and rural communities.
- 3: Increase energy resource efficiency, and reduce environmental impacts by promoting green residential building and rehabilitation strategies.

## DEVELOPMENT



**GOAL STATEMENT:** Leverage data, strengthen partnerships, and steward finances to fully allocate affordable housing resources to their best and most effective use, thereby constructing and preserving rental units available to the people of South Carolina.

- 1: Utilize data from Housing Needs Assessments and other relevant sources to design programs and direct resources to develop affordable housing where it is most needed and efficiently utilized.
- 2: Strengthen partnerships with internal stakeholders, affordable housing developers, other state agencies, advocacy groups, local governments, etc. to ensure programmatic effectiveness.
- 3: Expand the opportunities for the development of affordable housing to low-income households.

## RENTAL ASSISTANCE AND COMPLIANCE



**GOAL STATEMENT:** Proactively support affordable housing initiatives throughout South Carolina while ensuring compliance with state and federal regulations for the benefit of both our housing partners and their residents.

- 1: Continue to surpass federal regulatory requirements for the administration of rental assistance programs through the ongoing application and improvement of internal quality control procedures, thereby meeting and exceeding the agency’s contractual obligations.

- 2: Maximize tenant safety, affordability, and quality of life by rigorously enforcing federal and state requirements of rental development programs by leveraging all vested authority to remedy chronic or severe noncompliance.
- 3: Advocate for further funding for tenant rental assistance programs, additional administrative fee revenue, federal alignment of rules across disparate affordable housing programs, and continued state-level Project-Based Contract Administration procurement to facilitate optimal program governance and preservation of SC Housing's fiscal position.

## INNOVATION



**GOAL STATEMENT:** Bring an innovative and entrepreneurial spirit to the development and financing of affordable housing across South Carolina by leveraging the agency's capacities and partnerships to empower local governments, nonprofits, and the private sector to better meet the state's housing needs.

- 1: Work within SC Housing to foster innovation in existing programs, collaborating with the teams responsible for those programs by promoting, reviewing and analyzing data to support evidence-based housing policy.
- 2: Identify and evaluate potential new initiatives and/or partnerships to finance, construct, rehabilitate, repair, and assess housing statewide in ways that increase flexibility and innovation while raising revenue for agency activities.
- 3: Work within state government and partner with local officials and other stakeholders to address existing and emerging issues in affordable housing and raise awareness of the role housing can play in addressing challenges in intersecting policy fields in South Carolina.



It is our vision that all South Carolinians have the opportunity to live in safe, decent, and affordable housing.



# Home is More Important Now than Ever.

## The Year Ahead

Even more than most years, the next 12 months for South Carolina's housing market are particularly unknown due to the COVID-19 pandemic. As of this writing, hundreds of thousands of citizens in our state are facing the threat of eviction and foreclosure due to job loss, while home purchases are happening at a brisk pace.

The recently released Strategic Plan will guide SC Housing's efforts to navigate an ever-changing environment. Looking ahead, future editions of the Annual Report will summarize the progress that the agency has made toward achieving these strategic initiatives of the agency.

We encourage the involvement of the public and value your input on how we can create affordable housing in a way that meets the needs of local communities.

For more information about this report or if you would like to learn more about our programs, please visit our website at [www.schousing.com](http://www.schousing.com) or contact us at [communications@schousing.com](mailto:communications@schousing.com).



## About SC Housing



### Mission

Create quality affordable housing opportunities for the citizens of South Carolina.



### Vision

That all South Carolinians have the opportunity to live in safe, decent, and affordable housing.

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SC Housing is a self-sustaining housing finance agency committed to ensuring that South Carolinians have the opportunity to live in safe, decent, and affordable housing. Agency operations are supported by a funding base that includes fees and other revenue earned through the administration of agency programs.

Our office is located in Columbia, South Carolina.

Find us on Facebook: **/SCStateHousing**  
Follow us on Twitter: **@SCStateHousing**



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