




SC HOUSING FY 2021
ANNUAL REPORT

Turning Challenges into
Opportunities:
A Journey of Hope



A still life scene featuring a laptop, a cup of coffee, and a vase with white flowers on a table, with a window in the background. The scene is lit with warm, golden light, suggesting a sunrise or sunset. The laptop screen displays a document with text and a table. The cup is white and filled with a dark liquid, likely coffee. The vase is white and contains several white flowers on a branch. The background shows a window with a view of a building and a sky with soft light.

FY 2021 was a time of personal change and challenge. People were working and learning at home. Quality affordable housing continued to be scarce. Many citizens lost their jobs and were unable to pay their rent and utilities. Maintaining the safety and security of **home** truly became a journey of hope.



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Letter from the Executive Director

While our state continues to take measures to adjust for the impact on our daily lives that COVID-19 has had, many SC families over the past 18 months have experienced 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.

We knew when we opened our agency's new financial year in mid-2020 that it was going to be a year unlike any other, and SC Housing would have to be nimble in order to pivot and adjust to our state's changing needs.

We could see the impact that the illness and the economic fallout was going to have on millions of our South Carolina friends and neighbors. And we knew that in a state with existing affordable housing challenges, like South Carolina, SC Housing was going to be on the frontlines of helping our state's residents find and stay in safe, decent and affordable housing.



Given these challenges, we are honored to share this report, in which you'll learn more about how SC Housing in the past year:

- Used millions of dollars in federal emergency funds to help thousands of renters and homeowners avoid eviction and foreclosure to stay in their homes;
- Helped more than 1,100 households buy homes even while home prices were rising dramatically;
- Approved the construction of more than 4,000 new rental homes through tax credits, bond issuances and housing trust funds;
- Funded emergency repair of more than 270 households;
- Oversaw more than 35,000 rental homes previously funded to ensure properties are meeting health and safety standards; and
- Provided home vouchers for more than 1,800 families and individuals in seven SC counties that lack their own public housing authority.

But I don't want the personal impact that this agency has had over the past year to get lost in the all of the numbers. I'll instead close with this comment by an emergency rental relief applicant in Florence County that does a great job of sharing the real impact of SC Housing's work over the past year:

"This program has been life-changing, and I thank God for it. I was down on my luck, behind on my bills and sick with COVID. I thought I was going to be homeless with absolutely nothing. I could not have made it if it wasn't for the blessing of this program. Thank you."

Sincerely,

Bonita Shropshire

Bonita Shropshire, Executive Director



COVID-19 Response

In the prior fiscal year, SC Housing began administering three sources of emergency housing funds from the federal government, all while many employees worked remotely much of the year as part of COVID-19 physical distancing protocols. A summary of each is provided below.

SC Stay

SC Housing was selected by the Department of Commerce to serve as a subgrantee for rounds two and three of the state's Community Development Block Grant-Coronavirus (CDBG-CV) allocation from the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress and signed by President Trump in March 2020. This grant provided about \$25 million in mortgage and rental assistance to South Carolinians in need. Applications were accepted via non-profit partners in February, and awards were made starting in March. Eligible applicants were eligible for up to six months of assistance and were required to demonstrate that they were in a low-income household and had experienced economic hardship as a result of the COVID-19 pandemic.

SC Stay Plus

South Carolina received \$346 million in emergency rental assistance funds from the U.S. Department of the Treasury as part of the Consolidated Appropriations Act, 2021, passed by Congress and signed by President Trump in December 2020. Seven eligible counties (Anderson, Berkeley, Charleston, Greenville, Horry, Richland, and Spartanburg) elected to receive their own allocation of funds, leaving the state with the remaining \$272 million. In April, the state legislature passed and Governor McMaster signed H.3770, which authorized SC Housing to administer these funds in the remaining 39 counties statewide. Shortly thereafter, the program launched on May 5, accepting applications for rent and utility assistance from South Carolinians in need. Tenants are eligible for up to 15 months of assistance.



Mortgage Rescue Program

While not yet operational, SC Housing will soon be launching a third assistance program. In March 2021, Congress passed and President Biden signed the American Rescue Plan Act, which included a Homeowner Assistance Fund. This fund provides South Carolina with \$145 million in assistance. SC Housing is awaiting approval from Treasury to begin deploying these funds beyond an existing pilot program.



Homeownership

Overview

SC Housing provides funds to participating 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 by 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 Qualified Private Mortgage Insurance companies, as is the case for conventional loans.

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. It also offers similar assistance year-round through its County First initiative, which serves homebuyers in 24 rural counties statewide.

In 2018, the Authority began a program to finance mortgage loans through the sale of mortgage backed securities in the “to be announced” market. This program provides alternative financing for the purchase of mortgage loans. The 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 percent of the home’s value, and can remove their private mortgage insurance payments (on conventional loans) once the homeowner has 20 percent equity.

Performance

In Fiscal Year 2021, SC Housing’s homeownership programs helped **1,110 households** buy a home, totaling **\$176 million** in loan volume. The decline in lending from last year can be largely attributed to the severe contraction in the available inventory of properties that are affordable to the low- and moderate-income homebuyers we serve. Among these homebuyers, there were **98 PHA mortgages** and **1,108 recipients of down payment assistance**.





HOMEOWNERSHIP



Average
Purchase
Price

\$162,617



Average
Monthly
Payment

\$941

\$158,496



Average
Loan
Amount

\$51,165

Average
Annual Income
of Buyer

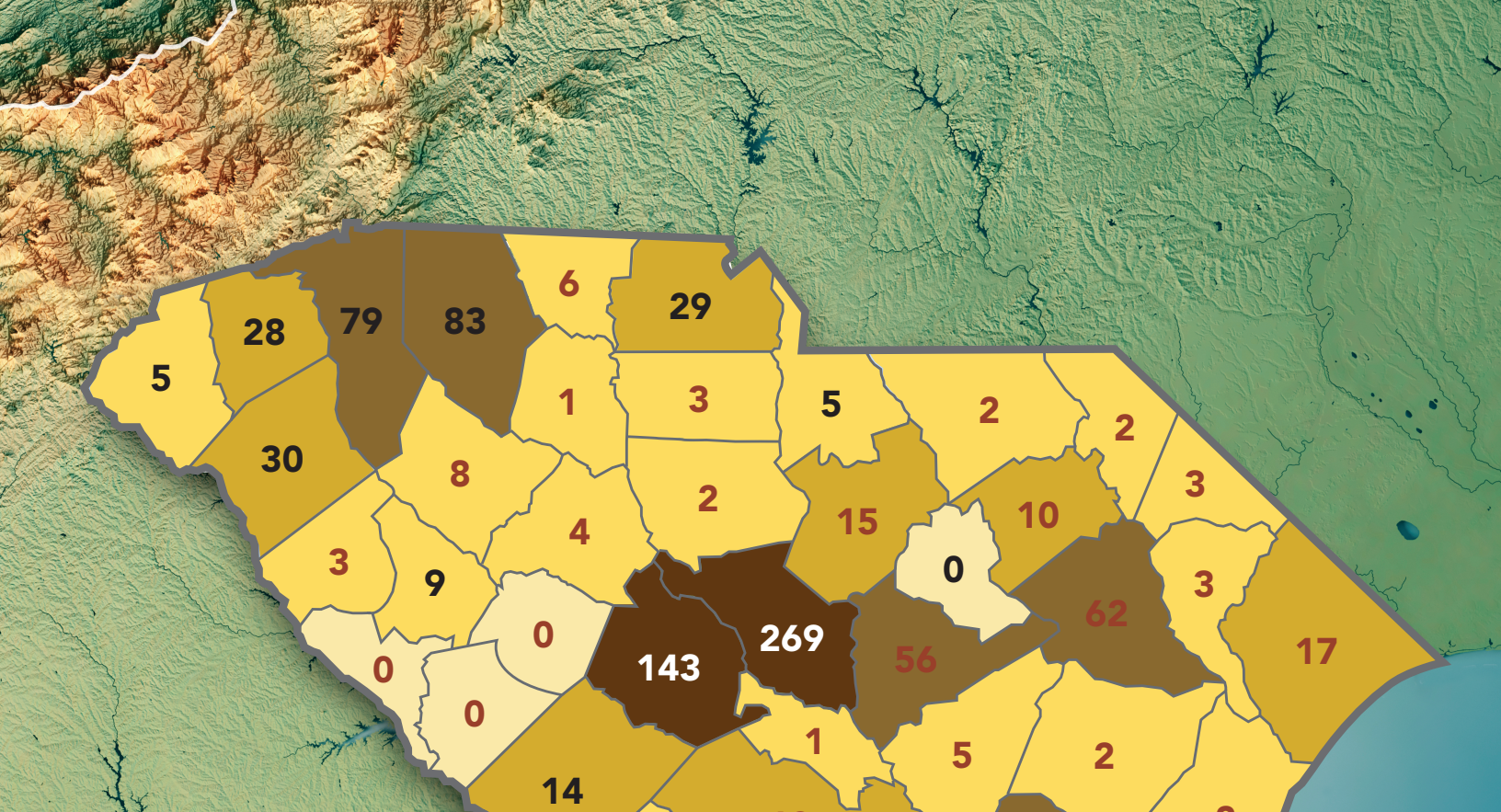


2.13

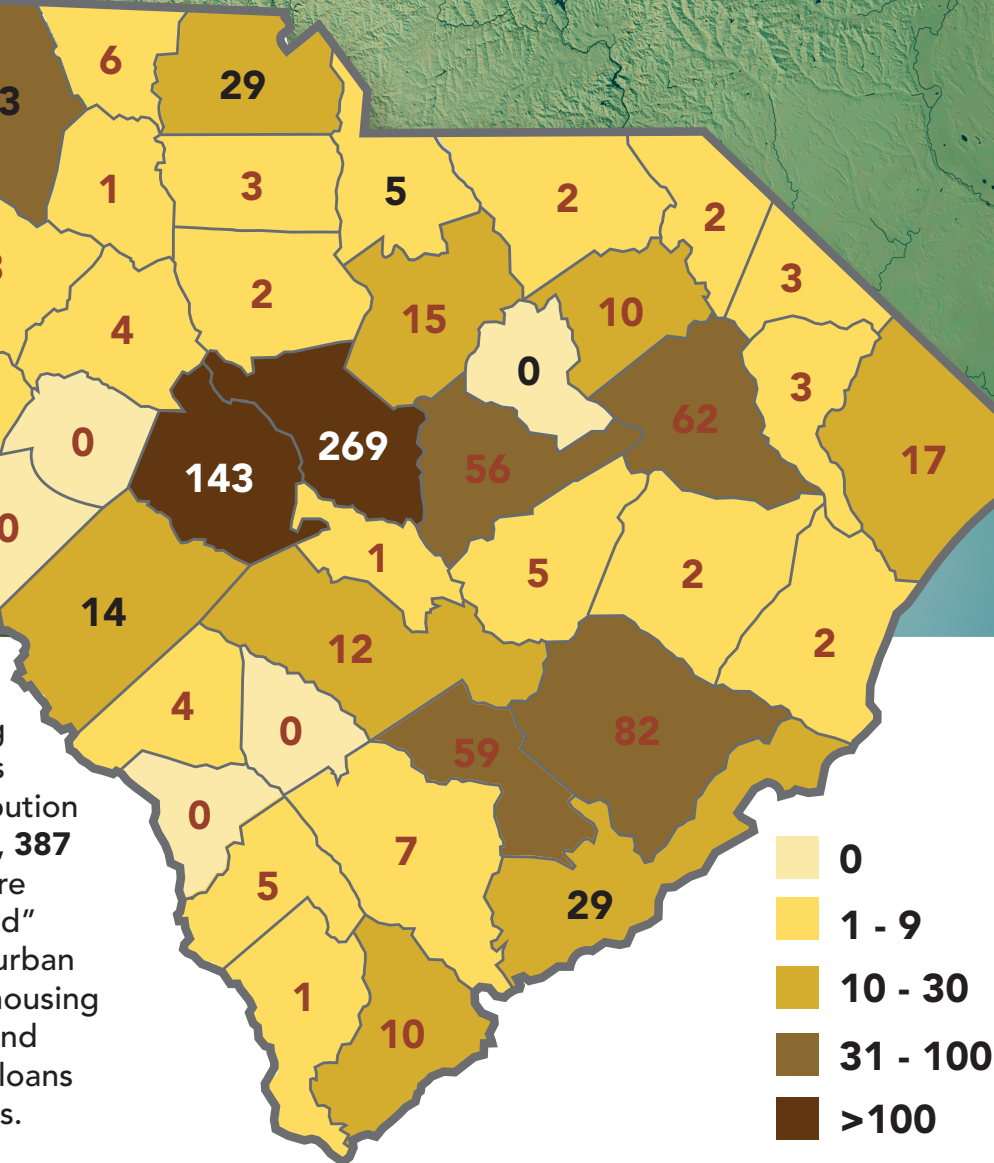
Average
Household
Size

684

Average
FICO
Credit
Score



Where do SC Housing homebuyers live? This map shows the distribution by county. In FY 2021, **387 loans** (35 percent) were originated in “targeted” counties,* mostly suburban and rural, where the housing market is distressed and Homebuyer Program loans have fewer restrictions.



Who is the typical SC Housing homebuyer? Here are a few facts and figures about the households that qualified for a loan from us in FY 2021.

Average loan amount: \$158,496
Average purchase price: \$162,617
 (97% average loan-to-value ratio)

Average age of homebuyer: 35
Average FICO credit score: 684
Average household size: 2.13

Average annual income: \$51,165
Average monthly payment: \$941
 (22% of gross household income)**

62% of homebuyers were female
48% white non-Hispanic, 47% Black non-Hispanic,
4% Hispanic, 1% other race

* Indicated in red.

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

Development

The Development Division oversees several programs that provide for the construction, finance, 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 multi-family housing that is, on average, affordable to households earning 60 percent of area median income (AMI) or less;
- 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 housing too small to be financially viable under LIHTC; and
- The Emergency Repair Program, 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.



Low-Income Housing Tax Credits

LIHTC is a complicated but very powerful resource that helps build or preserve thousands of units in South Carolina every year. It is made available in two ways: the so-called “9 percent” credit, which is awarded on a competitive basis once per year and is designed to cover about 70 percent of construction costs, and the “4 percent” credit, which is designed to cover 30 percent of construction costs and is typically paired with tax-exempt bond financing to cover much of the remainder.

To dramatically oversimplify how LIHTC works, real estate developers submit applications to SC Housing and other housing finance agencies across the country. If successful, they receive a LIHTC award, which provides a ten-year stream of tax credits once the property starts accepting tenants after it is built or substantially rehabbed. Because the funds are needed up front for the construction process, however, these credits are sold to investors through a process known as syndication, swapping future tax credits for present equity. From there, the developer uses those funds to complete the promised work.

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 percent variety, 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 bare minimum specified in the federal statute. This ensures that the program meets the needs of the state and is not managed in a top-down manner from the federal level.

**Straham Place (LIHTC)
Greenville, S.C.**



To better serve the interests of LIHTC tenants, the Development Division has been working with the Research team over the past year to develop and deploy a residential survey. The first trial run of this survey was completed last spring, and SC Housing is looking to deploy a more comprehensive evaluation in the year ahead. The results will help inform future iterations of the QAP.

Fiscal Year 2021 has seen the implementation of the state tax credit, which was passed in May 2020 and provides a one-for-one credit toward state taxes alongside the federal LIHTC. SC Housing also implemented a two-tier application process, allowing developers to essentially preview a project's chances of getting approved before committing to the second tier. Between this and a technical fix to LIHTC that made 4 percent credits more valuable, there has been increased interest in affordable housing resources in South Carolina, propelling the state and the agency's programs forward.

DEVELOPMENT

Low Income Housing Tax Credits*



18 Developments Funded with 9% LIHTCs

1,153 Rental Homes Funded

Small Rental Development Program



8

Projects Awarded Funding



181

New Rental Homes Funded by SRDP*

Emergency Repair Program

45

Emergency Repair Fund Approved Non-Profits



271

Households Assisted

\$10,000

Maximum repair cost allowed plus a \$750 fee (paid to approved non-profit sponsors)

*Awards made in 2020. FY 2021 awards are currently being evaluated.



While 2021 applications for 9 percent LIHTCs are being evaluated, awards for 2020 were finalized last fall. Overall, **18 developments** that include **1,153 rental homes** were funded. These properties are slated to open no later than 2023. Additionally, SC Housing's Board of Commissioners authorized the future issuance of tax-exempt bonds for **1,669 rental homes** in FY 2021 that will receive 4 percent LIHTCs upon completion, and 4 percent credits were issued to help finance an additional **1,082 rental homes** that were financed using other tax-exempt bond issuances. See Appendix (pp. 30-31) for more details.

Small Rental Development Program

As noted earlier, SRDP 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 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 percent of AMI. SC Housing serves as the administrator of SCHTF, with an advisory committee of interested stakeholders authorized by statute, and deploys these resources to a variety of eligible uses, including SRDP. SCHTF receives its funding from a portion of “deed stamp” taxes on property transfers.

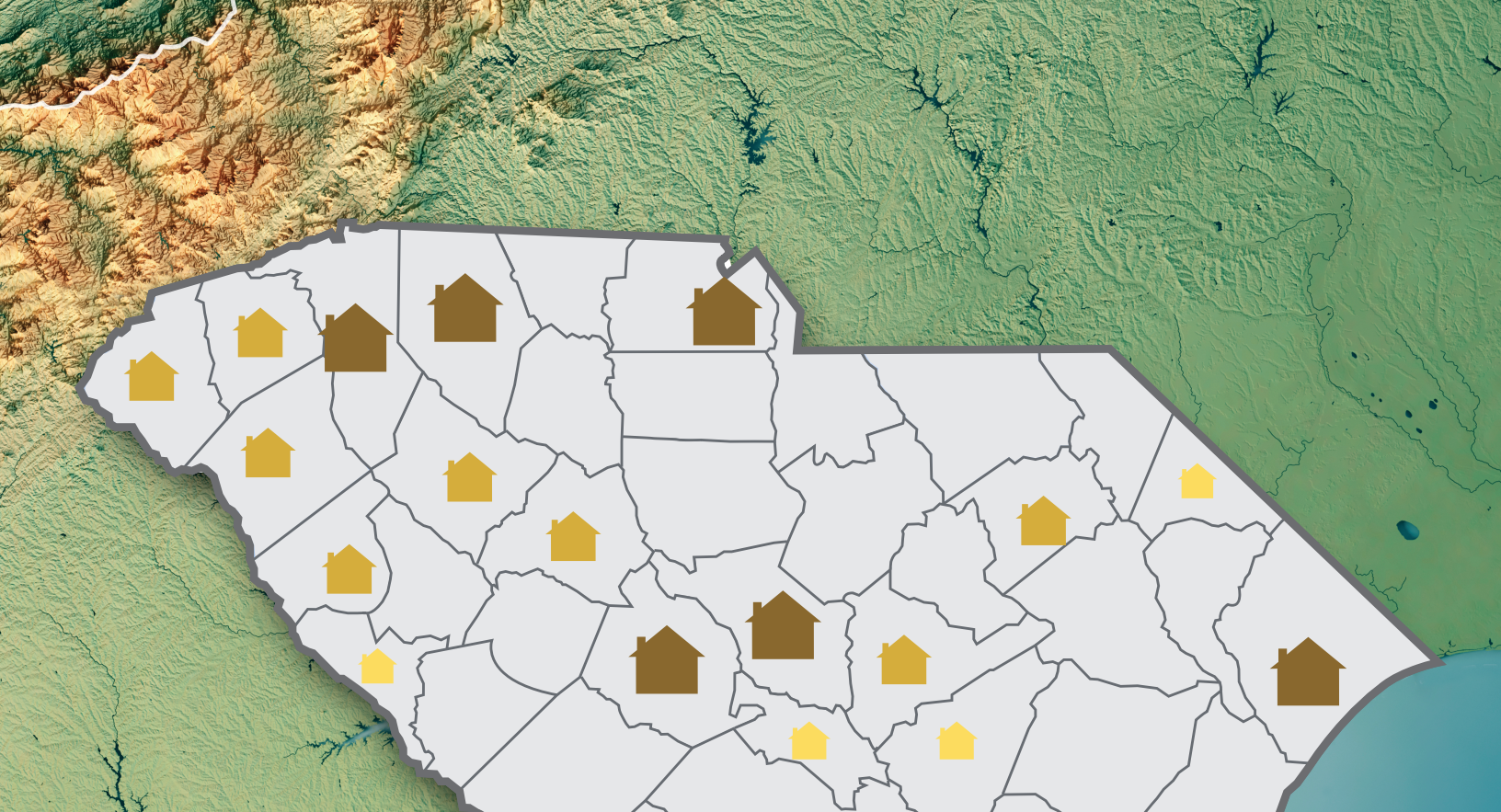
Meanwhile, NHTF is a relatively new federal resource the agency, on the state’s behalf, has received since 2016; these funds must exclusively serve extremely low-income households (no more than 30 percent of AMI) that are in the most need. This restriction essentially requires NHTF to be combined with 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.

Funding announcements for the 2021 round will be forthcoming in the near future. Ultimately, after the applications were evaluated, **eight projects** received SRDP awards last fall in the 2020 round; these properties will create **181 new homes** for low-income renters once complete. This represents a dramatic increase from the 2019 round, thanks to improved flexibility in how funds could be spent.

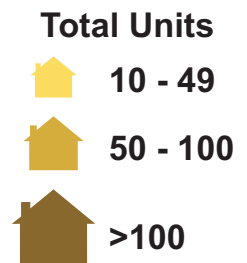
Emergency Repair Program

The other major activity in the Development Division is the Emergency Repair Program. The ER Program, serving very low-income homeowners (earning no more than 50 percent of AMI), provides funds to non-profit partner organizations statewide to reimburse work in the community to fix serious issues in the owner-occupied housing stock. These repairs are often necessary to ensure that the home is in livable condition. There are 45 non-profits that are approved ER Program participants, each of whom assists SC Housing in the administration of the program. ER Program awards cover up to \$10,000 in repairs (plus a \$750 fee) to homes that are necessary for the life, health, or safety of the occupant and can involve at most two construction trades. In FY 2021, SC Housing served **271 households** statewide via ER Program grants, helping keep vulnerable South Carolinians in their homes.

A more detailed overview of Emergency Repair Program activity, as well as other expenditures authorized from SCHTF is available in the [Fiscal Year 2021 SC Housing Trust Fund Report](#).



Multifamily
Development
Properties
Funded



County	Units	County	Units	County	Units
Abbeville	112	Dillon	37	Newberry	60
Anderson	80	Dorchester	114	Oconee	68
Beaufort	312	Greenville	522	Pickens	120
Berkeley	162	Hampton	25	Richland	640
Calhoun	40	Horry	166	Spartanburg	303
Charleston	520	Laurens	68	Sumter	95
Clarendon	48	Lexington	289	York	208

Rental Assistance & Compliance

The Rental Assistance and 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, which assists low-income households by helping them afford rental housing in the private market, in seven counties (Clarendon, Colleton, Dorchester, Fairfield, Kershaw, Lee, and Lexington); and
- Overseeing a portfolio of Section 8 properties on behalf of the U.S. Department of Housing and Urban Development (HUD) via the Project-Based Contract Administration Program.

Program Compliance

Program Compliance is tasked with ensuring that the properties that received funding from the Development Division meet 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 abide by these terms for a compliance period of between 15 and 35 years, depending on the program and elections made by the applicant.

In FY 2021, Program Compliance oversaw **35,535 rental homes** within **45 of 46 counties**. The vast majority of these homes received a LIHTC award (33,906 units across 616 properties), but other projects receiving tax-exempt bond financing, HOME funds, South Carolina and National

Housing Trust Fund awards, and Neighborhood Stabilization Program dollars without LIHTC are also included (1,629 units located within 392 projects).

Despite continuing federal and state COVID-19 monitoring suspensions, physical distancing restrictions and other measures to safeguard public health, Program Compliance continued to maintain a rigorous desk review schedule during this fiscal year. Compliance staff conducted **304 desk reviews** of paperwork covering **18,029 units**. The primary focus and purpose of the ongoing desk reviews was to ensure that these affordable housing units remained available to and occupied by program eligible households.



Housing Choice Vouchers

SC Housing oversees the Housing Choice Voucher (HCV) program in the seven counties that do not have a local participating public housing authority: Clarendon, Colleton, Dorchester, Fairfield, Kershaw, Lee, and Lexington. In FY 2021, there were 1,835 families and individuals assisted with HCVs administered by SC Housing, utilizing \$13.7 million in HUD funds administered by SC Housing. In FY 2021, the HCV program successfully sought and received 334 additional vouchers (mainstream and emergency), expanding our program opportunities for the many households affected by the pandemic. Once allocated, these new vouchers will add \$2,317,296 of support for South Carolinians.

This is a federal program operated by the Department of Housing and Urban Development that provides rental assistance to eligible households, covering the gap between the rent charged and 30 percent of their 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, helping people live independently and rely less on public services while supporting the state's landlords. Unlike public sector programs like Medicaid and SNAP ("food stamps") that aid all eligible households, there are only enough vouchers to help fewer than one in four tenants who qualify; SC Housing recently opened its waiting list in all counties except Kershaw to additional applications last year.

HCV staff continued their track record of excellent performance in FY 2021:

- Received a Section 8 Management Assessment Program score of 100% resulting in HUD's recognition as a "High Performer" for the twentieth 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.

Contract Administration

SC Housing monitors a portfolio of hundreds of Section 8 rental properties across the state on behalf of HUD through the Project-Based Contract Administration (PBCA) program. HUD procures these oversight activities by 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 Housing 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 support the Section 8 program as a whole in South Carolina, as well as receive modest administrative fees that help SC Housing run its operations as a self-sustaining agency.

PBCA staff met or exceeded a number of performance metrics in FY 2021:

- Conducted **184** Management and Occupancy Reviews
- Effectively addressed **448** tenant complaints and assisted **513 families** with housing needs
- Completed **234** rental adjustments within 30 days and **30** contract renewals within 60 days
- Reviewed, verified and processed **267** vouchers on the first business day of every month
- Processed and approved **849** Special Claims from property managers within 30 days
- Contract Administration also received zero negative findings or observations from HUD's Fiscal Year 2020 Annual Compliance Review of its activities.

Overall, there are **255** rental developments in South Carolina's PBCA portfolio, which includes 17,880 homes in 45 of 46 counties statewide. In FY 2021, SC Housing dispersed **\$145 million** in rental assistance payments on behalf of HUD, ensuring that tenants pay no more than 30 percent of their income on rent and utilities.

PROGRAM COMPLIANCE

35,535



Rental Homes
Monitored



Average
Monthly
Rent

\$401



Residents that
Live Alone **46%**

Two-Person
Households **23%**

Larger
Households **31%**



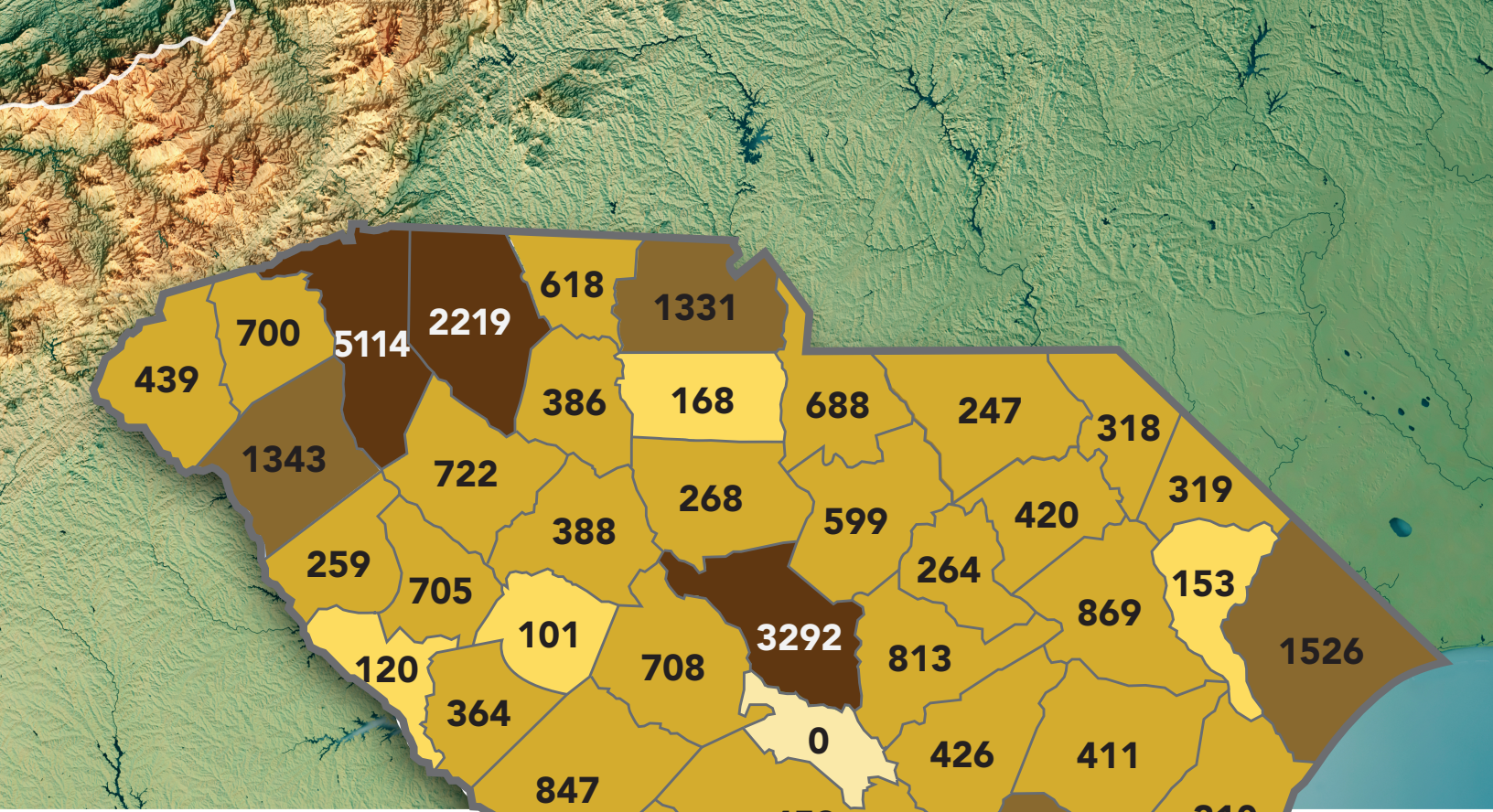
304

Desk Reviews
Conducted on
18,029 Units
Statewide

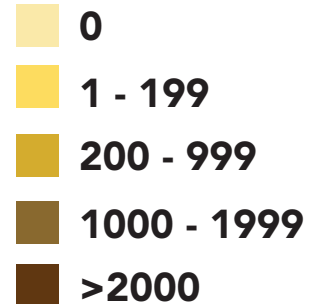
\$19,349

Average Annual
Household Income





In FY 2021, Program Compliance oversaw 35,535 rental homes within 45 of 46 counties. The vast majority of these homes received a LIHTC award (33,906 units across 616 properties). Projects receiving other funding are also included (1,629 units located within 392 projects).



Last year, SC Housing collected data from LIHTC properties to determine who is being served by these affordable housing investments. A summary of findings is provided below.

40 percent of residents are children (0-17)
22 percent of residents are older adults (55+)

46 percent of households consist of one person
23 percent of households consist of two people
31 percent live in a larger household

77 percent of residents are Black/African-American
18 percent white, 5 percent some other race
4 percent reported Hispanic or Latino ethnicity

Average annual household income: \$19,349
Average monthly rent paid by tenant: \$401

HOUSING CHOICE VOUCHERS AND CONTRACT ADMINISTRATION

Housing Choice Voucher



Average Monthly
Contract Rent

\$739

Project-Based Contract Administration



Average Monthly
Contract Rent

\$214



Households that
Include Someone
with a Disability
49%

Average Size of
Household **2.35**



Average Size of
Household **2.05**

Number of families
Assisted **513**

\$14,056

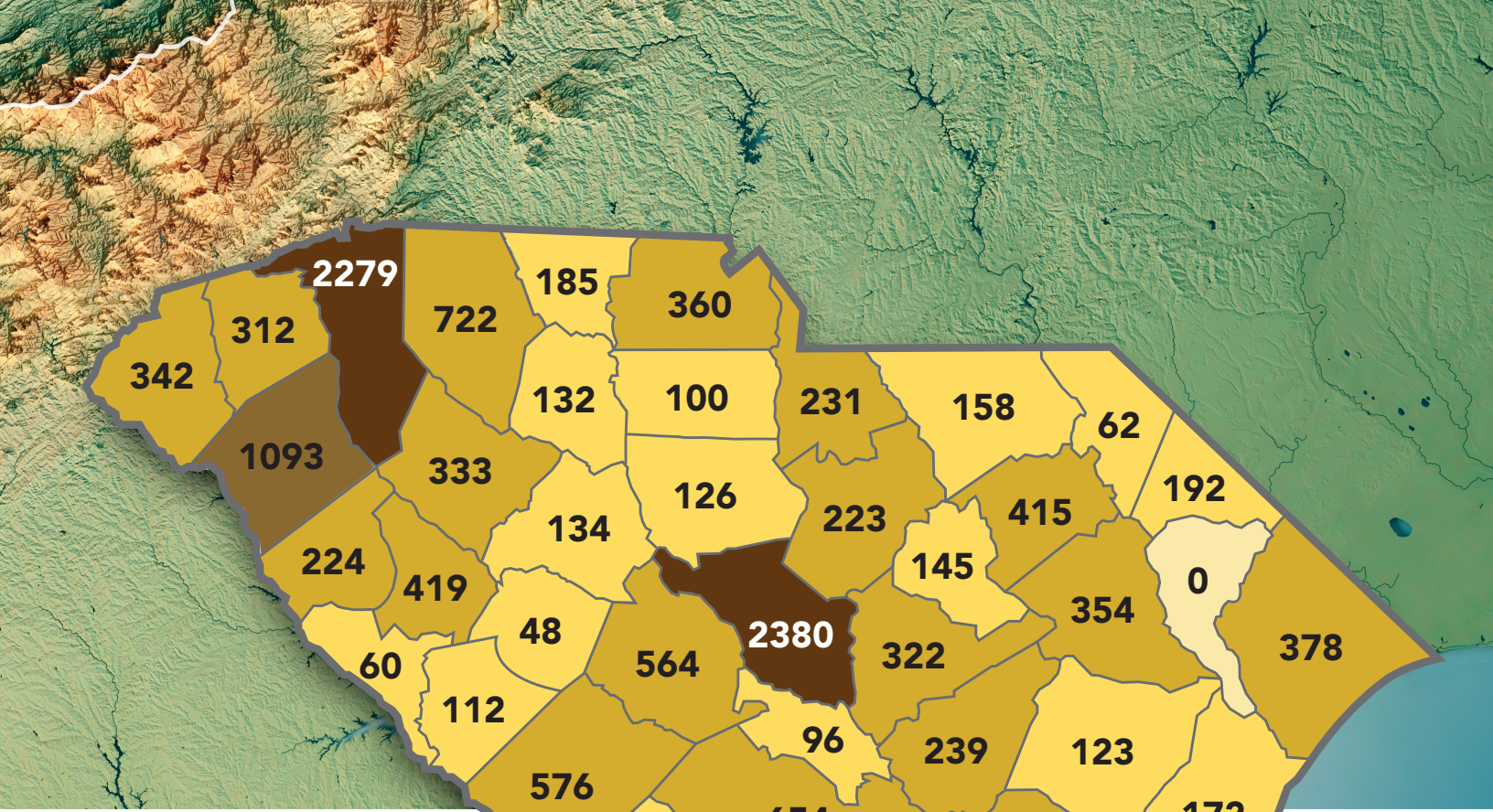
Average
Annual Household
Income



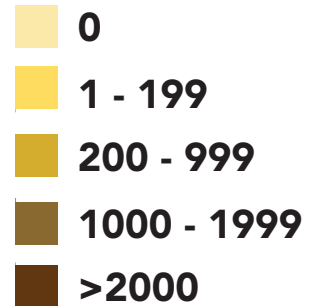
Tenant
Complaints
Addressed

448





Overall, there are 255 rental developments in South Carolina's PBCA portfolio, which includes 17,880 homes in 45 of 46 counties statewide. In FY 2021, SC Housing dispersed \$145 million in rental assistance payments on behalf of HUD, ensuring that tenants pay no more than 30 percent of their income on rent and utilities.



Housing Choice Voucher Program profile:

Head of household demographics

Average age: 51
89% Female
87% Black
13% White
1% Hispanic
Average household size: 2.35
49% of households include someone with a disability

Average annual household income: \$14,056
Average monthly contract rent: \$739

PBCA profile:

Head of household demographics

Average age: 62
58% Female
76% Black
23% White
2% Hispanic
Average household size: 2.05

Average annual household income: \$11,552
Average monthly contract rent: \$214

Strategic Plan

On June 17, 2020, SC Housing’s Board of Commissioners approved a two-year strategic plan for the agency that identified goals, strategies, and initiatives for staff to implement. This section provides a brief recap of progress made toward these objectives in the prior year.














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.

Initiative	Goal	Status
Homeownership 1.1	Finance the origination of 1,200 first mortgages with down payment assistance annually by supplying capital at competitive interest rates.	
Homeownership 1.2	Reevaluate the cost-benefit proposition of the Mortgage Credit Certificate program and determine next steps as appropriate.	
Homeownership 1.3	Foster and cultivate program participation among financial institutions through relationship building and client responsiveness.	
Homeownership 1.4	Provide targeted incentives for households with unique needs, both by expanding upon existing programs like Palmetto Heroes and innovating new approaches to increase homeownership.	
Homeownership 2.1	Inaugurate the County First Program to incentivize mortgage origination in rural areas, increasing production in these areas by 50 percent.	
Homeownership 2.2	Implement non-traditional outreach strategies including social media, new audiovisual platforms, and marketing materials in additional languages.	
Homeownership 3.1	Create a combined rehabilitation-home purchase loan program, such as FHA 203(k) and/or the Fannie Mae Homestyle rehabilitation mortgage, to address aging housing stock.	
Homeownership 3.2	Establish a resource on the SC Housing website in collaboration with the Office of Regulatory Staff that provides information to homebuyers, homeowners, and other stakeholders encouraging cost-reducing energy and resource efficiency 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.

Initiative	Goal	Status
Development 1.1	Employ quantitative resources to ensure that program funds are allocated to communities throughout the state in most need of affordable housing.	
Development 1.2	Conduct at least one LIHTC tenant survey to inform development of future funding guidelines by evaluating needs and preferences for amenities among current residents.	
Development 1.3	Continually reevaluate data-driven strategies for cost containment while maintaining the financial stability and physical condition of low-income housing.	
Development 2.1	Implement a request for qualifications process by September 2020 to identify high-capacity nonprofits and contractors to participate in programs administered by the division.	
Development 2.2	Increase awareness of programs and their requirements by utilizing technology to develop easily accessible technical assistance opportunities through the use of online platforms, conducting three such events in Fiscal Year 2021.	
Development 2.3	Incentivize leveraging of non-SC Housing funding sources to increase the supply of affordable housing units, reaching 20% of total development cost in the 2021 and 2022 rounds of multifamily rental and development activities.	
Development 2.4	Maintain ongoing collaboration with the Compliance Monitoring unit to ensure incorporation of appropriate program design criteria, asset management, and external training opportunities are utilized to improve project compliance during affordability periods.	
Development 2.5	Evaluate existing program timetables and implement a tiered application system where appropriate to reduce stakeholder risk and pre-application expenses when possible.	
Development 3.1	Implement State Tax Credit Program to leverage LIHTC and tax-exempt bonds to maximize allocation of available bond-cap proceeds.	
Development 3.2	Further expand development funding set-asides for supportive housing projects that target the state's most vulnerable populations through flexible program design.	
Development 3.3	Leverage existing technology resources to implement an efficient online application submission process for the 2021 round of multifamily rental development activities.	










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.

Initiative	Goal	Status
Rental Assistance and Compliance 1.1	Ensure all Performance-Based Contract Administration regulatory and contractual requirements meet the Acceptable Quality Level (AQL) for each Incentive-Based Performance standards (IBPS) task and facilitate the maximization of fees earned.	
Rental Assistance and Compliance 1.2	Achieve an overall Section 8 Management Assessment Program score of 90% or better, thereby being recognized by HUD as a “high performer.”	
Rental Assistance and Compliance 1.3	Conduct quality control audits on all areas of operation focusing on the effectiveness, efficiency and timeliness of all activities, establishing an appropriate minimum sample size for each area and develops a random selection methodology ensuring that quality control audits represent a cross section of employees and functions within each respective area.	
Rental Assistance and Compliance 2.1	Perform file and inspection reviews for 34 percent of LIHTC and HOME properties and 100 percent of properties financed using tax exempt bonds as required by federal program requirements.	
Rental Assistance and Compliance 2.2	Maintain ongoing collaboration with the Development Division to ensure realistic, reasonable, and sustainable program design for the full compliance period across all multifamily financing programs.	
Rental Assistance and Compliance 2.3	Develop and implement a more rigorous system for reporting and escalating unresolved chronic or severe noncompliance to Development and Legal staff for additional enforcement actions.	
Rental Assistance and Compliance 2.4	Rigorously evaluate compliance fees to ensure monitoring costs are being adequately recouped from program participants without discouraging development of affordable housing.	
Rental Assistance and Compliance 3.1	Aggressively pursue new targeted and untargeted voucher funding, when made available by HUD, in order to assist additional families within SC Housing’s jurisdiction, thus expanding program opportunities to low-income, very low-income, extremely low-income, and special needs populations.	
Rental Assistance and Compliance 3.2	In conjunction with internal stakeholders and external partners, develop and implement a cohesive informational campaign to highlight the need for increased rental assistance funding targeting executive, legislative, and regulatory officials at all levels of government, as well as the general public.	
Rental Assistance and Compliance 3.3	Partner with the National Council of State Housing Agencies and other interested parties to identify and highlight challenges to program operations caused by misalignment of federal housing programs and assist in the development of legislative and regulatory solutions to these issues.	

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.

Initiative	Goal	Status
Innovation 1.1	Conduct a comprehensive analysis of current programming within the agency and identify salient strengths and weaknesses, financial positions and resources, and statutory authorities and limitations that can inform decision-making about innovative initiatives.	
Innovation 1.2	Establish a cross-division action team of managerial staff that identifies and articulates challenges within their respective roles and offers recommendations or referrals as appropriate.	
Innovation 1.3	Serve as a clearinghouse of new and existing suggestions for programmatic improvements generated by staff for future follow-up regarding agency policies and procedures.	
Innovation 1.4	Identify and pursue partnerships that would allow for the agency to evaluate the policy impact of existing programs on individuals served by them.	
Innovation 2.1	Develop and implement a process for evaluating ideas for new programs that would comprehensively assess their financial and programmatic viability and relevance to the agency’s mission, making recommendations to the executive director on potential implementation.	
Innovation 2.2	Implement a system for collecting, organizing, and disseminating information to staff including news articles, relevant research, activities of other Housing Finance Agencies (HFAs), lessons learned from conferences and other events, and the like to foster a culture of information sharing within the agency.	
Innovation 2.3	Develop a comprehensive strategy for how SC housing can work to mitigate foreclosures and the eviction crisis statewide.	
Innovation 3.1	Actively cultivate relationships with cities, counties, and other state agencies and evaluate SC Housing’s needs for a formal mechanism for intergovernmental engagement.	
Innovation 3.2	Facilitate the creation of a statewide network of academics, public officials, and others with an interest in housing policy that empowers SC Housing to be a nexus of information for stakeholders.	

Additional Accomplishments

- An update to the South Carolina Housing Needs Assessment was published in March 2021.
- Mortgage production implemented a new mortgage product that allows for the conversion of a Housing Choice Voucher from rental to homeownership.
- Mortgage servicing implemented forbearances to keep our existing homebuyers in their homes, even as many suffered economic losses due to COVID-19.
- Mortgage servicing implemented and began accepting debit cards as a means of payment to improve customer service and portfolio performance.
- SC Housing's review by the House Legislative Oversight Committee was completed.
- Data Aggregation System implementation was completed successfully. This provides the agency with much clearer optics into our infrastructure by searching, monitoring and analyzing machine-generated data.
- The agency closed out its Hardest Hit Fund award from the U.S. Department of the Treasury. Starting in 2010, SC Housing deployed federal resources via SC HELP to help prevent foreclosures during the previous economic downturn.
- The agency completed a successful bond issuance in September, raising funds from the private sector to finance affordable housing opportunities statewide.
- Vacancies were successfully filled for the agency's Director of Human Resources and Director of Multifamily Development, among other key positions.
- 2021 marks the 50th anniversary of SC Housing serving the needs of low- and moderate-income South Carolinians seeking affordable housing.





As our vision turns to the future, we would like to thank all the private sector, non-profit and government partners who have traveled with us on this journey and contributed to our success.



Conclusion

Throughout the constantly evolving public health conditions and regulatory environment caused by the COVID-19 pandemic, SC Housing has continued to serve the people of South Carolina not only through our core programs, but also through the administration of three separate emergency housing assistance programs funded by the federal government. Further, thanks to a state housing tax credit and changes to federal statute, we were able to finance more affordable rental homes this past year than any year in recent times. Last but not least, SC Housing made substantial progress toward the implementation of its two-year strategic plan. We encourage the private sector, non-profit community, and local governments to partner with us to help produce a more sustainable future for the people of our state.



Village at Dupont Landing homes - Aiken, S.C.



Appendix

Multifamily Development Properties Funded in FY21

9% Low-Income Housing Tax Credits

Name	County	Credits	Population	Build Type	Units
Willow Creek Apartments	McCormick	\$192,086	Older Persons	Acquisition/Rehab	24
Westwood Apartments	Clarendon	\$379,389	Family	Acquisition/Rehab	48
Walhalla Gardens	Oconee	\$501,380	Family	Acquisition/Rehab	68
Seagrove Village	Hampton	\$156,876	Older Persons	Acquisition/Rehab	25
Springfield Apartments	Darlington	\$324,763	Family	Acquisition/Rehab	72
Westview Terrace	Spartanburg	\$437,809	Family	New Construction	48
Gentry Place	Pickens	\$537,239	Family	New Construction	60
Bay Pointe III	Horry	\$712,929	Family	New Construction	70
Waterford Pointe	Horry	\$678,151	Family	New Construction	72
Abbingtion Charleston	Berkeley	\$786,138	Family	New Construction	90
The Park at Hanahan	Berkeley	\$715,033	Older Persons	New Construction	72
The Peaks at Lexington	Lexington	\$793,123	Family	New Construction	78
Legacy Oaks II	Greenville	\$852,368	Family	New Construction	90
May River Village Phase 3	Beaufort	\$219,952	Family	New Construction	24
Parkside at Butler	Greenville	\$717,143	Family	New Construction	72
Clemons Greene	Lexington	\$741,183	Family	New Construction	90
Brushy Creek Senior	Pickens	\$593,161	Older Persons	New Construction	60
Havenwood Oak	Lexington	\$849,003	Family	New Construction	90

Note: Credits are awarded annually for ten years.

Small Rental Development Program

Name	County	Award	Units
Oak Tree Farm	Horry	\$4,339,993	24
Pleasant Place	Lexington	\$6,369,736	31
Springview Gardens	Dorchester	\$3,325,636	19
The Village at Osceola	York	\$7,967,847	28
Westside	Spartanburg	\$7,023,831	27
Church Street Place	Greenville	\$3,883,445	36
Chicora Renewal Phase II	Charleston	\$1,775,163	8
Washington Heights	Laurens	\$1,673,663	8

Tax-Exempt Multifamily Bonds (with 4% Low-Income Housing Tax Credits)

Name	County	Request	Build Type	Units
John G. Felder Apartments	Calhoun	\$4,500,000	Acquisition/Rehab	40
Palmetto Towers	Sumter	\$12,500,000	Acquisition/Rehab	95
Redemption Towers	Dorchester	\$16,000,000	Acquisition/Rehab	95
Clinton Manor	Laurens	\$4,080,000	Acquisition/Rehab	60
Newberry Arms	Newberry	\$4,000,000	Acquisition/Rehab	60
Friendship Court	Anderson	\$6,600,000	Acquisition/Rehab	80
Magnolia Branch	Charleston	\$18,300,000	New Construction	162
The Assembly II	Greenville	\$13,500,000	New Construction	144
Lowline Housing	Charleston	\$7,250,000	New Construction	55
Dunbar Place	York	\$12,750,000	New Construction	100
Villages at Congaree Place	Richland	\$34,000,000	New Construction	240
Commons at Sulphur Springs	Greenville	\$17,500,000	New Construction	180
Garden Oaks	Beaufort	\$52,812,114	New Construction	288
573 Meeting Street	Charleston	\$11,100,000	New Construction	70

Note: Issuance requests are preliminary and subject to change.

4% Low-Income Housing Tax Credits

Name	County	Build Type	Units
Colonel Creek	Richland	New Construction	288
Hickory Heights and Oakland Apartments	Abbeville	Acquisition/Rehab	112
Archer Apartments	Charleston	NC/Adaptive Reuse	89
Esau Jenkins Village	Charleston	New Construction	72
Dillon Graded Schools	Dillon	Adaptive Reuse	37
Filbin Creek	Charleston	Acquisition/Rehab	64
Pinewood Place	York	New Construction	80
Palmetto Terrace	Richland	Acquisition/Rehab	112
Lawsons Ridge	Spartanburg	New Construction	228

Note: Credit allocation amounts will be determined based on underwriting.

The State Housing Authority was created by Act No. 500 on June 22, 1971. The powers of The State Housing Authority were vested in a Board of Commissioners: the Governor and the State Commissioner of the Department of Health and Environmental Control, or their designees, and seven members having experience in the fields of mortgage finance, banking, real estate, and home building. The first Board of Commissioners was appointed and their first meeting was held in September of 1971.



Just a short year later, the first major housing program was launched. It was called the Basic Home Program and was designed to demonstrate that a home could be built for between \$7,500 and \$13,500, without government subsidy, and would be acceptable to low income households. These homes were first built in Beaufort, Berkeley, Colleton, Dorchester, Jasper, and Lee counties.

The State Housing Authority's powers were expanded by Act No. 76 of 1977 to permit the issuance of bonded indebtedness to support certain housing programs. The Act was signed into law by then-Governor James Edwards. The first bond issue raised \$75 million in mortgage revenue and the second raised twice that much. By law, all notes and bonds issued by the State Housing Authority become special obligations of the State Housing Authority and not debts, grants, or loans of credit of the State of South Carolina, or any of its political subdivisions.

Act No. 538 of 1988 officially changed the name of the State Housing Authority to the South Carolina State Housing Finance and Development Authority (SC Housing). Also in 1988, Act No. 57 permitted SC Housing to make home equity conversion loans.

In 1995, SC Housing introduced its innovative "Stepping Home" program. This was a low interest rate (3%) home mortgage and counseling program for persons currently in Section 8 subsidized housing. SC Housing received national recognition for establishing this program.

By law, SC Housing responsibilities are to investigate housing conditions; acquire, own, and lease personal property; construct, reconstruct, and operate housing developments; and aid in planning and constructing housing for members of the beneficiary classes. The beneficiary classes are individuals or families whose gross annual income falls within the low or moderate-to-low income limits as defined by State and Federal legislation.

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.

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.

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The journey continues...

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