



## **SC Stay Plus Advisory Panel**

SC Housing, 300-C Outlet Pointe Blvd., Columbia, SC 29210

The Advisory Panel of the Emergency Rental Assistance Program (SC Stay Plus) convened a meeting on Thursday, September 30, 2021, at approximately 12:30 a.m., at 300-C Outlet Pointe Boulevard, Columbia, South Carolina.

The following advisory panel members were present at the meeting: Bernie Mazyck, SC Association for Community Economic Development (SCACED); David Hudspeth, York County Manager; Amy Marshall, SC Office of Regulatory Staff; and Chris Koon, SC Electric Cooperatives.

The following staff from SC Housing were present at the meeting: Bonita Shropshire, Tracey Easton, Ellen Eudy, Mike Ujcich, Lisa Wilkerson, Kim Spires, Jennifer Cogan, Renaye Long, Bryan Grady, Chris Winston and Sarah Shinsky. The following staff from Guidehouse were present at the meeting: Jagadish Prakash, Liz Hiddemen, Mike Tosh, Vinod Ramachandran, Kajal Patel, Malcolm Clark and Nathan Paufve, Kevin Sweitzer, Rachel Eisman, Colby Eycler, Soozie Tucker with Nan McKay was also in attendance.

Guidehouse staff called the meeting to order. The following guests from the public were recognized in attendance: Krystal Reid Heath, Capitol Consulting Strategies; Norah Rogers, Nelson Mullins and Timothy Moody.

Guidehouse staff went over the attached memo that outlines ERA1 Treasury Obligation Requirements. There was some discussion regarding the definition of obligated and how we will provide this information to Treasury. In addition, there was discussion on partnering with legal entities throughout the state to help with those facing eviction.

The next scheduled Advisory Panel Meeting is October 8, 2021, at 11:00 a.m.



September 30<sup>th</sup>, 2021

Re: ERA1 Treasury Obligation Requirements

As part of the establishment of the ERA1 program under the Consolidated Appropriations Act, 2021, grantees are required to obligate 65% of their allocated funding by September 30<sup>th</sup>, 2021 or risk having their “excess” funds reallocated. On September 24<sup>th</sup>, Deputy Secretary of the Treasury Adeyemo published a [letter](#) offering insight into Treasury’s approach to identifying excess funds and reallocating them to “high-performing grantees.”

On October 15<sup>th</sup>, 2021, all ERA1 programs will be required to report their total obligations as of September 30<sup>th</sup>. As defined by Treasury, “for purposes of ERA reporting, an obligation is a commitment to pay a third party with ERA award proceeds based on a contract, grant, loan, or other arrangement.”

In South Carolina, a total of \$176M (65% of \$271M) must be obligated to meet this threshold. The following four funding categories have been identified where commitments to pay exist through either applications received through the SC Stay Plus portal or through contracts and arrangements with third parties:

- Assistance requested by applicants
- Expected administrative costs
- Expected housing stability assistance
- Expected additional utilities assistance

The assistance requested by applicants is calculated through the actual applicant submission data through the SC Stay Plus portal, as of September 30<sup>th</sup>, 2021.

The expected additional utilities assistance, as well as the expected housing stability assistance were calculated based on the average assistance requested for each of the five utility types (gas, electric, water, sewer, and trash) and housing stability expenses, multiplied by the estimated number of eligible households that have not yet applied for assistance. The number of eligible households was determined based on the Census’s Household Pulse Survey and Surgo Ventures model data and the percentage of applicants who request utility assistance (56%) and housing stability expenses (68%). Obligations for utilities will be through applications received via the portal, or through arrangements with utility companies themselves. Obligations for housing stability costs will be through applications that are received from the portal.

The expected administrative costs were calculated based on the estimated costs for the agency and the third-party vendors that it has formally contracted with to administer the program and will not exceed 10% of the total grant value as laid out by treasury guidelines.

While the assistance requested will continue to grow, the current breakdown is as follows:



Category	Obligation
Assistance Requested by Applicants	<b>\$86,938,850.36</b>
Expected Additional Utilities Assistance	<b>\$86,093,746.14</b>
Expected Administrative Costs	<b>\$27,100,000.00</b>
Expected Housing Stability Assistance	<b>\$4,806,427.29</b>
<b>Total</b>	<b>\$204,939,023.79</b>
<b>Percentage of 271M</b>	<b>75.41%</b>

The Q3 Treasury Report requires obligation amounts to be broken out into amount for participant households (current application volume and expected utilities), expected administrative costs, and expected housing stability costs.

Appendix – Additional Utilities and Housing Stability Assistance

Using both application data (the amount requested by applicants) and review data (the amount determined eligible for assistance by a staff reviewer), average arrears were calculated across the five utility types covered by SC Stay Plus (gas, electric, water, sewer, and trash).

Average Electric Arrears	\$490.61
Average Gas Arrears	\$265.81
Average Water Arrears	\$200.43
Average Sewer Arrears	\$171.87
Average Trash Arrears	\$268.83
Average Housing Stability Requests	\$137.88

To calculate the number of eligible households, a [model](#) created by Surgo Ventures was used to estimate that 68% of the 197,903 indebted renters identified by the Census’ Household Pulse Survey live in counties served by SC Stay Plus. Given that 61.8% to 68% of renters in South Carolina are low-income according to Comprehensive Housing Affordability Strategy estimates, 2013-2017, there are between 83,107 to 134,477 households in the SC Stay Plus service area at or below the 80% AMI threshold who are behind on their rent.

Based on application trends, 56% of these households need utility assistance in addition to rental assistance. Taking 56% of the 83,107 to 134,477 households and subtracting the number of households already assisted by the program leaves **32,837 to 61,604** eligible households. This number was used to calculate total estimated arrearages for each of the five utility types across the state.

	Low Estimates	High Estimates
Estimated Electrical Arrearages	\$16,110,121.32	\$30,223,538.44
Estimated Gas Arrearages	\$8,728,217.52	\$16,374,651.22



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Estimated Water Arrearages	\$6,581,339.69	\$12,346,981.70
Estimated Sewer Arrearages	\$5,643,681.44	\$10,587,879.48
Estimated Trash Arrearages	\$8,803,212.28	\$16,560,695.30
Estimated Total Arrearages	\$45,866,572.25	\$86,093,746.14

Similarly, based on application trends, 68% of these households need housing stability assistance in addition to rental assistance. The estimated housing stability expenses is provided below:

	Low Estimates	High Estimates
Estimated Housing Stability Requests	\$4,806,427.29	\$9,622,621.64