

## **Bill Promoting Affordable Housing Passed by Legislature**

**Columbia, S.C. – May 14, 2020** The South Carolina Legislature has passed House Bill 3998, the Workforce and Senior Affordable Housing Act, creating a state tax credit for qualified affordable housing developments. This tax credit is similar to, and would supplement awards under, the federal Low Income Housing Tax Credit.

The bill was signed by Governor McMaster on May 14, 2020.

The South Carolina State Housing Finance and Development Authority (SC Housing) sees this as a significant step toward addressing the affordable housing crisis in South Carolina and providing safe, decent and affordable housing for all South Carolinians. SC Housing will begin allocating this tax credit in the 2020 application cycle. Details about the implementation of this are forthcoming.

### **How a housing tax credit works**

SC Housing currently awards federal housing tax credits to private developers and nonprofits, who then sell the tax credits to private investors in exchange for funding for the construction and rehabilitation of affordable housing. These funds allow developers to borrow less money and pass through the savings in lower rents for low-income tenants. Investors receive a ten-year tax credit based on the cost of constructing or rehabilitating apartments.

Passage of the Workforce and Senior Affordable Housing Act would make state tax credits available, thereby significantly increasing potential funding for developing affordable multifamily units.

### **About SC Housing**

For 49 years, SC Housing has created quality affordable housing opportunities for the citizens of South Carolina. The agency's vision is that all residents have the opportunity to live in safe, decent and affordable housing. The agency administers a number of Federal and State programs directed at low and low-to-moderate income South Carolinians. For more information, visit [www.SCHousing.com](http://www.SCHousing.com).

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If you would like additional information or have questions about this topic, please contact

Clayton Ingram at (803) 896-9520 or [Clayton.Ingram@SCHousing.com](mailto:Clayton.Ingram@SCHousing.com).