

# Embracing Innovation: A Key Strategy for Addressing the Affordable Housing Crisis



FY 2019 SC Housing Statewide  
Economic Investment Report

## Innovation: The New Reality

Our vision is that all South Carolinians have the opportunity to live in safe, decent and affordable housing. The reality is that the United States is facing an affordable housing crisis. An increasing number of individuals and families are struggling to meet their basic need for shelter. According to the most recent federal data, a quarter of a million SC renters spent more than half their income on housing. In addition, high housing costs force thirty-two percent of South Carolinians to either cut back on household essentials like food, clothing, and transportation, or rely on scarce private and public assistance to meet these needs. In order to address this problem, we must be willing to embrace innovation at the state and local level. To initiate the process, SC Housing is working with housing advocates and partners on new opportunities that will stimulate development and support leveraging of state, federal, and community resources.

## FY19 Programmatic Impact

### Homebuyer Program

In Fiscal Year 2019, we funded **1,278 first** mortgages through our Homebuyer Program. We finance our Homebuyer Program with highly-rated, in-demand bond sales to private and corporate investors.

SC Housing maintains a Moody's bond rating of Aaa. This has allowed us a consistent stream of funding to finance more than **\$3 billion** in loans to nearly **44,000** homeowners in our state since we began our Homebuyer Program.

Our Palmetto Heroes homeownership initiative dedicated **\$10 million**, which assisted **70** teachers, firefighters, law enforcement and correctional officers, nurses, veterans and Emergency Medical Services (EMS) personnel in obtaining low-interest home loans with down payment assistance — helping them live in the communities they serve.

Moreover, SC Housing's Mortgage Tax Credit Certificate (MCC) allows qualified homebuyers a tax credit on their mortgage interest, refunding up to **\$2,000** per year. SC Housing issued 127 MCCs supporting home loans worth more than \$20 million in FY19.

### Housing Development

Since 1971, SC Housing has been the state's primary source of funding for affordable multifamily housing development. We help to ensure that citizens have a supply of attractive and efficient rental units, providing stable, safe housing for those who are either not ready for, or choose not to own, their own home. Workforce housing (both single and multifamily) is a crucial part of our community infrastructure, as it enables people to live close to their places of work.



\$1.1B

**TOTAL ECONOMIC OUTPUT: EVERY \$100 INVESTED IN HOUSING DEVELOPMENT RESULTS IN \$179 IN ECONOMIC OUTPUT**

## Economic Growth

Economic growth is a key component of a vibrant, affordable housing industry. Whether it is the jobs created, the tax revenue generated or the stable, livable communities that shelter our citizens, housing is key. In FY19, housing initiatives throughout the South Carolina economy generated economic output in excess of **\$1.1 billion**.

## Our Citizens and Communities

### Employment

Numerous sectors of the economy experience the positive effects of a strong housing industry, leading to widespread job creation. In Fiscal Year 2019, SC Housing programs supported **7,260 jobs** (full-time equivalent) in real estate, mortgage banking, construction, food services, retail and insurance. Many of these construction projects provide affordable housing for our

state's workforce—one of the major factors that companies look for when they consider locating or expanding businesses. When we provide financing for housing, be it a multifamily development or a new homeowner buying their first home, we are contributing to a stable, and sustainable supply of affordable housing for the people who fill those jobs. And, when people live near where they work, it greatly reduces the need for new roads; cuts down on highway congestion; and saves time, money and resources.

### Infrastructure

In Fiscal Year 2019, **nearly \$75 million** in state and local tax revenue was generated from SC Housing programs and the developments it financed—tax dollars that supplement the state's general fund as well as local government revenues. This provides for additional schools, parks, roads, police and fire services along with numerous other services that we rely on every day.

### The People We Serve

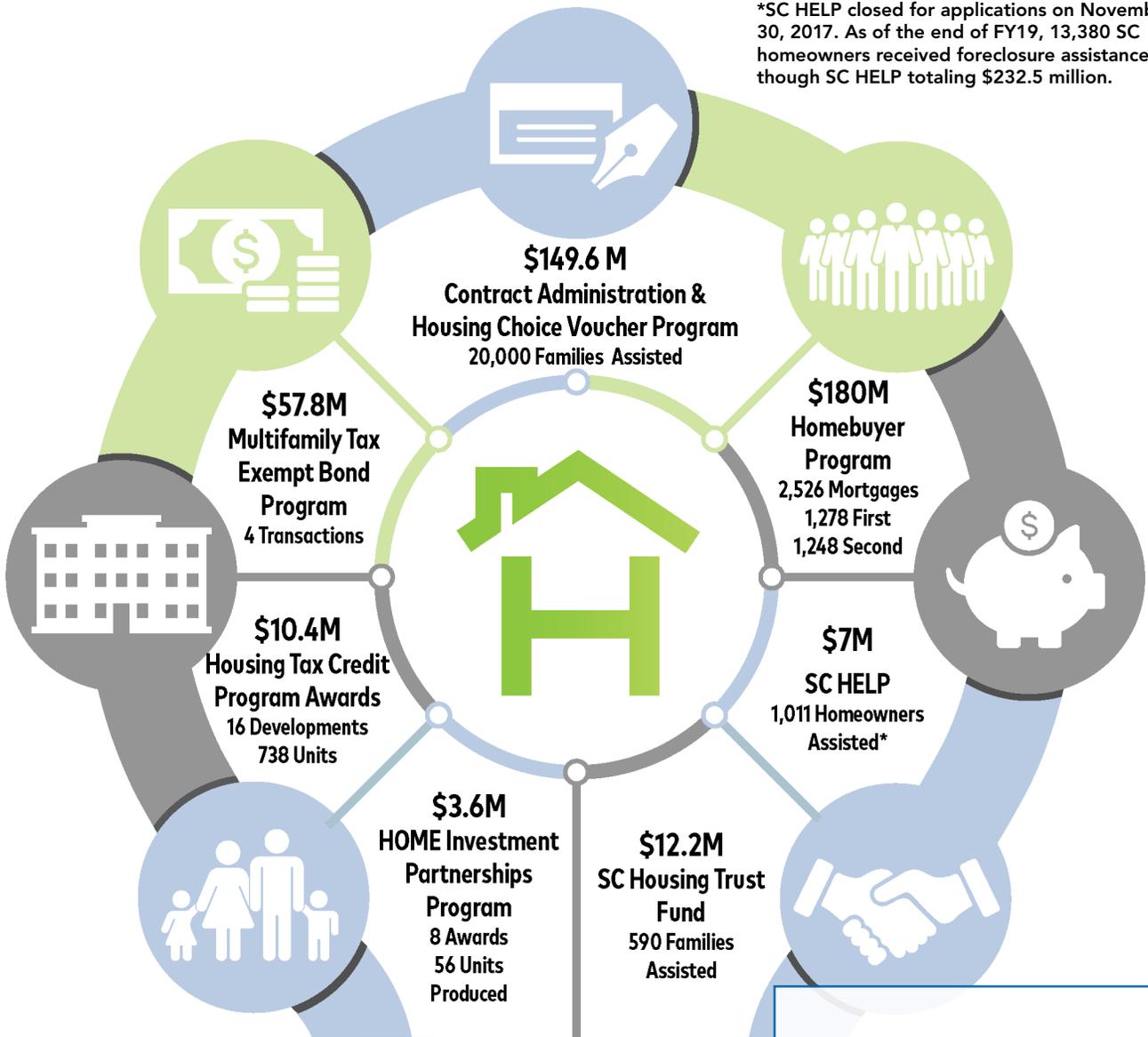
We embrace the value that housing is “more than bricks and mortar.” We recognize that affordable housing done well addresses the unique needs and lifestyle challenges of the people we serve. As we continue on our journey to close the affordable housing gap in our state, we must do so by keeping the human impact and condition in view. In our view are the 12,660 children in FY 2017-18 whom our school districts reported as living in a homeless situation—mostly doubled up in shared housing with friends or relatives. In our view are youth who are exiting foster care and other vulnerable individuals in need of affordable housing with supports. We are excited about the synergy that is occurring in our state among community partners around affordable housing. As new ideas emerge from these partnerships, we look to translating them into services that add value by improving the quality of life for the people that we serve. For more profiles visit: <https://www.schousing.com/home/Faces-of-Home>



Photos of friends and family are displayed throughout the apartment of “Ms. Lou” (Louvencer Browning), a resident of one of the 41 new units on the east side of Spartanburg’s Parkside at Drayton development.

FY 2019 SC HOUSING INVESTMENT REPORT

\*SC HELP closed for applications on November 30, 2017. As of the end of FY19, 13,380 SC homeowners received foreclosure assistance through SC HELP totaling \$232.5 million.



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.

**\$1.1B**  
**TOTAL ECONOMIC OUTPUT**  
 Every \$100 invested in housing development results in \$179 in economic output

## Creating a Framework for Responsible Borrowing



**\$127,900** Average Loan Amount

**FORGIVABLE DOWN PAYMENT ASSISTANCE** second mortgage loans are available to all qualified buyers.

**\$46,287**

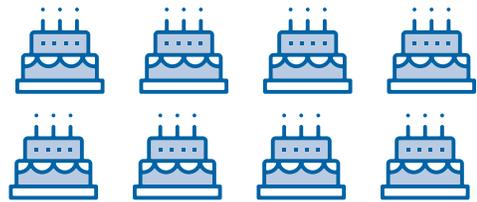


Average Household Income of Borrower

SC Housing loans assist **LOW** to **MODERATE INCOME** families and individuals.

Average Age of Borrowers

**34**



Most SC Housing homebuyers are in their **30s** buying their first home.



Average Monthly Mortgage Payment

**\$768**

**SC HOUSING MAKES HOUSING AFFORDABLE.** Low interest rates and forgivable down payment assistance make homeownership less affordable than renting.

*In this report, "total investment" refers to the direct economic output from SC Housing expenditures in FY19. "Total economic output" refers to the direct, indirect and induced economic output from expenditures. Thus, total economic output encompasses all multiplier effects and reflects the final demand for goods and services produced.*

*This report was compiled in cooperation with the Division of Research at the University of South Carolina's Moore School of Business. Fiscal Year 2019 denotes the 2019 fiscal year, which runs from July 1, 2018 to June 30, 2019.*



**SOUTH CAROLINA STATE HOUSING FINANCE & DEVELOPMENT AUTHORITY**  
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