

# Faces of HOME

SC  HOUSING  
*Financing Housing. Building SC.*



2014  
IMPACT  
REPORT



**MOORE**  
DARLA MOORE SCHOOL OF BUSINESS  
UNIVERSITY OF SOUTH CAROLINA



# 2014 IMPACT REPORT

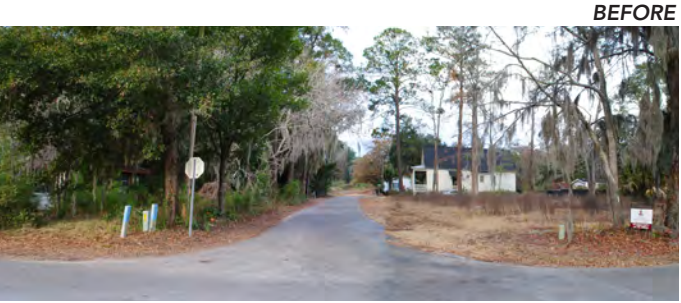
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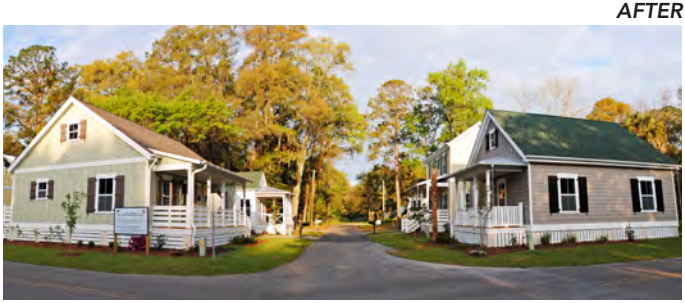


SC Housing contributed more than \$691,000 to the Wharf Street Project through a grant from the Neighborhood Stabilization Program. This, along with HOME funds and funding from the Town of Bluffton, allowed the demolition of two vacant and blighted structures and the construction of six affordable, green cottages. Read resident Amiri Farris' story on page 11.

FEATURED PROPERTY:  
**WHARF STREET  
RE-DEVELOPMENT**  
Bluffton  
*Neighborhood Stabilization Program and HOME*



BEFORE



AFTER



## A MESSAGE FROM VALARIE M. WILLIAMS EXECUTIVE DIRECTOR



We are proud to present you with the South Carolina State Housing Finance and Development Authority's (SC Housing) Fiscal Year 2014 Affordable Housing Statewide Impact Report. This report will provide you with an overview of our agency's investment, economic benefit, statewide economic impact and productivity. It also outlines our agency's housing assistance activities.

We have once again partnered with the Division of Research at the University of South Carolina's Moore School of Business to review and validate our data and are constantly developing more precise methods of tracking and reporting this data. Among the most compelling parts of this analysis was the derivation of an economic multiplier that represents the statewide, total economic impact of housing's efforts to further the availability and sustainability of affordable housing for South Carolina's workforce.

For Fiscal Year 2014, the overall economic multiplier is 1.60, meaning that every \$100 in direct spending from our affordable housing initiatives resulted in an overall total economic impact of \$160 on South Carolina's economy. SC Housing programs had a total impact of \$505.9 million on South Carolina's economy in terms of economic output.

Specifically, in this reporting year, SC Housing directly invested more than \$317 million in South Carolina, which resulted in the total economic impact figure mentioned above of almost of \$506 million. But more than dollars and cents, more than bricks and mortar, this work has a very real and lasting impact on the people and families of our state. These dollars helped more than 26,000 families—the true faces of home—realize quality, affordable housing. SC Housing's investment resulted in a workforce impact of 3,869 jobs as well as \$35 million in state and local tax revenue, making 2014 another strong and productive year for our agency. We are particularly proud of the fact that since Fiscal Year 2012 our annual impact has increased by almost \$100 million and we have increased our revenue generation by more than \$14 million annually. And since we take no state tax funding, the work of our agency goes to support South Carolina in many other areas as well, through our contributions to the state's general fund. Unfortunately, there were many more members of South Carolina's workforce who were not able to provide their families with a safe, affordable home during this time. We will continue to keep these men and women as well as their families in mind as we make decisions affecting affordable housing policy and funding in South Carolina.

We are proud of the outstanding work that has been accomplished by our agency over the past year. We look forward to continued work with our partners throughout 2014 to further our mission to create quality, affordable housing solutions for the citizens of South Carolina.

Sincerely,

A handwritten signature in black ink that reads "Valarie M. Williams".

Valarie M. Williams



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## BOARD OF COMMISSIONERS



**Christopher N. Union, Chairman**  
Charleston



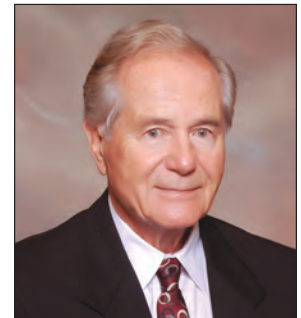
**Robert D. Mickle, Jr.**  
Vice Chairman  
Governor's Designee  
Columbia



**Charles E. Gardner**  
Greenville



**John S. Hill**  
Columbia



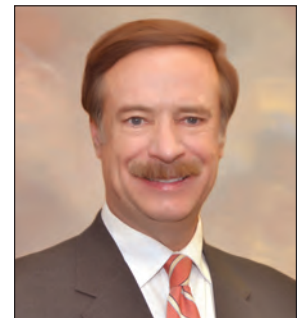
**Ernest Magaro, Jr.**  
Columbia



**Kenneth E. Ormand, Jr.**  
Columbia



**Mary L. Sieck**  
Lake Wylie



**Chris Goodall**  
Columbia



MERRIMACK HEIGHTS, MONCK'S CORNER  
*Housing Tax Credit and HOME*

## OVERVIEW

For 43 years, the South Carolina State Housing Finance and Development Authority (SC Housing) has been helping families, older adults, persons with disabilities and others who are frequently underserved secure quality, safe and affordable housing. SC Housing is able to do this by using our proven financial strength to sell securities to investors all over the country. SC Housing administers a number of federal and state programs providing additional housing solutions where they are needed most.

SC Housing takes pride in knowing that it has been able to serve the citizens of South Carolina for more than four decades and that our work helps to sustain the state's local economies. Our programs offer opportunities from rental assistance to homeownership and have improved the quality of life for tens of thousands of South Carolinians.

### Vision

The vision of SC Housing is that all South Carolinians have the opportunity to live in safe, decent and affordable housing.

### Mission

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

### Goals

- To actively seek new and innovative ideas to improve affordable housing opportunities.
- To develop mutually supportive relationships that expand our ability to provide affordable housing, enhancing the value of investments;
- To improve customer service and enhance employee performance by constantly reviewing processes and the use of technology; and
- To create and maintain a positive work culture that reinforces our mission, encourages innovation and is based on a spirit of cooperation and teamwork.

# PROGRAM AREAS

## Single-Family Programs

Single-family activities include mortgages issued through the Mortgage Bond Program (Homebuyer Program), along with funding through the HOME Program; rehabilitation and emergency repair funding offered through the Housing Trust Fund Program, and foreclosure mitigation assistance through SC HELP.

## Multifamily Programs

Multifamily activities include projects developed through the Multifamily Tax Exempt Bond Program, HTF, HOME and Tax Credit Programs as well as group homes for the disabled, transitional and supportive housing funded through the HTF; and rental development funded through the HTF, HOME and Housing Tax Credit Programs.

## Housing Assistance





In addition to those programs specifically targeted to project funding and development, SC Housing also administers housing assistance programs: Housing Choice Voucher Program and Project-Based Contract Administration.

SC Housing is comprised of nine distinct program areas and multiple internal departments.

- Mortgage Bond Program (Homebuyer Program)
- South Carolina Homeownership and Employment Lending Program (SC HELP)
- South Carolina Housing Trust Fund Program (HTF)
- HOME Investment Partnerships Program (HOME)
- Housing Tax Credit Program
- Multifamily Tax Exempt Bond Program
- Housing Choice Voucher Program
- Project-Based Contract Administration
- Neighborhood Stabilization Program (NSP)

## Total Economic Investment

The chart below represents the value of the total investments that SC Housing has made into South Carolina's economy including those funds referred to as leveraged funds. Leveraged funds represent those dollars in a project that were either necessary matching funds, dollars provided by a third party or other such dollars without which the project could not have progressed. SC Housing recognizes the value of these dollars to be an integral part of the transaction.

<b>FISCAL YEAR</b> <b>2014</b> 	<b>SINGLE-FAMILY</b> 		<b>MULTIFAMILY</b> 		<b>HOUSING ASSISTANCE</b> 	
	<b>CONGRESSIONAL DISTRICT</b>	<b>UNITS</b>	<b>INVESTMENT</b>	<b>UNITS</b>	<b>INVESTMENT</b>	<b>TOTAL UNITS</b>
DISTRICT 1	570	\$10,146,016	0	\$0	2,330	\$16,385,580
DISTRICT 2	954	\$18,284,270	182	\$1,229,164	2,359	\$13,970,795
DISTRICT 3	430	\$5,410,020	377	\$47,628,472	2,980	\$18,304,584
DISTRICT 4	777	\$11,194,098	89	\$8,287,998	3,021	\$19,926,270
DISTRICT 5	1,052	\$13,631,812	261	\$24,186,856	2,224	\$13,333,349
DISTRICT 6	1,359	\$20,850,118	220	\$22,335,442	4,943	\$33,942,068
DISTRICT 7	670	\$7,565,051	1	\$204,342	1,681	\$10,308,126

# PROGRAM DESCRIPTIONS

## Mortgage Bond Program (Homebuyer Program)

The Mortgage Bond Program is the flagship program offered by SC Housing. The sale of tax exempt bonds to investors provides the bulk of the funding available to qualified homebuyers. SC Housing's loans offer qualified borrowers a fixed, competitive interest rate. This option allows us the flexibility to adjust interest rates as the market dictates and ensures the financial integrity of the program, while putting homeownership within the reach of more South Carolinians. Like all of SC Housing's homeownership programs, persons purchasing homes under the Mortgage Bond Program must not exceed income restrictions and must meet credit standards, as well as purchase price restrictions which vary by county.

As of January, 2015

**8,939**

SC Families have  
received  
SC HELP Funding

The SC Mortgage Tax Credit Program is a Mortgage Credit Certificate program offered by SC Housing. This makes available a federal income tax credit of up to \$2,000 per calendar year to qualified homebuyers for every year they occupy the home as their primary residence.

## South Carolina Homeownership and Employment Lending Program (SC HELP)

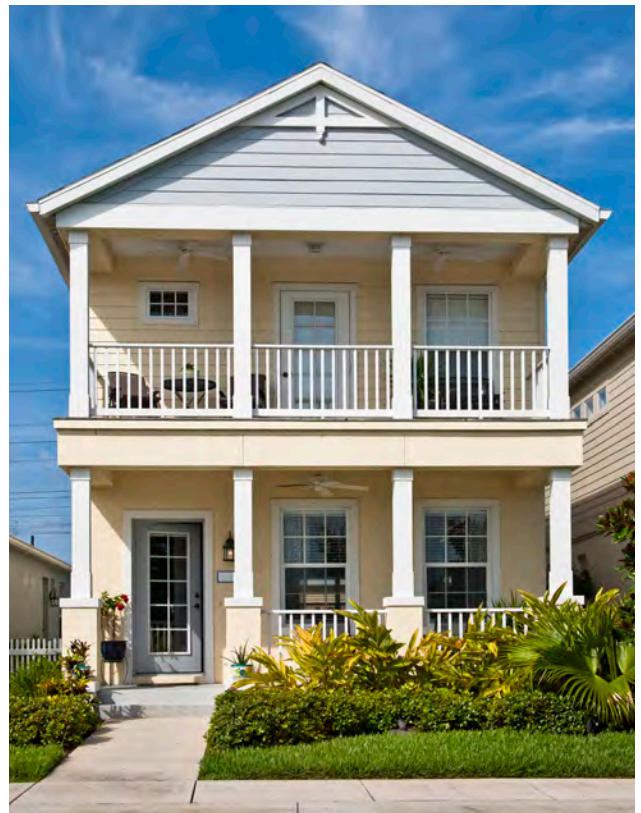
South Carolina Homeownership and Employment Lending Program (SC HELP) was created and developed in late 2010/early 2011. It was created as a result of the Housing Finance Agency Innovation Fund for the Hardest-Hit Housing Markets, which gave 19 states, including South Carolina (via SC Housing), the opportunity to develop an innovative, statewide program to help homeowners avoid foreclosure. These funds will go to assist struggling but responsible borrowers – homeowners who find themselves in default due to circumstances beyond their control, which may include job loss, underemployment, divorce, death of a spouse or extensive medical expenses. Further expansions in 2014 now allow for longer term modification and mortgage recast assistance where long term or permanent disability is a hardship factor.

## South Carolina Housing Trust Fund

The South Carolina Housing Trust Fund was created by the General Assembly in 1992. This landmark legislation is funded with dollars collected from a dedicated portion of the deed stamp tax and provides an important resource for affordable housing opportunities for low-income South Carolinians by funding the acquisition or construction of group homes for the disabled, as well as emergency repair to owner-occupied housing. The Trust Fund also provides funding for multifamily rental apartments for single parent households, families and the elderly. All of this is accomplished by building partnerships among government agencies, qualified nonprofit sponsors, for-profit sponsors and those in need of affordable housing.

## HOME Investment Partnerships Program

The HOME Investment Partnerships Program (HOME) is designed to expand the supply of decent, safe, sanitary and affordable housing for the low- and very low-income beneficiaries. HOME promotes the development of partnerships as part of an effective delivery system to promote and create affordable housing for the citizens of South Carolina. Based on the state's population, SC Housing receives an allocation of HOME funds each year. Funds are divided among homeownership and rental housing development. SC Housing has responsibility for the implementation, administration and evolution of this program in accordance with the U.S. Department of Housing and Urban Development regulations for the state of South Carolina.





## Housing Tax Credit Program

The Housing Tax Credit Program provides a financial incentive to owners developing multifamily rental housing. Tax credit allocations serve to leverage public and private funds to keep rents affordable for tenants. Housing developments qualifying for credits include new construction, acquisition with rehabilitation, rehabilitation and adaptive re-use. Owners receive the tax credits annually for ten years. The rental property must comply with occupancy and rent restrictions for a minimum of 30 years. These credits provide the owner a dollar-for-dollar reduction in federal income tax liability.

## Multifamily Tax Exempt Bond

The Multifamily Tax Exempt Bond Program provides financing for affordable multifamily rental housing. A percentage of the property's units must be set aside at all times for occupancy by low-to-moderate income individuals and families. This program has provided financing for apartments in more than 125 rental complexes located throughout the state.



**Bay Pointe Apartments**  
Myrtle Beach  
*Housing Tax Credit*

## Housing Choice Voucher Program

The Housing Choice Voucher Program is the federal government's major program for assisting very low-income families, the elderly and the disabled to afford decent, safe and sanitary housing in the private rental market. SC Housing administers the program through an Annual Contributions Contract (ACC) with HUD in seven South Carolina counties: Clarendon, Colleton, Dorchester, Fairfield, Kershaw, Lee and Lexington. Qualified families pay approximately 30 percent of their income toward rent and utilities; the remainder is paid by the program. On an annual basis, the eligibility of the participant family and the conditions of the unit are examined in accordance with standards established by HUD.

## Contract Administration

Contract Administration is responsible for the administration of much of HUD's South Carolina portfolio of contracts serving many very low- and low-income households. Contract Administrators work on behalf of HUD with owners and management agents who provide HUD-subsidized apartments in privately owned complexes. Administration includes: reviewing and approving monthly assistance payments; responding to tenant complaints; processing actions related to subsidy contracts; and reporting and tracking processes required under the contract between SC Housing and HUD.

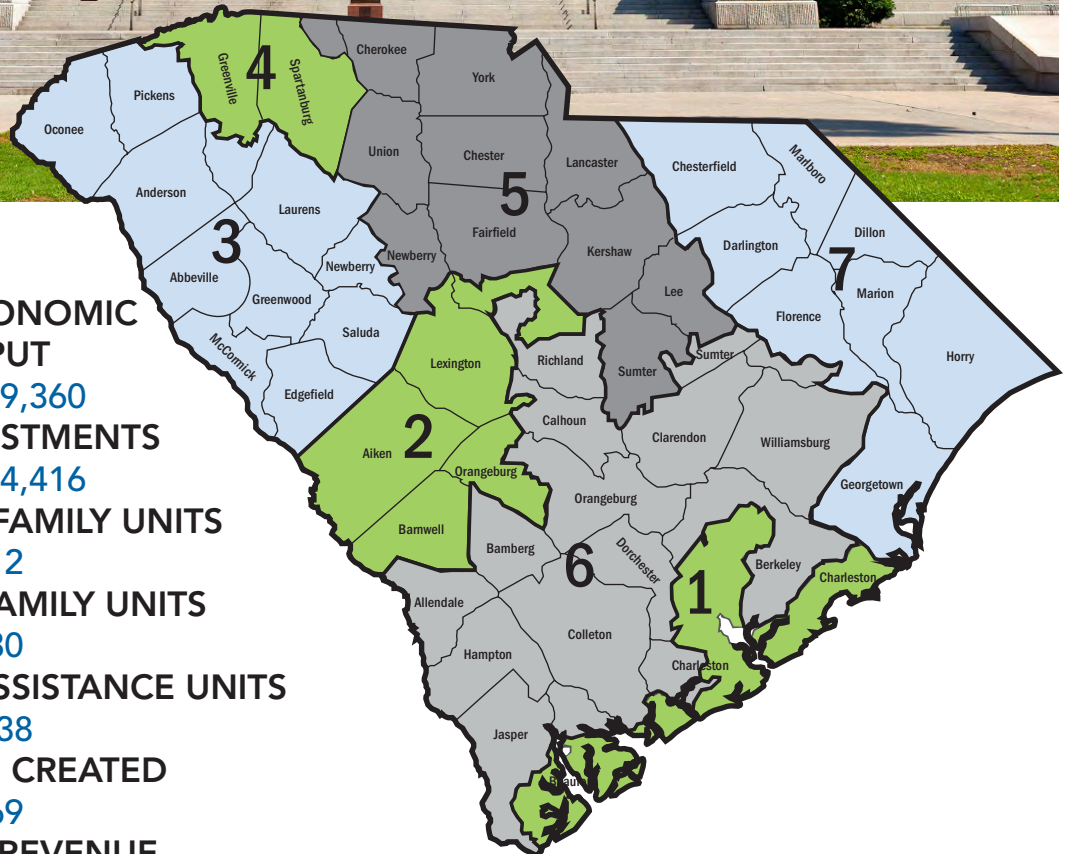
## Neighborhood Stabilization Program (NSP)

The Neighborhood Stabilization Program (NSP) was created under Title III of the Housing and Economic Recovery Act (HERA) of 2008 to respond to rising foreclosures and declining property values. NSP funds are a special allocation of the Community Development Block Grant (CDBG) funds designed to provide emergency assistance in acquiring and redeveloping foreclosed properties that might otherwise become sources of abandonment and despair within their community. All Neighborhood Stabilization Program funds have been allocated.

# ALL CONGRESSIONAL DISTRICTS



**FISCAL YEAR  
2014**  
Total Economic  
Output  
\$505,959,360



**TOTAL ECONOMIC  
OUTPUT**  
\$505,959,360

**TOTAL INVESTMENTS**  
\$317,124,416

**TOTAL SINGLE-FAMILY UNITS**  
5,812

**TOTAL MULTIFAMILY UNITS**  
1,130

**TOTAL HOUSING ASSISTANCE UNITS**  
19,538

**TOTAL JOBS CREATED**  
3,869

**TOTAL TAX REVENUE  
GENERATED**  
\$35,193,692

BEAUFORT,\* BERKELEY,\* CHARLESTON,\* COLLETON\* AND DORCHESTER\* COUNTIES



**MOSSY OAKS  
VILLAGE**  
Beaufort  
*Housing Tax Credit*



**TOTAL ECONOMIC OUTPUT**  
\$40,731,176  
**TOTAL INVESTMENT**  
\$26,531,596  
**TOTAL SINGLE-FAMILY UNITS**  
570  
**TOTAL MULTIFAMILY UNITS**  
0  
**TOTAL HOUSING ASSISTANCE UNITS**  
2,330  
**TOTAL JOBS CREATED**  
335  
**TOTAL TAX REVENUE GENERATED**  
\$3,041,725

*\*Denotes partial county*



## Amiri Farris, Artist, Professor, Homeowner

*A neighborhood is reclaimed from blight and now inspires a rising, young artist.*

Sometimes a blighted neighborhood is just a blank canvas waiting for the right inspiration and a little paint. So it was with the Wharf Street neighborhood in Bluffton SC, a once blighted and crime ridden neighborhood, now restored thanks to a lot of vision and funding from the Neighborhood Stabilization Program and HOME.

take a look. That's when two things caught his artist's eyes--a beautiful blue house facing Wharf Street and a sign requesting applicants to live there. Amiri became the second resident of the beautiful new neighborhood. The nearby riverfront land had recently been converted to a park where he enjoys the evening breezes with his dogs and others in the now tight knit community.

in 2012, for Housing Development of the Year and then by the S.C. Municipal Association.



Randolph Stewart, Wharf Street urban planner, Amiri Farris and Horsa

Amiri now draws inspiration from his Old Town neighborhood, recently releasing a series called "Bluffton Dreams," illustrating many of the elements he sees around him every day.

About 70 people applied to live in the homes, which range from 330 square feet for a one-bedroom house to 1,155 square feet for a three-bedroom house. Applicants were narrowed down during a review process that included background and credit checks and a mandatory course for first-time home buyers.

### WHARF STREET REDEVELOPMENT PROJECT

Redevelopment Project Cost: \$1,200,000

NSP Grant: \$691,000 plus additional Program Proceeds

HOME Grant: \$150,000

Town of Bluffton: \$25,000

Sales prices for the properties have ranged from \$32,000 for the one-bedroom home to \$92,000 for a three-bedroom home.

*In Fiscal Year 2014, SC Housing's Homebuyer Programs created 591 jobs and created a total economic output of almost \$75 million. Every \$100 invested in homeownership returned \$183 to the state's economy.*

Amiri Farris had heard about a new community being built near the May River Oyster Factory site in the heart of Bluffton, SC's historic district. Out of curiosity he decided to drive by and

Like Amiri, the works of the Wharf Street Redevelopment project have been recognized and awarded for their excellence, first by SC Housing

AIKEN, BARNWELL, LEXINGTON, ORANGEBURG\* AND RICHLAND\* COUNTIES



**WESCOTT PLACE**  
Columbia  
*Housing Tax Credit and HOME*



**TOTAL ECONOMIC OUTPUT**  
\$54,353,860

**TOTAL INVESTMENT**  
\$33,484,229

**TOTAL SINGLE-FAMILY UNITS**  
954

**TOTAL MULTIFAMILY UNITS**  
182

**TOTAL HOUSING ASSISTANCE UNITS**  
2,359

**TOTAL JOBS CREATED**  
439

**TOTAL TAX REVENUE GENERATED**  
\$3,965,205

*\*Denotes partial county*



*Melissa Hallbick, Chief Financial Officer for the Babcock Center, pictured in front of the Sweet Bay Home*

## Empowering Individuals and Investing in Community

*The Babcock Center is promoting abilities by respecting their clients' right to self-determination with help from SC Housing.*

Through the vision of the Babcock Center's founder, Mary L. Duffie in 1967 to, "Empower people with lifelong disabilities to enjoy life by promoting abilities and respecting choice," and the award of SC Housing's Housing Trust Fund dollars, the Sweet Bay home was made possible. The Sweet Bay home, a designated Community Training Home (CTH), is one of 191 homes that provides residential care in a supportive home setting, 24 hours a day to enable individuals with lifelong disabilities to become as independent as possible.

The Babcock Center, a private, non-profit, primarily serves residents in Richland and Lexington counties and provides homes with caring and dedicated staff, vocational training and work opportunities for over 800 people with life-long disabilities. Yolanda Henderson, a Sweet Bay house manager, assists the residents with the implementation of their individualized plan of care, and the overall management of the home. "Our goal is to enable the residents to live as independently as possible. We

build a plan of care for our residents and provide assistance with daily tasks to help residents meet their goals in their plan of care," says Yolanda. "Like anyone else, when you have a nice home and an enjoyable place to live, it makes life easier," says Melissa Hallbick, Chief Financial Officer of the Babcock Center. The Babcock Center empowers people with disabilities to become more productive and independent, while instilling a sense of community through helping individuals and their families, and others who care about them, to work in partnership to develop personal interests and abilities.

Sweet Bay is a project made possible in part through the leverage of SC Housing's administration of the South Carolina Housing Trust Fund. From July 1, 2014 until the present, SC Housing has funded 73 organizations and invested in excess of \$13 million in emergency repairs, owner-occupied home rehabilitation and housing with supportive services such as Sweet Bay. These projects assisted 1,250 families statewide.

### THE BABCOCK CENTER AND SWEET BAY HOME

Total Purchase Cost:  
\$156,000.00

SC Housing's Administration of Housing Trust Fund dollars:  
\$75,000.00, or 48% of total cost

Number of Residents at Sweet Bay: 4

Number of Individuals served in Residential Program for 2013: 327

Number of Individuals served in Adult Day Program for 2013: 678

Number of Individuals served in Intermediate Care Facilities: 52

ABBEVILLE, ANDERSON, EDGEFIELD, GREENWOOD, GREENVILLE,\*  
LAURENS,\* MCCORMICK,\* NEWBERRY,\* OCONEE, PICKENS AND  
SALUDA COUNTIES

PENDLETON  
GARDENS

Pendleton

Housing Tax Credit



**TOTAL ECONOMIC OUTPUT**  
**\$115,569,096**  
**TOTAL INVESTMENT**  
**\$71,343,076**  
**TOTAL SINGLE-FAMILY UNITS**  
**430**  
**TOTAL MULTIFAMILY UNITS**  
**377**  
**TOTAL HOUSING ASSISTANCE UNITS**  
**2,980**  
**TOTAL JOBS CREATED**  
**818**  
**TOTAL TAX REVENUE GENERATED**  
**\$7,524,877**

*\*Denotes partial county*



# Jenna Black

*A Survivor, Advocate, Inspiration*

*Jenna Black knew abuse, now she helps others escape the cycle with help from the Housing Trust Fund*

people’s awareness of dating abuse and healthy relationships through education and interaction, will help to curtail much of the abuse and violence before it starts by instilling values and a new cultural outlook on what makes a healthy relationship. Her fondest wish, though, is... “that I’ll see the day when we can use this shelter for a totally different purpose, because we won’t need a shelter from domestic violence anymore.”

Jenna Black has shed a lot of tears for a lot of women and children in the Oconee County area over the years. She has seen first-hand the tragedy and hopelessness of victims in abusive situations.

But on July 11, 2014 she addressed a crowd of donors and supporters saying, “There are no tears in my eyes...because we finally have the shelter we promised you. Our vision was simple. We don’t want another woman to be beaten or abused or another woman or child to die... because abuse is not what love is about.”

Jenna gives credit for the shelter to others, but it was her fire and

drive, in those crucial early days, that brought together the people who were able to raise the funds, get the commitments and organize the volunteers who, together, brought their project to fruition. “This shelter is what we needed, but it is so much more than I dreamed it would be. I never dared to dream that we could do what we have done.”

The Housing Trust Fund, administered by SC Housing, became the lead donor, providing the funds that would eventually be used to leverage additional funding and attract individual donors. The project had raised almost \$1.3 million at the time of the dedication ceremony--funds that will ensure the success of the project into the future.

And success begets success. LPGA golfer and Seneca native, Austin Ernst, has enlisted her fellow LPGA golfers to host the Safe Harbor Invitational pro-am golf tournament to raise even more funds and greater awareness.

“Abuse,” Jenna says, “is subtle, and what seems like love at first, is really control. Abuse takes away a person’s self-worth.” And the situation is made worse when the victims have no place to find shelter. Jenna is hoping that the extended services Safe Harbor offers, particularly the Relationship Education Project, increasing young

## SOUTH CAROLINA HOUSING TRUST FUND

The South Carolina Housing Trust Fund was created by the General Assembly in 1992.

Funded with dollars collected from a dedicated portion of the deed stamp tax.

Trust Funds are utilized by local nonprofit sponsors statewide.

Important uses of Trust Funds include the acquisition, rehabilitation of rental housing for low-income tenants, group homes for the disabled and emergency shelters for special needs populations.

In Fiscal Year 2014 SC Housing made awards to 73 organizations for \$13,355,953.

For every \$100 dollars in Trust Funds invested, SC’s economy reaps \$162 in returns.



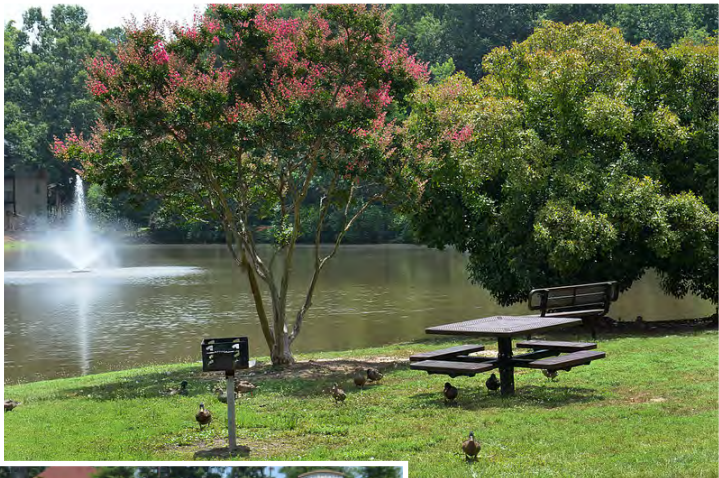
Safe Harbor Shelter



GREENVILLE\* AND SPARTANBURG\* COUNTIES



**PELHAM VILLAGE**  
 Greenville  
*Housing Tax Credit and HOME*



**TOTAL ECONOMIC OUTPUT**  
 \$61,433,072  
**TOTAL INVESTMENT**  
 \$39,408,366  
**TOTAL SINGLE-FAMILY UNITS**  
 777  
**TOTAL MULTIFAMILY UNITS**  
 89  
**TOTAL HOUSING ASSISTANCE UNITS**  
 3,021  
**TOTAL JOBS CREATED**  
 484  
**TOTAL TAX REVENUE GENERATED**  
 \$4,386,921

*\*Denotes partial county*

# Don Oglesby - Homes of Hope

## SC Housing is Helping to Weave Affordable Housing into the Tapestry of a City's Revival

As Don Oglesby, President of Greenville, SC based Homes of Hope shows visitors through the houses his group has built throughout the city's newly revitalized neighborhoods, he challenges visitors to distinguish the "affordable" homes from the "market priced homes." So far, no one has had much success. That's the idea. To build homes that not only fit into their neighborhood, but build up the area by instilling pride in the people who own or rent them.

SC Housing has awarded funds to Homes of Hope from its HOME fund, Neighborhood Stabilization funds and Housing Trust Fund dollars. Homes of Hope is a nonprofit that provides safe, affordable, energy efficient housing to low income and/or homeless families or individuals.



Homes of Hope's motto, "Rebuilding Communities, Rebuilding Lives" goes to the core of what they do. Their first project took Queens Court, an area infamous for having the highest crime rate of any area in Greenville and turned it around. With \$500,000 from SC Housing's Community Reinvestment Program,\* representing 15% of total funding, Homes of Hope bought, demolished and rebuilt the site with 27 single family and duplex units. Renamed

Kingsview Pointe, the area now attracts new investment, and crime rates have plummeted.

Their success is contagious. They now have projects either underway or completed in Anderson, Greenville, Pickens, Oconee, Laurens, Spartanburg and York counties with new projects soon to be developed in Georgetown and Charleston.

With home number 500 ready to rise, Don and all the staff and affiliates are rightly proud of the difference they have made in their 16 years. Homes of Hope ensures that quality, affordable workforce housing will be part of a solid foundation today and a strong housing future.

With Homes of Hope as an example, SC Housing continues to demonstrate affordable housing is a solid investment that has helped to build and sustain South Carolina's economy.

In Fiscal Year 2014:

- HOME funds produced 50 jobs

and returned \$170 for every \$100 invested.

- Housing Trust Fund produced 47 jobs and returned \$162 for every \$100 invested.
- NSP, though closed, continued to produce an additional 12 jobs in FY 2014 and returned \$162 for every \$100 invested.

Together these programs had a combined economic output of almost \$13 million.

### SC HOUSING INVESTMENT

(2013-2014)

HOME - \$1,124,000

Housing Trust Fund - \$1,666,597

NSP - \$1,946,153

#### Homes of Hope Highlights:

500 homes built

300 men graduated from the

Men's Development Program

A Community Housing

Investment of \$4.4 Million

in 2013

*\*no longer active*

CHEROKEE, CHESTER, FAIRFIELD, KERSHAW, LANCASTER, LEE, NEWBERRY,\* SPARTANBURG,\* SUMTER,\* UNION AND YORK



**RIVERS EDGE**  
**CAMDEN**  
*Housing Tax Credit*

**TOTAL ECONOMIC OUTPUT**  
\$83,962,040

**TOTAL INVESTMENT**  
\$51,152,017

**TOTAL SINGLE-FAMILY UNITS**  
1,052

**TOTAL MULTIFAMILY UNITS**  
261

**TOTAL HOUSING ASSISTANCE UNITS**  
2,224

**TOTAL JOBS CREATED**  
620

**TOTAL TAX REVENUE GENERATED**  
\$5,649,046

*\*Denotes partial county*

# Investing in Individuals and Rehabilitating Communities

*Community Assistance and Mentoring Programs (CAMP) is revitalizing communities and investing in individuals with help from SC Housing.*



Trust Fund dollars and funding from Community Block Grant Funds. In Fiscal Year 2014, the South Carolina Housing Trust Fund has invested more than \$13 million in 73 projects across the state, making better housing opportunities for 1,250 households. The SC Housing Trust Fund provides financial assistance for the development, rehabilitation, and acquisition of affordable housing for low-income and very-low-income households. Through SC Housing's administration of the SC Housing Trust Fund, SC Housing has facilitated the supply of quality, affordable housing to more than 638 South Carolinians (through June 30, 2014).

Since 2010, CAMP has been dedicated to the development and service of its community through providing educational support services, economic development and community building. CAMP is an approved SC Housing non-profit counseling and mentoring agency that administers owner-occupied repair, emergency repair through Housing Trust Fund and provides mortgage assistance through SC HELP. Since 2010, CAMP has assisted 189 homeowners through its award of \$1,900,000 from SC Housing's administration of Housing Trust Fund dollars.

CAMP serves members of the Orangeburg, Fairfield, Kershaw, Florence, Chester, Chesterfield, and Richland counties. Bishop Dr. Joe Jackson has served as its Executive Director and since 1991, as the Pastor of Core Church Prayer Faith Temple International Ministry. "Our goal is to encourage a safe, educated, beautiful, unified and productive community to raise families. Our ministry is 'Core' as we meet core needs of community members through providing home repair and rehabilitation, food

assistance, mortgage assistance and mentoring," says Jackson. Mrs. Robbie Cullen, a resident in the Hopkins community, was able to have significant repair to her home through CAMP's owner-occupied rehabilitation program. "CAMP has transformed my home and enhanced our quality of life. I had a slab leak which was causing mold and moisture to enter into our home, our plumbing needed to be re-routed, our ceilings were damaged and leaking from moisture entering due to the need of a roof replacement and our home needed to be weatherized. We would not have been able to afford the significant repairs that were needed without their assistance," says Cullen. CAMP was able to assist Mrs. Cullen through paying for the necessary \$20,000 of repairs. "My ministry is about outreach and giving back to my community. Without support from SC Housing, we would not be able to invest in individuals and communities," says Jackson.

CAMP's ability to rehabilitate homes and communities is made possible through the leverage of SC Housing's administration of the SC Housing

## SOUTH CAROLINA HOUSING TRUST FUND

The South Carolina Housing Trust Fund was created by the General Assembly in 1992.

Funded with dollars collected from a dedicated portion of the deed stamp tax.

Trust Funds are utilized by local nonprofit sponsors statewide.

Important uses of Trust Funds include the acquisition, rehabilitation of rental housing for low-income tenants, group homes for the disabled and emergency shelters for special needs populations.

In Fiscal Year 2014 SC Housing made awards to 73 organizations for \$13,355,953.

For every \$100 dollars in Trust Funds invested, SC's economy reaps \$162 in returns.

ALLENDALE, BAMBERG, BEAUFORT,\* BERKELEY,\* CALHOUN,  
CHARLESTON,\* CLARENDON, COLLETON, DORCHESTER,\*  
FLORENCE,\* HAMPTON, JASPER, ORANGEBURG,\* RICHLAND,\*  
SUMTER\* AND WILLIAMSBURG COUNTIES

## ARCADIA PARK

COLUMBIA

*Housing Tax Credit and HOME*



**TOTAL ECONOMIC OUTPUT**  
\$121,831,224  
**TOTAL INVESTMENT**  
\$77,127,628  
**TOTAL SINGLE-FAMILY UNITS**  
1,359  
**TOTAL MULTIFAMILY UNITS**  
220  
**TOTAL HOUSING ASSISTANCE UNITS**  
4,943  
**TOTAL JOBS CREATED**  
942  
**TOTAL TAX REVENUE GENERATED**  
\$8,545,705

*\*Denotes partial county*

# Kalus Benjamin and Tayviona Jamison

*The Housing Choice Voucher Program is helping families to succeed—and to nurture bright young minds like these.*

Each year SC Housing sponsors the “What My Home Means to Me” Coloring/Essay Contest. The contest is open to children twelve years of age and under who live in a home or apartment financed by, or receiving assistance from, one of the affordable housing programs administered by SC Housing. The winners of the contest are announced at the annual Palmetto Affordable Housing Forum.

The entries are both heartwarming and inspiring and offer the opportunity to see and understand the impact quality affordable housing makes from a child’s perspective.

For two years in a row, children living in Mt. Pisgah Apartments in Sumter, SC have taken top honors with works that have touched the hearts of the judges.

Kalus is 11 years old and lives in Sumter. Kalus is a two-time winner—coming in first in last year’s contest. Kalus’s favorite subject in school is Social Studies, and when he is not studying, he likes to watch movies and go to the park. Kalus would like to be a football player and an artist when he grows up, and his work, personality and dedication shows that he is already on his way to achieving great things.



*“Walls covered with family pictures  
Window panes spotless and clean  
As I look out at the sky, the grass,  
the trees, the world.  
There are so many beautiful things  
to be seen.  
This what my home means to me.”  
-Tayviona Jamison*

First place honors were shared by Tayviona Jamison, in the essay contest. In her essay, Tayviona dazzled the judges by writing her essay in verse describing all the ways she enjoys the safety and comfort of her home. As if that is not impressive enough, Tayviona’s sister took first place honors in the previous year’s contest.

Something is going very right at the Mt. Pisgah Apartments.

**HOUSING CHOICE VOUCHER PROGRAM**  
In Fiscal Year 2014, the Housing Choice Voucher Program provided assistance to an average of 1,862 participants within the seven-county jurisdiction.  
  
*In Fiscal Year 2014, every \$100 invested in the Housing Choice Voucher Program returned \$135 to the S.C. economy.*



CHESTERFIELD, DARLINGTON, DILLON, FLORENCE,\* GEORGETOWN, HORRY, MARION AND MARLBORO COUNTIES



**CYPRESS LANE**  
ANDREWS  
*Housing Tax Credit*



**TOTAL ECONOMIC OUTPUT**  
\$28,078,896

**TOTAL INVESTMENT**  
\$18,077,519

**TOTAL SINGLE-FAMILY UNITS**  
670

**TOTAL MULTIFAMILY UNITS**  
1

**TOTAL HOUSING ASSISTANCE UNITS**  
1,681

**TOTAL JOBS CREATED**  
232

**TOTAL TAX REVENUE GENERATED**  
\$2,080,214

*\*Denotes partial county*



## Officer Christopher Cestare—A real Palmetto Hero

*On the job just a few days, Officer Cestare would face the flames of one of the worst fires in Horry County history — and would make sure everyone got out alive.*

Officer Christopher Cestare had been out of the Criminal Justice Academy for just eight short days and had recently been sworn in as an officer with the Horry County Police Department. He had also started looking for a home to purchase in the area where he worked. A friend, whose mother was a Realtor® had told him about the Palmetto Heroes Program, and suggested that he might qualify.

But the business of buying a home would soon take a backseat to other events when on March 16, 2013, the morning of Chris’s third training shift, he would be called to the largest fire in Horry County’s recent history.

Arriving at the scene, Chris and two fellow officers were confronted with flames, smoke and 26 buildings and the fields around them fully engulfed in fire.

After making sure everyone was safe, Chris, along with two other officers who were on call with him were taken to the hospital and treated for smoke inhalation. The next day all three went back to work, a day which included dozens of interviews and news reporters, along with the accolades of the people of Horry County and the law enforcement community, who recognized their valiant efforts.

Chris returned to his Realtor® and lender to complete his home purchase just in time to get his part of the Palmetto Heroes Program for 2013. Today, Chris lives in a home just minutes away from his regular patrol area—something he didn’t think would be possible when he first began looking for a home—something he credits SC Housing’s Palmetto Heroes Program with helping to make possible.



### PALMETTO HEROES STATISTICS

- 46% Teachers
- 22% Law Enforcement Officers
- 13% Firefighters
- 9% Correctional Officers
- 5% Nurses
- 4% EMT
- 1% Veterans

**\$139.7 million allocated since program’s inception**

**1,118 loans for \$123,627,483**

**Average loan (2007-2014) \$119,109**

*SC Housing Homebuyer Programs created 591 jobs and created a total economic output of almost 75 million. Every \$100 invested in homeownership returned \$183 to the state’s economy.*

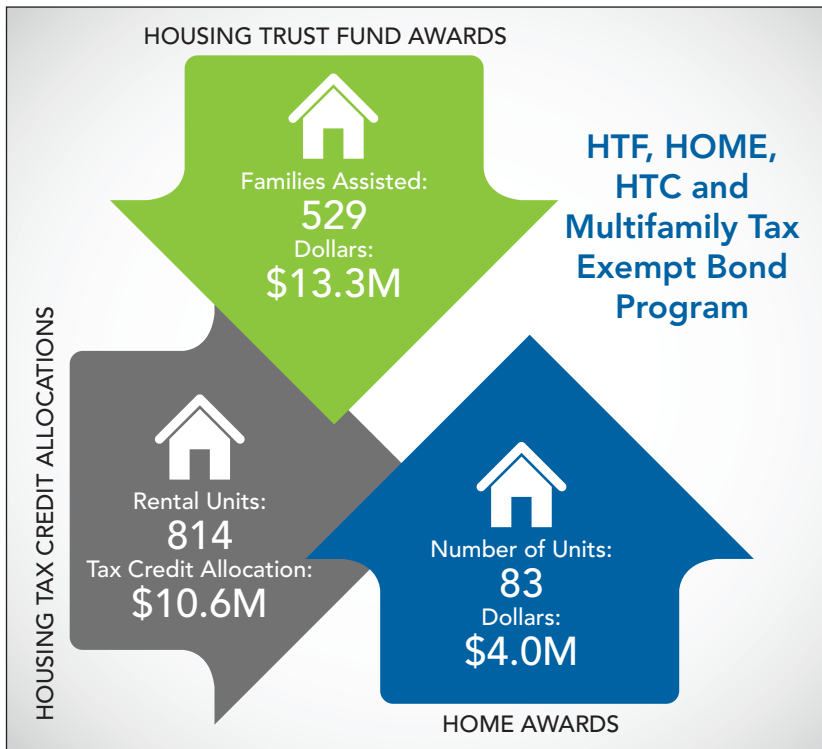
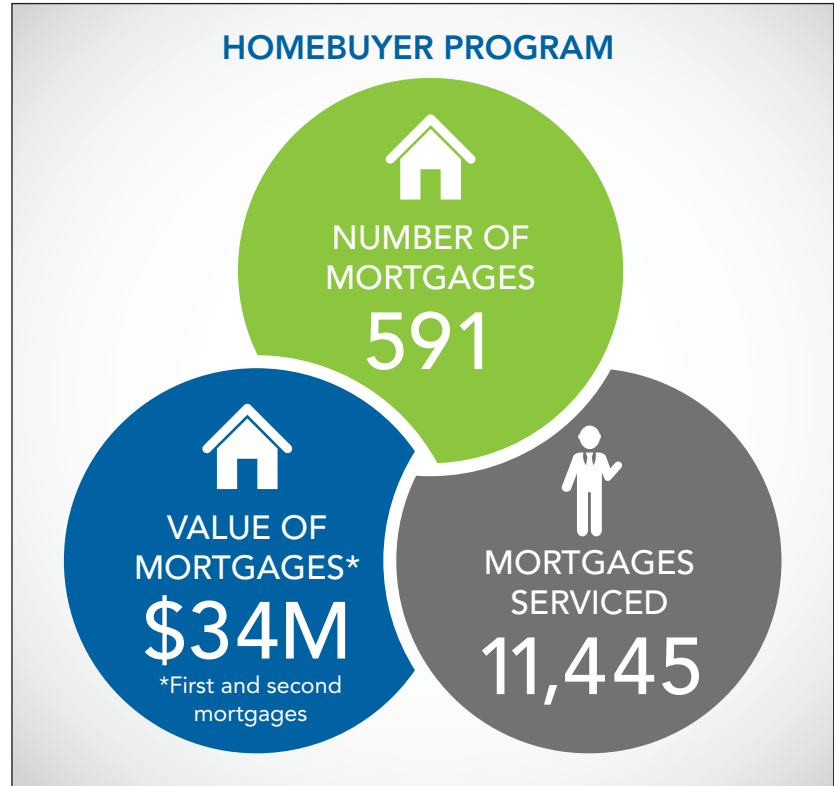


# BUSINESS RESULTS BY PROGRAM AREA

## Mortgage Bond Program (Homebuyer Program)

During Fiscal Year 2014, SC Housing purchased 591 mortgages (295 first mortgages and 296 second mortgages) totaling nearly \$34 million. While housing markets nationally experienced continued stagnation in purchases, Fiscal Year 2014 shows a slight uptick in activity over the previous Fiscal Year.

SC Housing currently services a portfolio of 11,445 first and second mortgages that are serviced in-house. In Fiscal Year 2014, the average loan amount was \$109,024 and the average household income of borrowers was \$42,570.



## South Carolina Housing Trust Fund (HTF)

South Carolina Housing Trust Fund awards were made throughout the state with a total of 529 awards for more than \$13.3 million in Fiscal Year 2014. Fiscal year 2014 saw a slight increase in awards made over the previous Fiscal Year (497-in Fiscal Year 2013) and in dollar amounts (\$8.3 million in Fiscal Year 2013). This increase may be attributable to an improvement in statewide real estate sales, and therefore an increase in the deed transfer fees upon which the program relies. Reliance on economy-driven proceeds can be a significant complication. It creates an unpredictable fluctuation in award activity because the amount of underlying proceeds is variable.

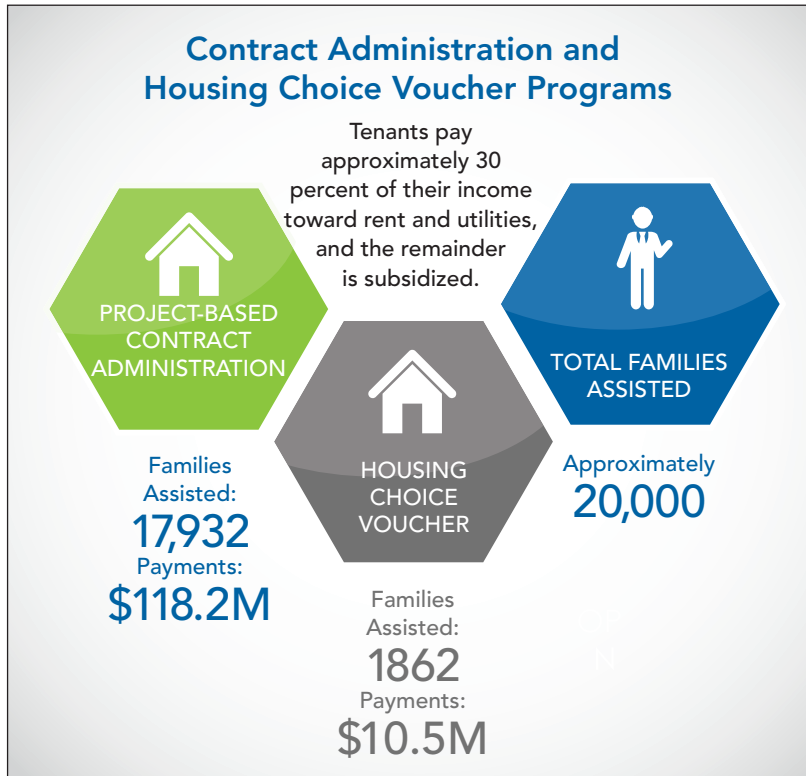
## Home Investment Partnerships Program (HOME)

During this period HOME made 15 awards, producing 83 units for a total of \$4,042,326. Ten awards went to rental housing and five to tax credit properties. These awards are made to non-profit organizations and for-profit entities. HOME continues to serve

as a significant bridge between other SC Housing programs, helping to make dollars go further, providing leverage enhancements, and increasing opportunities to expand affordable housing initiatives throughout the state.

## Housing Tax Credit Program (HTC)

In Fiscal Year 2014 the HTC program allocated \$10.6 million to 18 housing developments which will produce 814 units. This marks an uptick over Fiscal Year 2013 when the HTC program allocated \$10.3 million to 16 housing developments which will produce 721 units. Increases in funding, developments and units added has increased since 2011 as investor demand for credits has increased.



## Multifamily Tax Exempt Bond Program

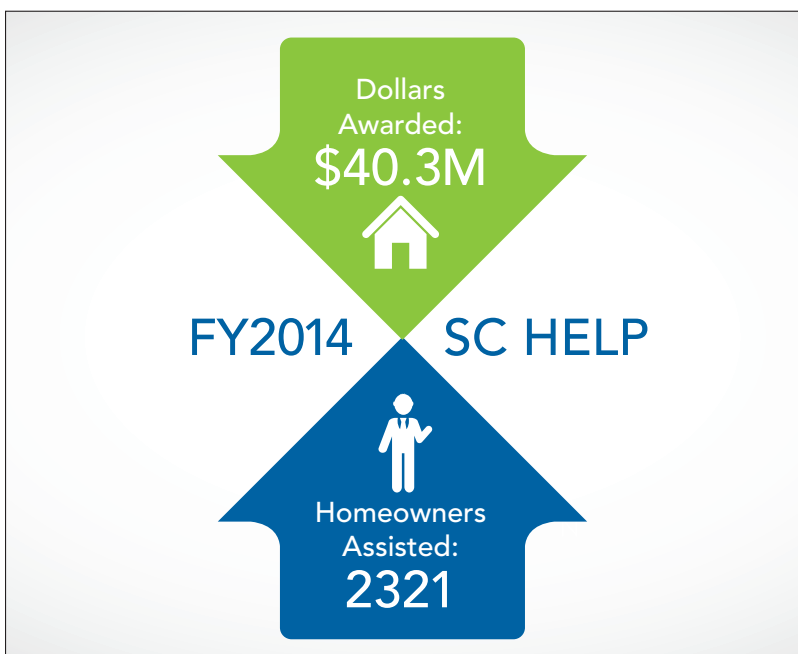
No transactions occurred in Fiscal Year 2014. Historically low interest rates have decreased the attractiveness of multifamily tax exempt bond financing structures.

## Neighborhood Stabilization Programs (NSP)

In 2008 SC Housing introduced the Neighborhood Stabilization Program for South Carolina to administer \$44 million of HUD funding targeted toward the mitigation of blight caused by foreclosed and abandoned property. In Fiscal Year 2011, HUD allocated an additional \$5 million of NSP funds to SC Housing through the third round of funding (NSP3), of which 100 percent has been committed.

## Contract Administration and Housing Choice Voucher Programs (CA and HCVP)

Approximately 20,000 families received housing assistance through SC Housing's management of the Contract Administration and Housing Choice Voucher Programs. Tenants pay approximately 30 percent of their income toward rent and utilities, and the remainder is subsidized. During Fiscal Year 2014, this subsidy amounted to more than \$125 million. The level of rental assistance activity has remained at a fairly consistent level for the past several years. Specifically, Contract Administration assisted 17,932 families totaling \$118,194,672 in subsidy payments. The Housing Choice Voucher Program assisted an average of 1,862 families, totaling \$10,465,630 in its seven county jurisdiction.



## South Carolina Homeownership and Employment Lending Program (SC HELP)

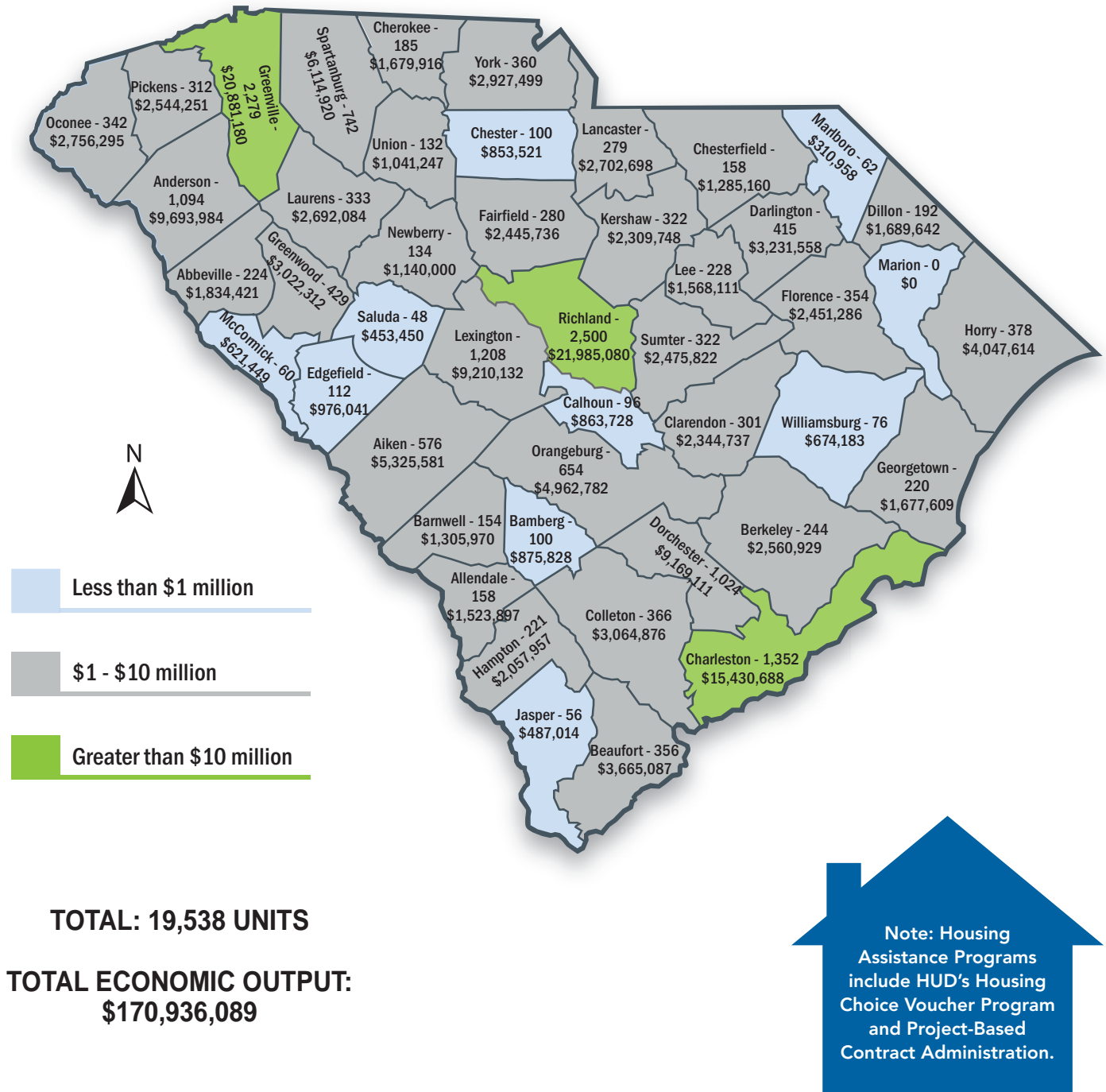
In Fiscal Year 2014, SC HELP committed more than \$40.3 million to assist more than 2,321 additional South Carolina homeowners. Refinements to this program are ongoing, as are increased outreach efforts to reach more homeowners.





## TOTAL ECONOMIC OUTPUT OF HOUSING ASSISTANCE BY COUNTY

This map illustrates the number of fiscal year single-family and multifamily units that have received an allocation of resources through SC Housing and the total economic output of those developments on the community.



# LEGISLATIVE AND REGULATORY PRIORITIES

Our goal, like that of the National Council of State Housing Agencies (NCSHA), is an affordably housed state and nation. Toward this end, we ask that you consider the following as legislative priorities during this session:

- To authorize commitment of certain assets and hold governmental or private entities safe and harmless in order to facilitate a stronger and more sustainable range of single family mortgages for South Carolinians.
- To protect, strengthen and expand the production potential of the tax-exempt Housing Bond program (including its Mortgage Credit Certificate option) and the Housing Tax Credit.
- Section 8 funding adequate to renew all authorized vouchers; provide for new ones; compensate Public Housing Authorities (PHAs) fairly for their administrative costs; and honor and, if expiring, extend existing project-based assistance commitments.
- To authorize and/or help facilitate, as necessary, additional means for Housing Finance Agencies (HFAs) to access the capital markets, including alternative pass-through bond structures and tax-exempt mortgage-backed securities.
- Dedicated and sustainable funding for the National Housing Trust Fund, with maximum flexibility for state program administrators and limited federal regulation.



- A strong secondary mortgage market system with a robust affordable housing mission that engages HFAs as preferred affordable housing lending partners in meeting the needs of low- and moderate-income families, enables them to maximize their lending potential, and respond to their capital and liquidity needs, including through any successor entities to Fannie Mae and Freddie Mac.
  - To work with the Federal Housing Finance Agency and the Federal Home Loan Banks (FHLBs) it regulates to strengthen and expand HFA-FHLB partnerships.
  - Protect and restore HOME funding, while working to increase program flexibility, improve efficiency, and eliminate needless bureaucracy.
  - NCSHA will continue to aggressively represent the interests of HFAs in HUD's Project-Based Contract Administration program and ensure that HUD recognizes HFAs' proven capacity and track record to serve as Performance-Based Contract Administrators.
  - New state-administered funding for project-based operating subsidies to support affordable rental housing development and preservation, and tenant-based rental assistance to support state-determined priorities unmet under the Housing Choice Voucher program, with maximum flexibility for program administrators and limited federal regulation.
  - Expanded federal commitment to address the preservation of affordable rental housing in a comprehensive manner, including additional resources, changes to existing housing programs, and the creation of new ones to support state and federal preservation efforts.
  - To preserve and expand HFAs' authority to provide secondary financing and other forms of down payment and closing cost assistance in transactions involving FHA single-family mortgage insurance and to secure authority for Ginnie Mae to securitize multifamily FHA-HFA risk-sharing loans.
- are subject to private activity bond volume cap. Such properties would be federally assisted and subject to long term use agreements limiting occupancy to low-income households.
  - Authority for investors to carry back Tax Credits for five years and incentives to encourage increased individual investment.
  - Make permanent the temporary fixed 9 percent credit included in the Housing and Economic Recovery Act of 2008 (HERA) for future development.
  - Fix and make permanent the 4 percent credit, in addition to the 9 percent credit.
  - Establish a state-determined basis boost for 4 percent credits.
  - Increase access to Housing Credit apartments for working families that cannot afford decent, reasonably priced rental homes and for extremely low-income families that cannot afford most Housing Credit apartments without assistance.
  - Extend the HERA 9 percent Credit rural income limit flexibility to 4 percent Credit deals.
  - Eliminate the Mortgage Revenue Bond (MRB) purchase price limits. Meanwhile, work with Treasury to improve its proposed safe harbor purchase price methodology.
  - Repeal the MRB refinancing limitation.
  - Increase the MRB home improvement loan limit by an amount at least adequate to reflect the rise in construction costs since it was first established and index it for construction cost inflation annually thereafter.
  - Exempt all refunding Housing Bonds from the Alternative Minimum Tax (AMT).
  - Improve the application of HUD's income limit methodology to Housing Credit developments and other affordable housing programs.
  - Strengthen the Mortgage Credit Certificate (MCC) program by making it more efficient and easier to administer.

## Housing Bond and Credit Priorities

- Support for the U.S. Department of the Treasury's (Treasury) proposal to allow for a 30 percent basis boost for properties financed with tax-exempt bonds that

# HOUSING MARKET OVERVIEW

## Year in Review

South Carolina's economy experienced *positive, stable growth* in 2014. Though the "Great Recession" officially ended in 2009, many local areas and states continued to feel the negative impact of that time well into 2013. For South Carolina, 2013 marked a breakthrough year with employment levels exceeding their pre-recession peaks, as measured by the Local Area Unemployment Statistics. That momentum carried into 2014 and marked another year of strong economic growth for the state across a broad range of regions and industries.

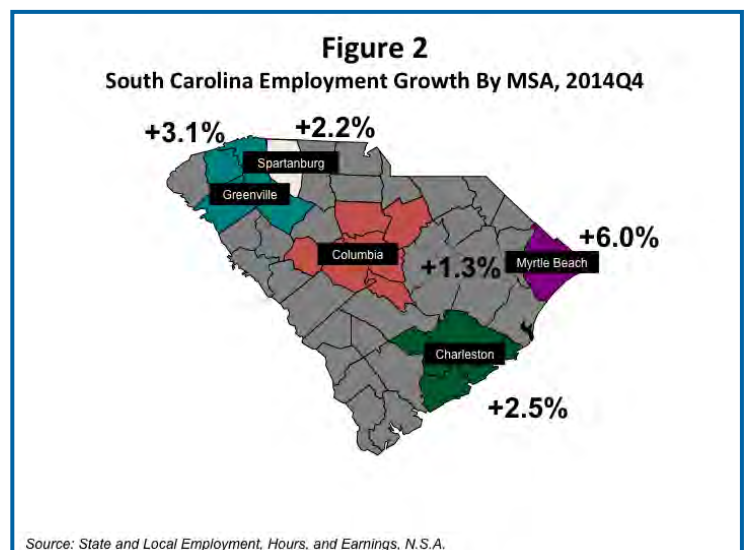
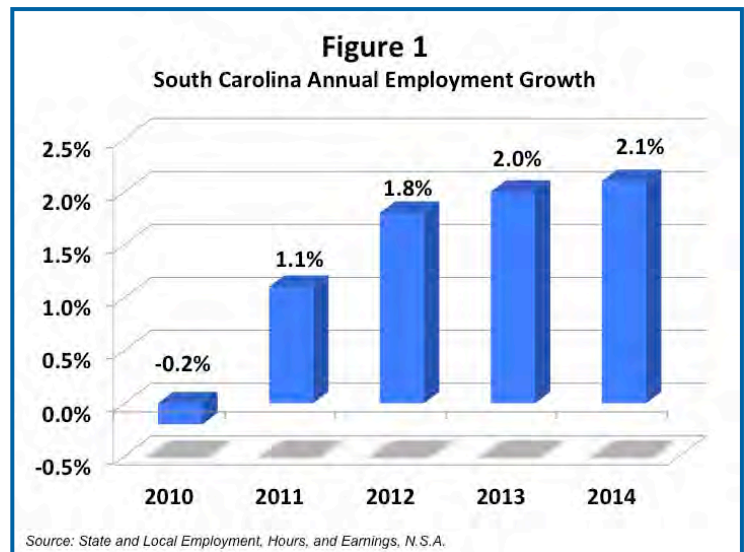
Employment growth, the single best gauge for overall economic activity, increased slightly from 2.0% in 2013 to 2.1% in 2014, as Figure 1 highlights. Not only does this mark the 4th consecutive year of increasing rates of employment growth, but it also marks the 2nd year in which we have seen a "normal" rate of employment growth – that is – growth patterns that are consistent with the pre-recession economic expansion.

These growth rates have extended to every major area of the state. All of the state's Metropolitan Statistical Areas (MSAs) have achieved pre-recession levels of employment and are continuing to see steady, positive growth, as Figure 2 illustrates. While the manufacturing centers of Spartanburg, Anderson, and Greenville led the way in employment growth in 2013, there was a marked shift to higher growth in the Myrtle Beach region throughout 2014, but especially during the 4th quarter. Between October and December of 2014, Myrtle Beach saw employment grow at almost three times the rate (6.0%) of the state as a whole.

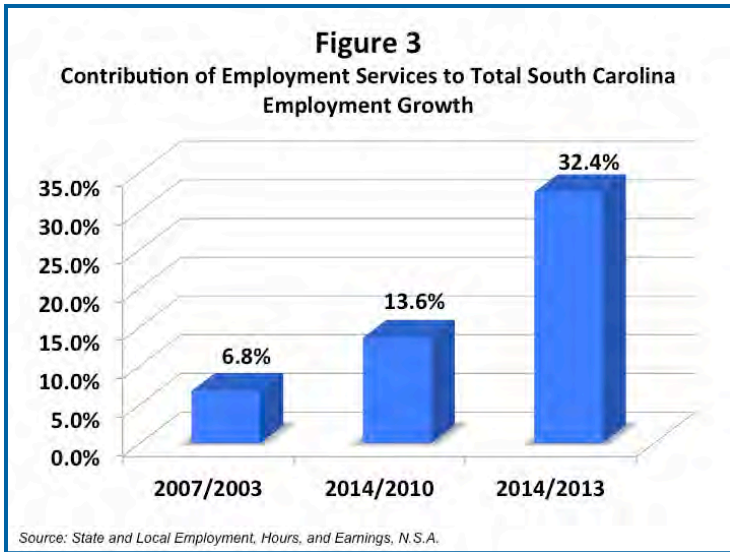
**Strong and stable employment growth implies that South Carolina will continue to experience a rise in housing demand across the state.**

The growth for the two coastal MSAs, Charleston and Myrtle Beach, can be explained, in part, by the growth in tourism related industries. For industry-level employment growth, Professional and Business Services (7.5%), Manufacturing (3.9%), and Leisure and Hospitality (3.2%) were the leaders in 2014. The dramatic growth in Professional and Business Services is part of a nationwide trend that is particularly strong in South Carolina of using temporary/contract staff – known as the Employment Services sector – when filling many new positions. Approximately 32.4 percent of the increase in jobs between 2013 and 2014 were a result of increases in Employment Services, as Figure 3 displays. Construction also experienced positive growth in 2014, albeit at a slower pace compared to 2013.

Prepared by:  
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Research Economist  
Moore School of Business  
University of South Carolina  
February 2015







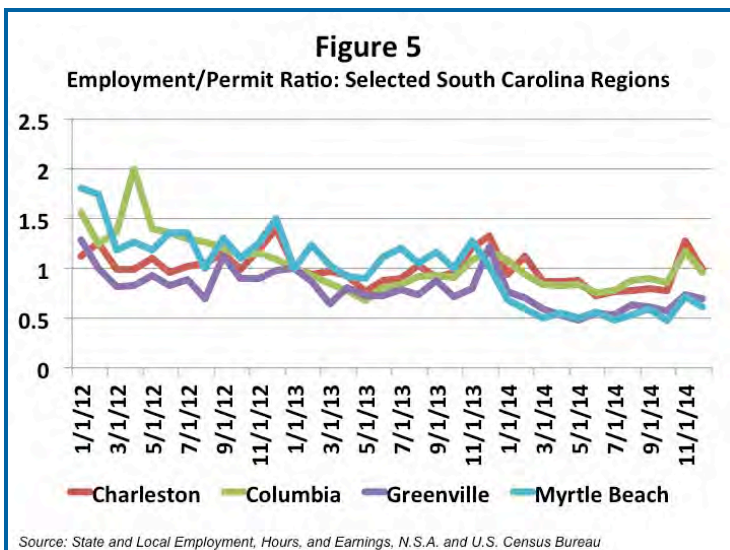
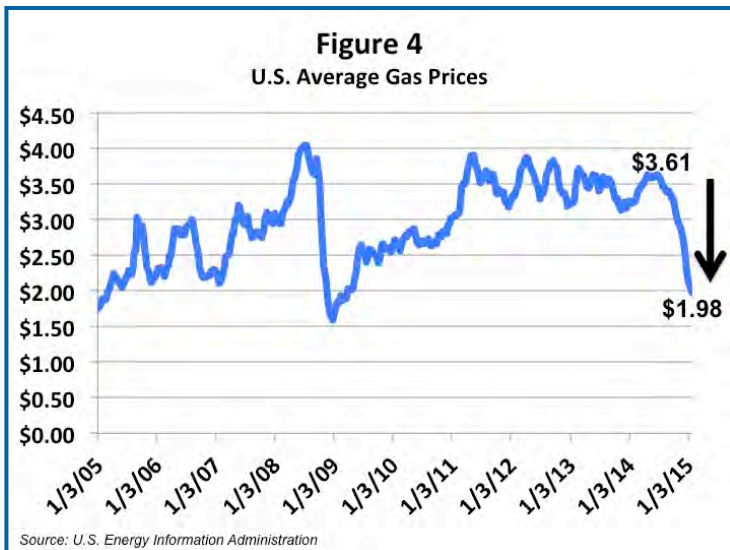
Increased demand for workers in the Leisure and Hospitality sector can be partially attributed to a rise in consumer confidence as well as to the major decline in gas prices during the second half of the year (see Figure 4). Another contributing factor to higher consumer sentiment is a steady rise in personal income. Across the state, personal income growth picked up speed throughout 2014, and consumers are in a better financial position today than at any point over the last five years. Higher levels of personal income and consumer confidence combined with lower fuel prices have led to an increase in overall consumer demand – including the demand for large ticket items such as housing. As with employment, Myrtle Beach also experienced the biggest gains in personal income recently. Over the last year personal income in the Myrtle Beach MSA grew by 3.3%, followed by 2.8% in the Greenville MSA, and 2.7% in the Columbia MSA.

These steady rates of employment and income growth reflect positive news for housing markets in South Carolina going forward. Employment growth is one of the best predictors for future housing demand. Thus, strong and stable employment growth implies that South Carolina will continue to experience a rise in housing demand across the state.

Over the last year, for example, the median new home sales price in South Carolina rose by approximately 4.6 percent.

Part of the increase we have seen regarding income growth is also the result of a healthier labor market. Over the past two years, South Carolina's unemployment rate has fallen from 8.3 percent (December 2012) to 6.5 percent (December 2014). As the demand for workers rises, this bids up the price of labor, which translates into higher incomes for South Carolinians. We also see this reflected in housing markets. As incomes rise, consumers are able to purchase homes in higher price points. Over the last year, for example, the median new home sales price in South Carolina rose by approximately 4.6 percent.

Housing markets across the state have also become much more stable, as evidenced by examining Employment to Permit (E/P) ratios across the state. The E/P ratio gives us a sense of whether a local housing market is close to equilibrium. Just as employment growth is the single best indicator we have for future housing demand, so permit growth is the single best indicator we have for future housing supply. Thus, a relatively flat E/P ratio indicates a stable market – one that is not overbuilt or underbuilt. Economic stability,



in turn, helps to maintain long-run growth patterns. Figure 5 shows these relatively flat E/P ratios across most markets in South Carolina, especially over the last twelve months.

The foreclosure picture is continuing to improve in South Carolina with the rate of foreclosures for the state at approximately 0.09%, which is in line with the national average. Home prices have also continued their rebound, as evidenced by the Federal Housing Finance Agency's House Price Index displayed in Figure 6. Note that the rate of house price appreciation has stabilized – that is – house prices are now appreciating at a relatively constant rate. This is another sign of a healthy housing market, as it indicates slow and steady price appreciation with minimal variation.

### Outlook for 2015

With steady rates of growth across most industrial sectors and local areas, South Carolina is poised for another year of positive economic gains. In short, 2015 is expected to look very similar to 2014 in terms of overall growth patterns. While this is good news for our state going forward, there are at least three reasons why we are not likely to see any significant acceleration in growth beyond what we have observed over the last two years.

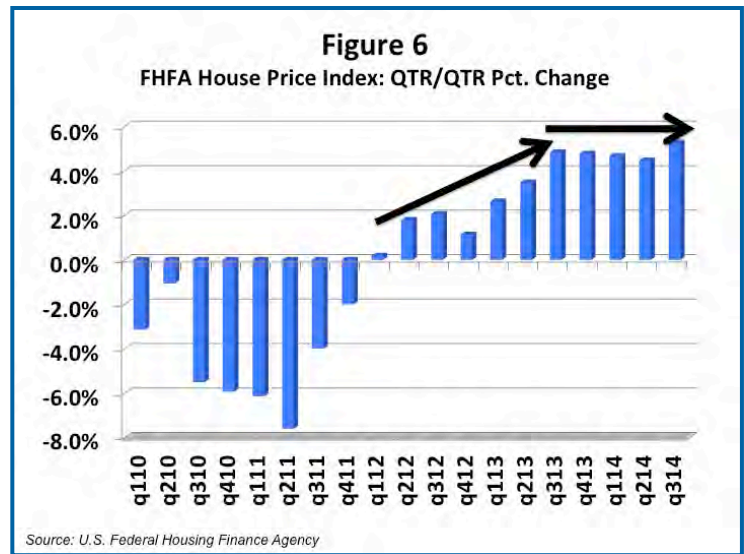
First, there is still a relatively high degree of national economic uncertainty. A highly volatile stock market, political dysfunction in Washington, DC, anemic growth in global markets, and speculation about rising interest rates have all combined to produce an environment in which general uncertainty is higher than we would otherwise expect during the midst of an economic expansion. Uncertainty leads to less action on the part of businesses and consumers, preventing economic growth from accelerating further.

Second, there is no industry in South Carolina that is currently in rapid expansion. Between 2010 and 2013, South Carolina's annual employment growth rate steadily increased from -0.2 percent to +2.0 percent. This was primarily driven by growth in the manufacturing industry, which experienced annual rates of growth between 8 and 10 percent during the same time period. Thus, the increase in South Carolina's statewide growth was driven by the rapid expansion of manufacturing. In 2014, by contrast, there was no industry growing at a pace sufficient to increase statewide employment growth beyond its existing rate. As we move into 2015, there is little evidence to suggest that any specific industry in South Carolina will scale up its growth rate to a degree that would allow for statewide growth rates to significantly rise.

Third, market activity in Europe has been fairly weak during the 2nd half of 2014. This is an important factor for South Carolina's economic growth because the Palmetto State exports more goods to Europe as a percentage of its total gross state product than most other states. Thus, a decline in economic activity in Europe affects South Carolina's economy more than it affects the economies of most other states.

It is important to keep in mind that while these three factors have the potential to prevent growth from accelerating to a new peak in 2015, they are not likely to reduce the growth rate below the level that South Carolina has experienced over the past two years.

To summarize, the economic outlook for South Carolina can be expressed in one word: *stable*. With consistent growth patterns across most industrial sectors and with no major anticipated threats on the horizon, South Carolina can expect another year of healthy growth patterns that will continue to move the state forward.



The foreclosure picture is continuing to improve in South Carolina with the rate of foreclosures for the state at approximately 0.09%, which is in line with the national average.

# OVERVIEW AND METHODOLOGY

The figures contained in this report detail the economic impact of SC Housing on the state of South Carolina for Fiscal Year 2014 (July 1, 2013 – June 30, 2014). A standard economic impact analysis estimates the impact, or contribution, of an organization to the local economy. For example, if a new company were to open in South Carolina, it would be useful to know the number of jobs this company would create or the increase in demand for goods and services that would result from the company buying products from suppliers in South Carolina. All estimates were generated using data provided by SC Housing.

In order to formalize the reporting of the economic impact of an organization, there are two figures that are reported as part of this impact analysis: output and employment. Each of these figures, in turn, is comprised of a direct, indirect and induced impact.

FEATURED PROPERTY:  
**ONE80 PLACE**  
**CHARLESTON**  
*Housing Trust Fund*

## Output

The economic output of an organization is defined as the dollar value of production, or the dollar value of the final goods and services produced by that organization. For example, if SC Housing were to fund the construction of a multi-family housing unit, the direct economic output would represent the total sales activity resulting from the construction (e.g., roofing materials, lumber, drywall). The economic output of an organization's activity is the dollar value representing the final demand for goods and services produced for that activity.

## Employment

Employment is defined as the number of jobs (full-time and full-time equivalent) that are needed to deliver the demand for the final goods and services associated with the organizations and activities being measured.

Output and employment are two standard figures that show the economic impact of an organization on its local economy. Both of these factors, however, have an impact on the economy in three different ways. Thus, both are broken down into a direct impact, an indirect impact, and an induced impact.



## Direct Impact

The direct impact of an organization represents the effects of that organization's expenditures – that is – local purchases and wages that are inserted into the local economy. These expenditures represent the initial change to the local economy and are often used as the raw input data for an economic analysis. For example, if SC Housing were to spend \$1 million on unit rehabilitation that it received from HUD, this initial spending change to the local economy represents the direct impact.

## Indirect Impact

The indirect impact represents additional economic impacts resulting from changes in the demand of industry suppliers and inter-industry transactions. Using the previous example cited, if SC Housing were to spend \$1 million on unit rehabilitation, it would increase the demand for suppliers of goods such as roofing materials and drywall. These suppliers must then purchase inputs from other business suppliers, who in turn purchase inputs from yet more suppliers, and so on. This continues and creates additional demand in many sectors of the local economy, which is what is measured by the indirect impact.

## Induced Impact

The induced impact represents additional economic impacts that result from changes in household spending in the local economy. Using the example cited above once again, employees working in remodeling who benefit from a salary increase due to the increase in demand of their services, will spend some of that income in the local economy on entertainment and food. The entertainment and food businesses will then experience increases in demand for their products and some employees will see additional income, and again, spend it locally. This pattern continues. These changes in household spending represent the induced impact.

Successive rounds of indirect and induced spending do not continue indefinitely. In each round, some money is "leaked out" of the local economy because, for example, some inputs might be purchased from outside of the local economy or increases in employee income might be saved instead of being spent. Because the spending rounds are finite, a value can be calculated for

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A \$300,000 grant from SC Housing's Housing Trust Fund to One80 Place (formerly Crisis Ministries of Charleston) helped to construct a new two-story men's shelter facility for homeless men and homeless male veterans. South Carolina Housing Trust Fund made 529 awards to 73 organizations across the state for a total of \$13.3 million.

each of them. The output and employment estimates reported represent total values – that is, the sum of the direct, indirect and induced impacts.

## Taxes

Total tax revenue represents the additional state tax revenue that is collected as the result of increased expenditures in the local economy. These tax figures represent revenue collected from employee compensation, sales, property, production, households and corporations. They represent tax revenue generated from the direct, indirect and induced impacts of the increased expenditures.

## Software

This report uses the software package IMPLAN to calculate all estimates, which is the industry standard software package used by professional, regional economists to conduct input-output analyses.

## Interpreting Reported Estimates

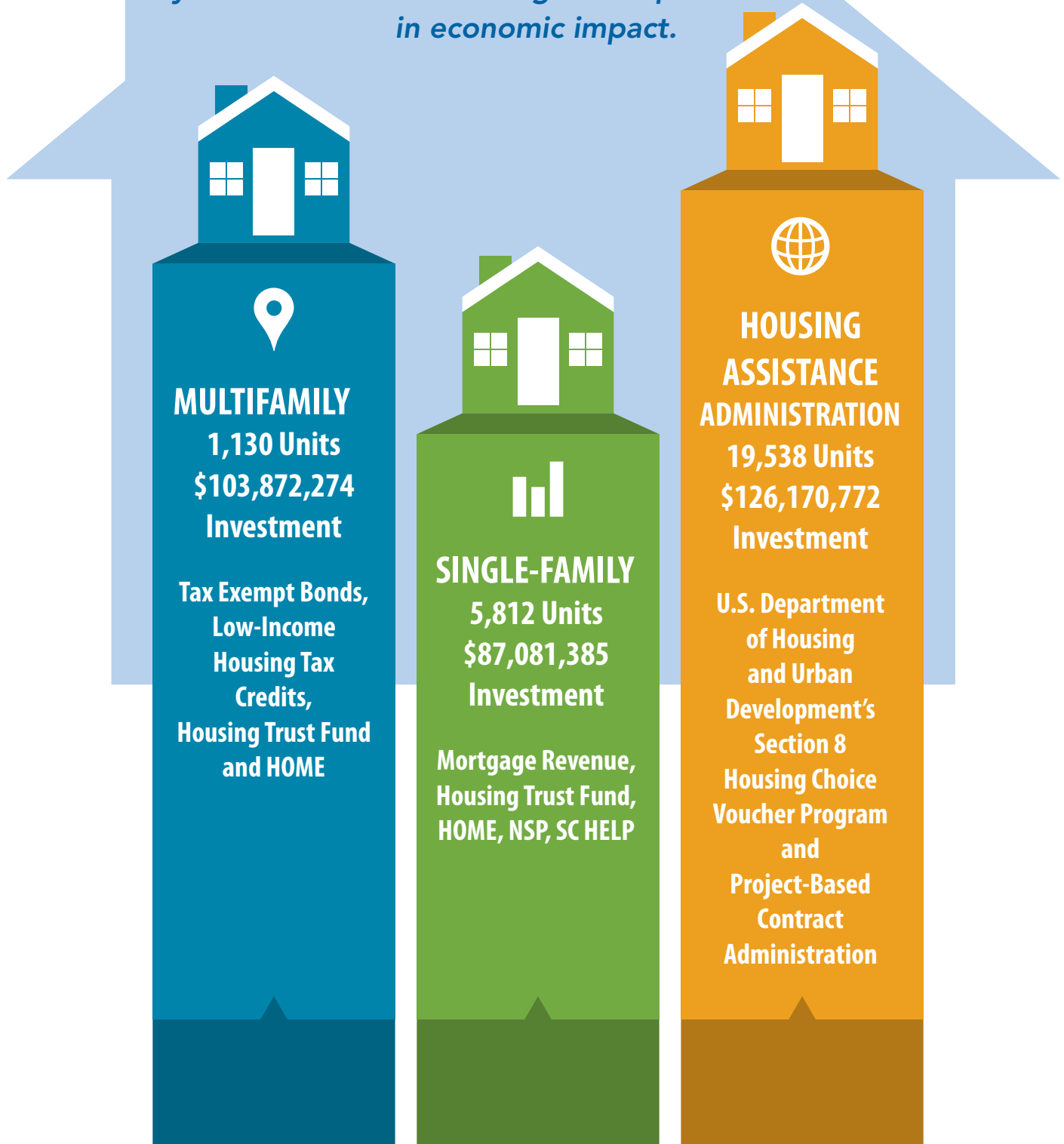
It is important to recognize that the various program investments in specific regions (i.e., counties or congressional districts) will generate positive economic output not only for those specific regions, but also for other areas of South Carolina. This is because part of the economic output generated "spills over" into neighboring regions through many rounds of business and consumer spending activity. Regardless of where a specific program is implemented, part of the economic output it generates will ultimately affect areas of the state outside of that region. As such, all estimates reflect the total economic output that is generated for South Carolina as a whole by the specific programs within their specific regions.



*The RISE program gave me skills and confidence. It is fun cooking in the kitchen. I'm looking for a job so I can move beyond homelessness.*

# \$506 MILLION IN TOTAL ECONOMIC OUTPUT

Every \$100 invested in housing development results in \$160 in economic impact.



[SCHousing.com](http://SCHousing.com)



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