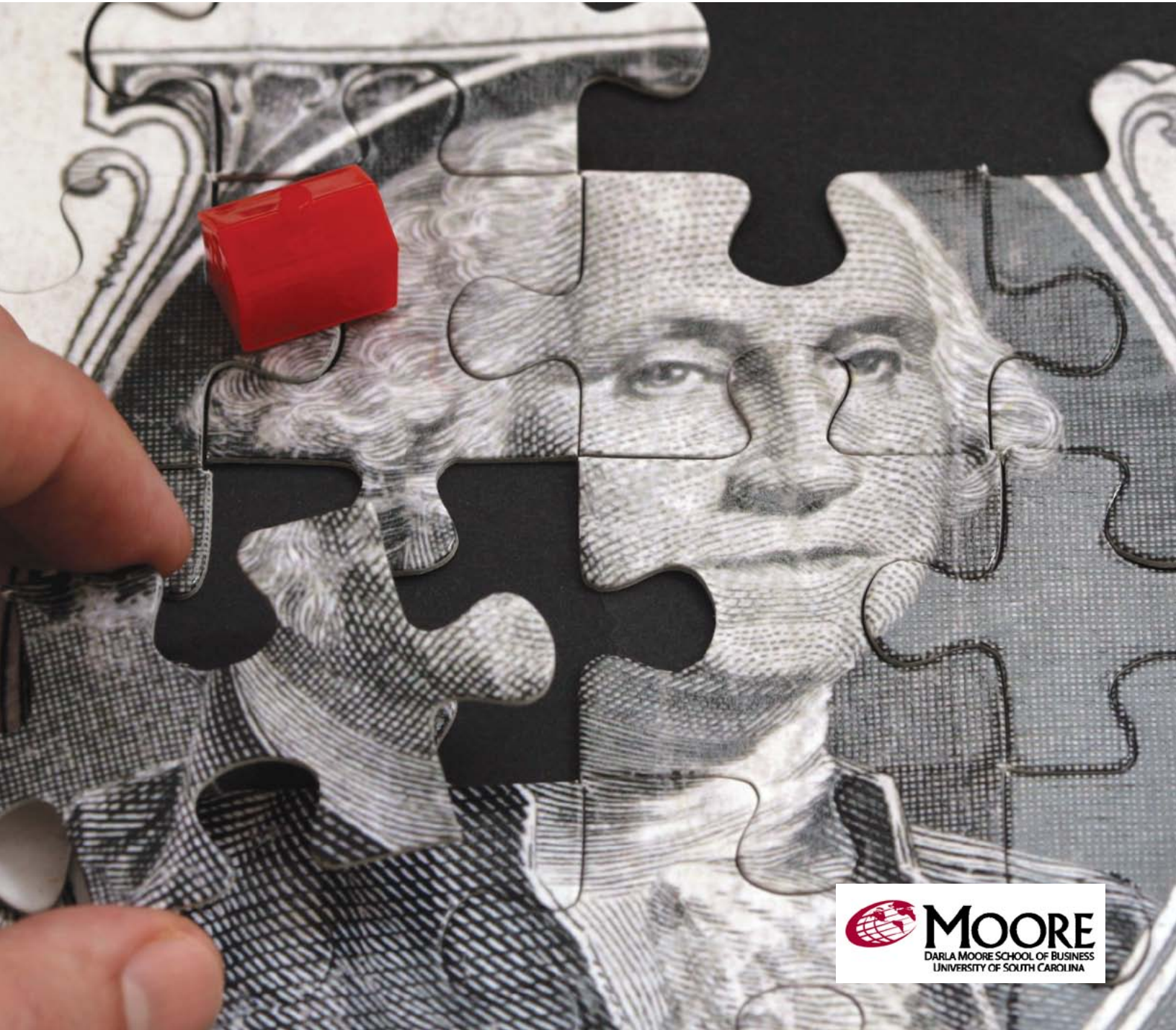




2016

STATEWIDE IMPACT REPORT



2016 STATEWIDE IMPACT REPORT



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A Message from The Executive Director 45 years of Housing South Carolina

SC Housing directly invested more than \$402.4 million in South Carolina, which resulted in the total economic impact figure of more than \$693 million.



In his inaugural address on January 19, 1971, then Governor John C. West pledged that, "We can and we shall in the next four years initiate new and innovative programs which will, in our time, provide adequate housing for all citizens of our state." With this vision, the South Carolina State Housing Finance and Development Authority (SC Housing) was founded.

For 45 years, SC Housing has been helping South Carolinians obtain quality, safe and affordable housing. Using no state tax revenues, SC Housing instead uses its proven financial strength to sell securities to investors to make mortgage loans to home buyers to get their piece of the American Dream. SC Housing administers a number of federal and state programs providing housing opportunities where they are needed most.

From rental assistance to homeownership to foreclosure prevention, our programs make the quality of life better for tens of thousands of South Carolinians.

And we have no intention of slowing down. In fact, our mission continues to grow to meet the changing needs of our citizens and a changing economic landscape. In both 2015 and 2016, as SC Housing was called on to help our state recover from historic flooding, we once again showed that versatility and innovation continues to be hallmarks of our agency.

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.

Through a partnership with the Division of Research at the University of South Carolina's Moore School of Business we are able to review and validate our data. For Fiscal Year 2016, this analysis shows SC Housing directly invested more than \$402.4 million in South Carolina, which resulted in the total economic impact figure of more than \$693 million. Every \$100 in direct spending from our affordable housing initiatives resulted in an overall total economic impact of \$172 on South Carolina's economy.

But "housing" is more than a structure, and our impact is measured in more than dollars. Our investments helped more than 26,000 families realize quality, affordable housing; resulted in a workforce impact of 4,719 jobs as well as \$46.4 million in state and local tax revenue, making 2016 another strong and productive year for our agency.

Unfortunately, there were many more households who do not yet have a safe, affordable home. Our collective efforts will continue to be as strong as ever as we strive to exceed the vision on which we were founded.

Sincerely,

Valarie M. Williams

Valarie M. Williams



BOARD of Commissioners



Donald R. Tomlin, Jr.
Chairman
Columbia



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



Bradley Allen
Columbia



Charles E. Gardner
Greenville



David "Chris" Goodall
Columbia



Kenneth E. Ormand, Jr.
Columbia



Sue-Ann Gerald Shannon
Columbia



Mary L. Sieck
Lake Wylie

Overview

Left: Executive Director, Valarie M. Williams, with a resident of Highland Pointe Apartments, Lake City; a Housing Tax Credit community.



Our mission is to create quality affordable housing opportunities for the citizens of South Carolina.

For 44 years, SC Housing has been helping families, older adults, persons with disabilities and others who are frequently underserved secure quality, safe and affordable housing. We take pride in knowing that we have 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.



Dupont Landing - Aiken - Housing Tax Credit



Veteran's Fair - Columbia

Program Areas

Single-Family Programs

Single-family activities include mortgages issued through the Homebuyer Program (Mortgage Bond Program), along with funding through the HOME Investment Partnerships Program (HOME); The SC Mortgage Tax Credit Program (MCC); rehabilitation and emergency repair funding offered through the SC Housing Trust Fund (SC HTF) Program and the National Housing Trust Fund (NHTF); blighted and abandoned property removal through the Neighborhood Initiative Program (NIP); and foreclosure mitigation assistance through the South Carolina Homeownership and Employment Lending Program (SC HELP).

Multifamily Programs

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

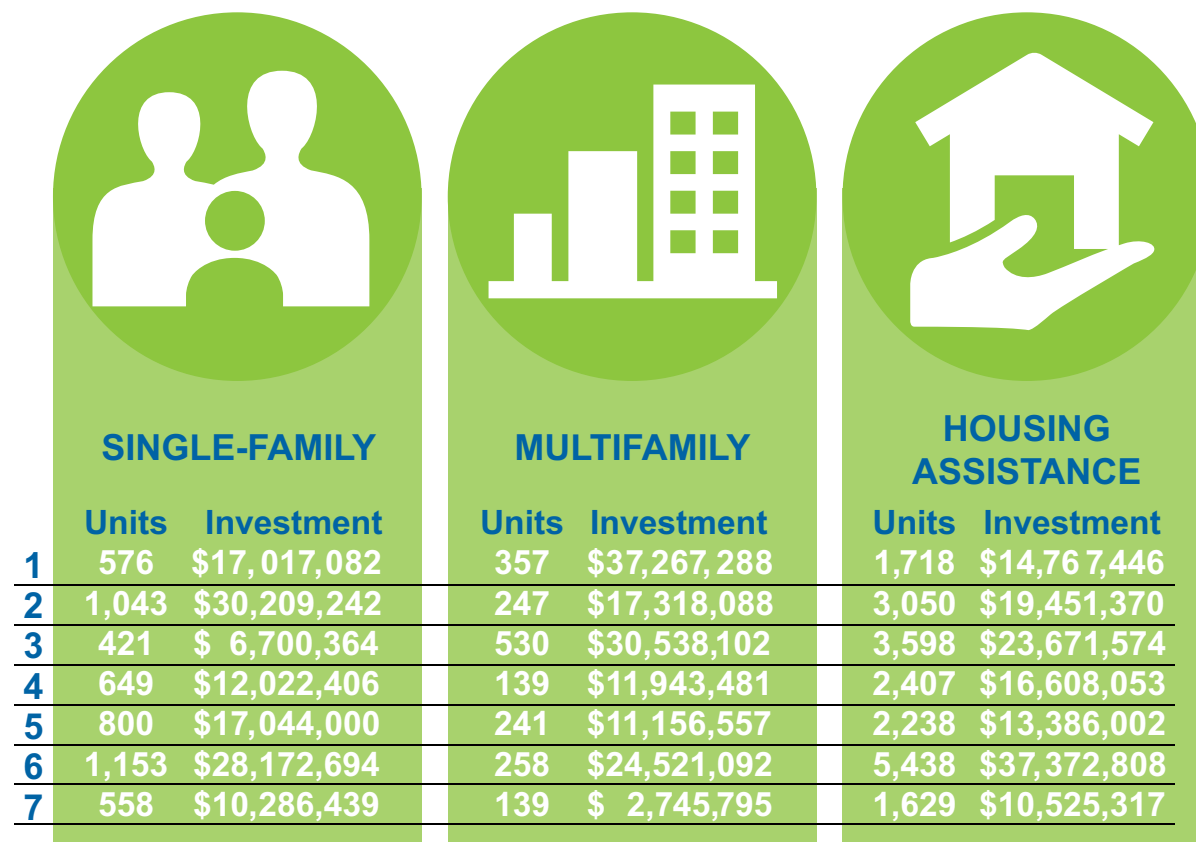
Housing Assistance

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

Total Economic Investment

The chart below represents the value of the total investments that SC Housing has made into South Carolina's economy including 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.

FY16 UNITS AND INVESTMENT BY CONGRESSIONAL DISTRICT



Program Descriptions

SC Housing is comprised of ten core program areas and multiple internal departments.

Single-Family/Homeownership

HOMEBUYER PROGRAM

The Homebuyer Program provides funding for mortgage loans to qualified families and individuals through the sale of bonds to investors. SC Housing loans offer fixed FHA and conventional financing with competitive interest rates and down payment assistance (DPA).

SC Housing has some flexibility to adjust these interest rates as the market dictates and ensure the financial integrity of the program, while putting homeownership within the reach of more South Carolinians. Homebuyers purchasing homes under the program must meet credit standards, as well as income and purchase price restrictions, which vary by county.

SC MORTGAGE TAX CREDIT PROGRAM

The SC Mortgage Tax Credit Program, also known as a Mortgage Credit Certificate allows a homebuyer to take a federal income tax credit for a portion of the annual interest they pay on their mortgage loan. It can save a borrower up to \$2,000 each year they occupy the home and can be taken each year for the life of the loan, as long as it is their primary residence.

SOUTH CAROLINA HOMEOWNERSHIP AND EMPLOYMENT LENDING PROGRAM

The South Carolina Homeownership and Employment Lending Program was launched in early 2011 as part of the U.S. Department of the Treasury's Hardest Hit Fund (HHF).

SC HELP is available statewide and provides assistance to eligible homeowners who are facing the possibility of serious delinquency or foreclosure on their primary mortgage due to a hardship beyond their control. Eligible hardships include: unemployment, under-employment, self-employment with a reduction in income, loss of income due to illness or injury and/or divorce or death of a spouse.

SC HELP can assist eligible homeowners with their primary mortgage by paying past-due amounts and/or making monthly payments on the homeowner's behalf. Assistance is also available to assist families transitioning from homeownership to other living arrangements under certain circumstances. All assistance under SC HELP is subject to homeowner eligibility, maximum assistance and funding limits, and other restrictions.

Single-Family/Multifamily Rental

HOME INVESTMENT PARTNERSHIPS PROGRAM

HOME Investment Partnerships Program is designed as a partnership program with the Department of Housing and Urban Development (HUD), state and local governments, and those in the nonprofit and for-profit sectors who build, own, manage, finance and support low-income housing initiatives. Funding is awarded each program year for rental housing developments that benefit households at 50 to 60 percent or below the county median income. HOME funding is also used as down payment assistance for the Homebuyer Program.

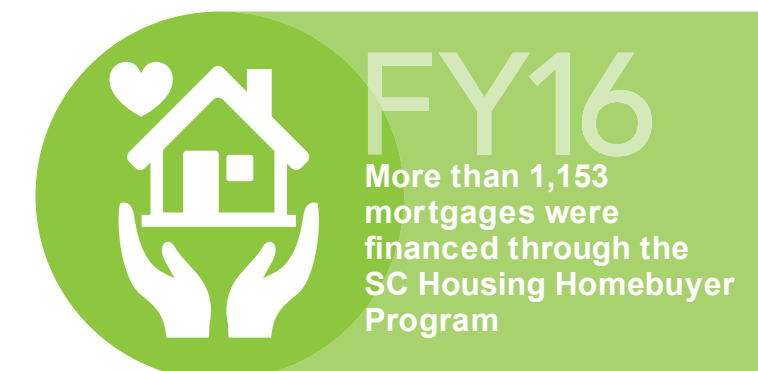
SC Housing is responsible for the implementation and administration of HOME for the state of South Carolina in accordance with federal regulations.

NATIONAL HOUSING TRUST FUND

The National Housing Trust Fund is a new affordable housing production program that complements existing federal, state and local efforts to increase and preserve the supply of decent, safe and sanitary housing for extremely low- and very low-income households. It is a formula-based grant program funded through HUD. The Governor has designated SC Housing as the grantee to administer the South Carolina program. According to program requirements, each grantee must use at least 80 percent of NHTF funding for rental housing and up to 10 percent for homeownership.

SOUTH CAROLINA HOUSING TRUST FUND

The South Carolina Housing Trust Fund Program was created by the General Assembly in 1992. This program is funded with dollars collected from a dedicated portion of the deed stamp tax and provides funding for affordable rental housing opportunities for low-income South Carolinians. Eligible activities include the rehabilitation and repair of single-family homes, as well as, development of group homes for individuals who are disabled and emergency shelters. All of this is accomplished by building partnerships among government agencies, qualified nonprofit sponsors and those in need of affordable housing.



Multifamily Rental

HOUSING TAX CREDIT PROGRAM

The Housing Tax Credit Program provides a tax incentive to develop multifamily rental housing. Allocations of credits are used to leverage public, private and other funds in order to keep rents affordable. Developments that may qualify for credits include new construction, acquisition with rehabilitation and adaptive re-use. Owners can take the credit for up to ten years if the rental property remains in compliance with occupancy and rent restrictions for 30 years. These credits can be used as a dollar-for-dollar reduction in federal income tax liability.

MULTIFAMILY TAX EXEMPT BOND PROGRAM

The Multifamily Tax Exempt Bond Program provides a mechanism for obtaining permanent low interest financing from the sale of tax exempt bonds. This financing is used for construction and/or acquisition and rehabilitation of 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. The use of tax exempt bonds allows the allocation of 4 percent tax credits to the property. Compliance with the Housing Tax Credit Program Qualified Allocation Plan (QAP) and Manual are required for the credits to be allocated.

Families may choose any housing that meets program requirements. The program is limited, and families must apply to be placed on a waiting list; when open. A housing subsidy is paid directly to the landlord on behalf of the family, and the family then pays any difference between the actual rent charged and the amount subsidized.

PROJECT-BASED CONTRACT ADMINISTRATION PROGRAM

The Project-Based Contract Administration Program is responsible for the administration of most of HUD's rental housing portfolio in South Carolina. Contract Administrators work on behalf of HUD with owners and management agents who provide HUD-subsidized apartments in privately-owned complexes. Administration of the program includes: reviewing and approving monthly assistance payments, conducting periodic management and occupancy reviews, responding to tenant complaints, processing actions related to subsidy contracts and reporting and tracking processes required under the contract between SC Housing and HUD.



Housing Assistance

HOUSING CHOICE VOUCHER PROGRAM

The Housing Choice Voucher Program is a federal government program for assisting families who have very low-incomes, the elderly and individuals who are disabled with access to decent, safe and sanitary housing in the private market. SC Housing administers the program in seven counties (Clarendon, Colleton, Dorchester, Fairfield, Kershaw, Lee and Lexington) through a contract with HUD.



SC Housing is self-sustaining and operates at no cost to the taxpayers of South Carolina.



All Congressional Districts

Total Economic Output
\$693,014,272

Total Investments
\$402,491,872

Total Single-Family Units
5,200

Total Multifamily Units
1,911

Total Housing Assistance Units
20,078

Total Jobs Created
4,719

Total Tax Revenue Generated
\$46,373,590



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

congressional district 1

Lake Pointe Apartments

*Summerville, SC
Housing Tax Credit*

TOTAL ECONOMIC OUTPUT

\$124,305,568

TOTAL INVESTMENT

\$69,051,816

TOTAL SINGLE-FAMILY UNITS

576

TOTAL MULTIFAMILY UNITS

357

TOTAL HOUSING ASSISTANCE UNITS

1,718

TOTAL JOBS CREATED

849

TOTAL TAX REVENUE GENERATED

\$8,206,690

**Denotes partial county*





Longleaf Senior Village

Aiken, SC
Housing Tax Credit

TOTAL ECONOMIC OUTPUT	\$124,098,008
TOTAL INVESTMENT	\$70,885,368
TOTAL SINGLE-FAMILY UNITS	1,043
TOTAL MULTIFAMILY UNITS	247
TOTAL HOUSING ASSISTANCE UNITS	3,050
TOTAL JOBS CREATED	836
TOTAL TAX REVENUE GENERATED	\$8,118,685

*Denotes partial county

congressional district 2
AIKEN, BARNWELL, LEXINGTON,
ORANGEBURG* AND RICHLAND* COUNTIES

Country Manor Apartments

Edgefield, SC
Housing Tax Credit

TOTAL ECONOMIC OUTPUT

\$102,952,272

TOTAL INVESTMENT

\$60,910,040

TOTAL SINGLE-FAMILY UNITS

421

TOTAL MULTIFAMILY UNITS

530

TOTAL HOUSING ASSISTANCE UNITS

3,598

TOTAL JOBS CREATED

715

TOTAL TAX REVENUE GENERATED

\$6,918,871

**Denotes partial county*



congressional district 3

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





Landwood Ridge Apartments

Greenville, SC
Housing Tax Credit

TOTAL ECONOMIC OUTPUT	\$68,312,112
TOTAL INVESTMENT	\$40,573,940
TOTAL SINGLE-FAMILY UNITS	649
TOTAL MULTIFAMILY UNITS	139
TOTAL HOUSING ASSISTANCE UNITS	2,407
TOTAL JOBS CREATED	464
TOTAL TAX REVENUE GENERATED	\$4,764,864

**Denotes partial county*



congressional district 4

GREENVILLE* AND SPARTANBURG*
COUNTIES



congressional district 5

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



Pebblebrook Apartments

*Newberry, SC
Housing Tax Credit*

TOTAL ECONOMIC OUTPUT	\$71,856,648
TOTAL INVESTMENT	\$41,586,560
TOTAL SINGLE-FAMILY UNITS	800
TOTAL MULTIFAMILY UNITS	241
TOTAL HOUSING ASSISTANCE UNITS	2,238
TOTAL JOBS CREATED	482
TOTAL TAX REVENUE GENERATED	\$4,988,443

**Denotes partial county*

Hillcrest Apartments

Walterboro, SC
Housing Tax Credit

TOTAL ECONOMIC OUTPUT
\$162,449,728
TOTAL INVESTMENT
\$95,926,600
TOTAL SINGLE-FAMILY UNITS
1,153
TOTAL MULTIFAMILY UNITS
258
TOTAL HOUSING ASSISTANCE UNITS
5,438
TOTAL JOBS CREATED
1,113
TOTAL TAX REVENUE GENERATED
\$10,575,329

**Denotes partial county*

congressional district 6

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





Indigo Pointe Apartments

Florence, SC (now 100% complete and fully occupied)

TOTAL ECONOMIC OUTPUT

\$39,039,940

TOTAL INVESTMENT

\$23,557,552

TOTAL SINGLE-FAMILY UNITS

558

TOTAL MULTIFAMILY UNITS

139

TOTAL HOUSING ASSISTANCE UNITS

1,629

TOTAL JOBS CREATED

261

TOTAL TAX REVENUE GENERATED

\$2,800,708

**Denotes partial county*

congressional district 7

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



Business Results by Program Area

Homebuyer Program

During Fiscal Year 2016, SC Housing purchased 1,153 mortgages (577 first mortgages and 576 second mortgages) totaling nearly \$71.5 million. While housing markets nationally continued to show steady improvement, Fiscal Year 2016 shows considerable improvement in SC Housing Homebuyer activity over the previous two Fiscal Years.

SC Housing currently services a portfolio of 9,685 first and second mortgages. In Fiscal Year 2016, the average loan amount was \$110,062 and the average household income of borrowers was \$42,621.

South Carolina Housing Trust Fund

South Carolina Housing Trust Fund awards were made throughout the state with a total of 584 awards for more than \$10.8 million in Fiscal Year 2016. This produced units to assist 806 families. Fiscal year 2016 saw a slight increase in awards made over the two previous Fiscal Years (529 in Fiscal Year 2014 and 570 in Fiscal Year 2015). 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.

HOME Investment Partnerships Program

During this period HOME made 16 awards, producing 104 units for a total of \$6,284,038. Eight awards went to tax credit properties and eight to the HOME rental housing. These awards were 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

In Fiscal Year 2016 the Housing Tax Credit program allocated \$10.9 million to 20 housing developments which will produce 884 units. This marks a slight downturn from 2015 which saw \$11.3 million awarded to 21 developments. Investor demand for credits continues to be strong and remains a much needed funding source for affordable housing.

Multifamily Tax Exempt Bond Program

Two Multifamily Tax Exempt Bond transactions closed in Fiscal Year 2016. Spartanburg 7 in November, 2016 for \$16,000,000 and West Village in April 2016 for \$10,600,000. Alternate financing options, including historically low interest rates, have decreased the attractiveness of multifamily tax exempt bond financing structures.

Neighborhood Stabilization Program (NSP)

In 2008 SC Housing introduced the South Carolina Neighborhood Stabilization Program to administer \$44 million of HUD funding targeted toward the mitigation of blight caused by foreclosed and abandoned property. NSP 1 has funded 738 projects. In Fiscal Year 2011, HUD allocated an additional \$5 million of NSP funds to SC Housing through the third round of funding (NSP3). NSP 3 has funded 84 projects. 100 percent of NSP funding has been committed.

Contract Administration and Housing Choice Voucher Programs

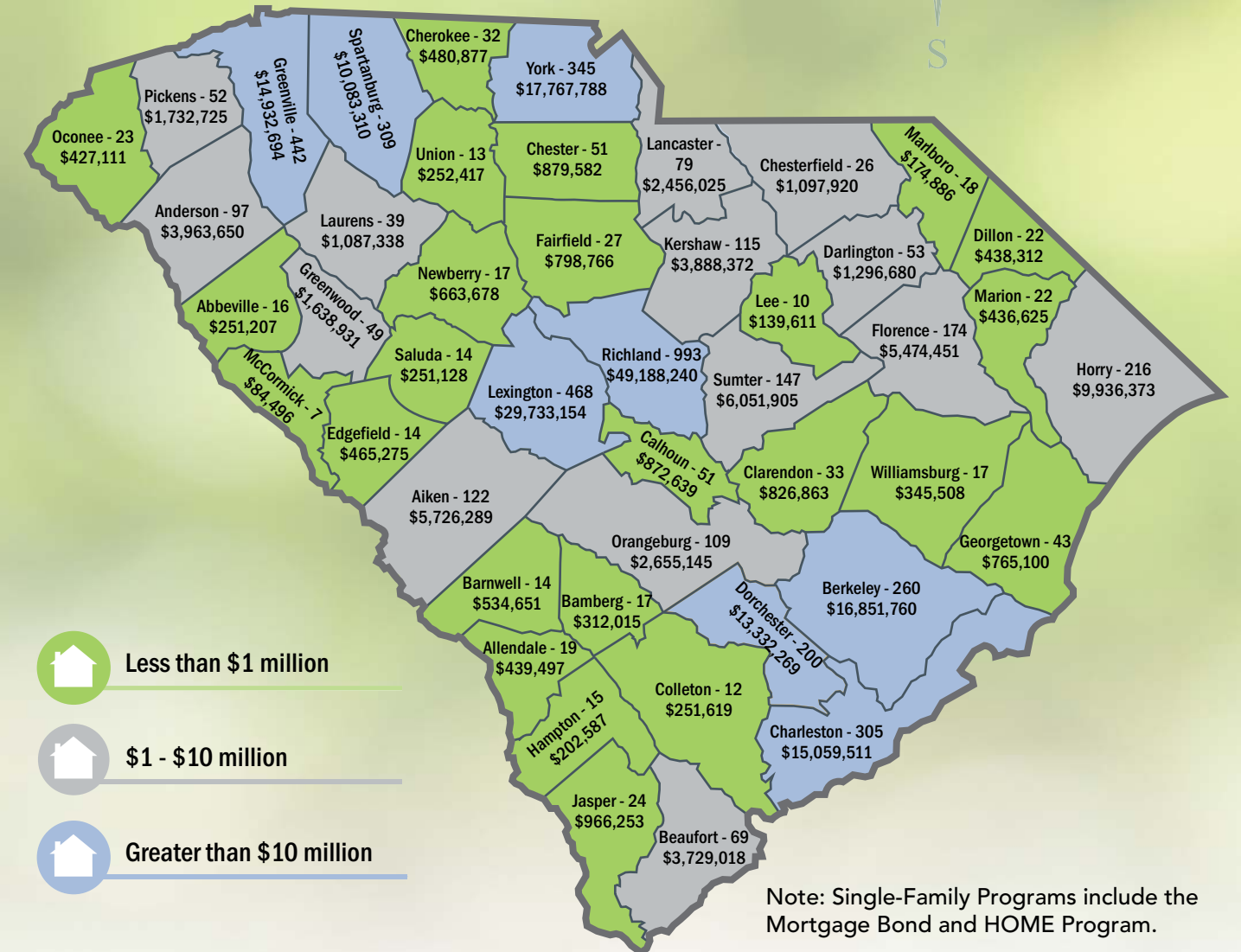
Approximately 20,000 families received housing assistance through SC Housing's management of the Contract Administration and Housing Choice Voucher Programs. Tenants pay approximately 30 percent of their income toward rent and utilities, and the remainder is subsidized. During Fiscal Year 2016, this subsidy amounted to over \$135 million. The level of rental assistance activity has remained at a fairly consistent level for the past several years. Specifically, Contract Administration assisted 17,902 families totaling \$124,527,011 in subsidy payments. The Housing Choice Voucher Program assisted an average of 1942 families, totaling \$11,089,586 in its seven county jurisdictions.

South Carolina Homeownership and Employment Lending Program (SC HELP)

In Fiscal Year 2016, SC HELP committed more than \$31.2 million to assist more than 1,511 additional South Carolina homeowners. Refinements to this program are ongoing, as are increased outreach efforts to reach more homeowners including those facing hardship from the 2015 floods.

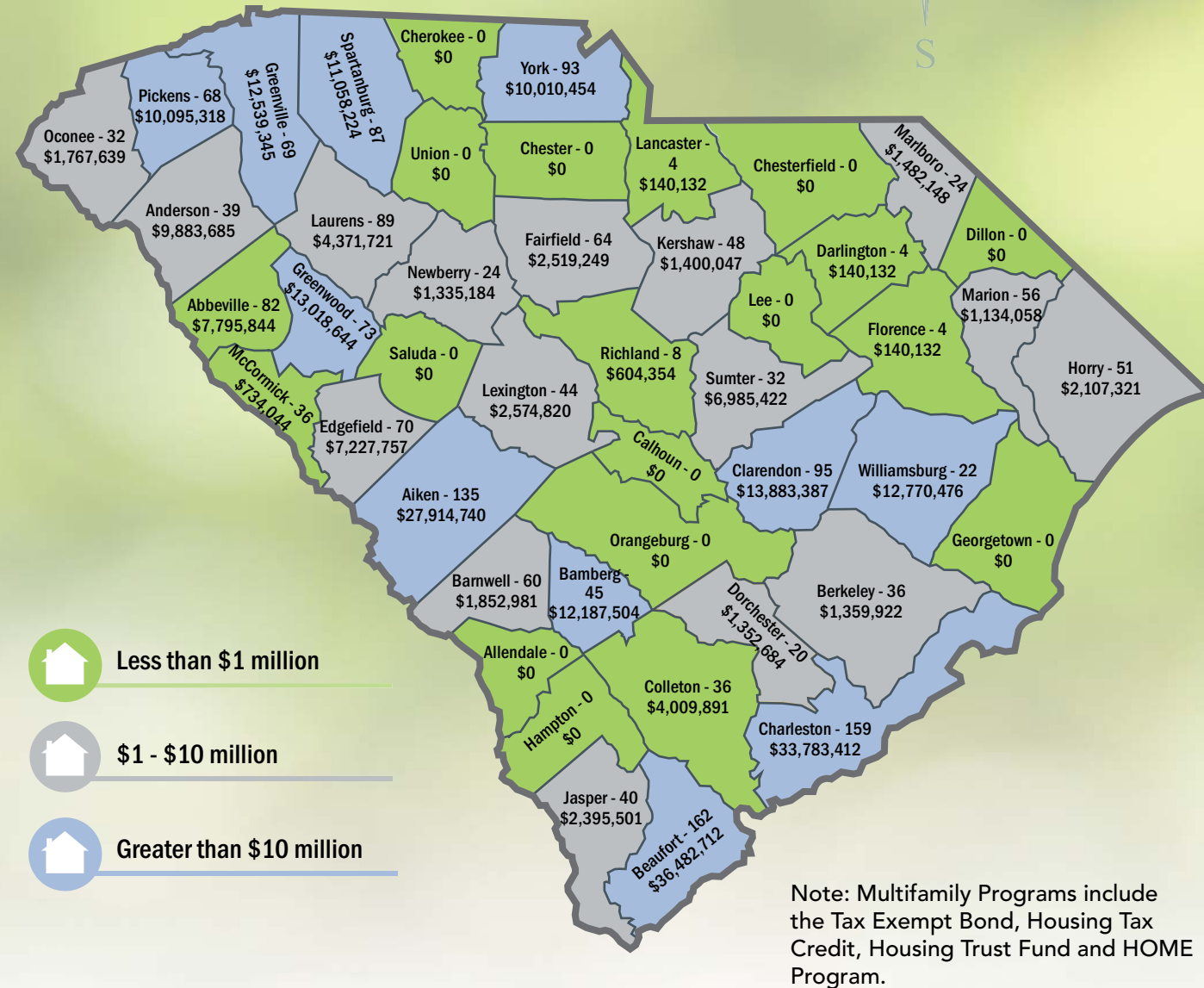
single-family programs by county

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



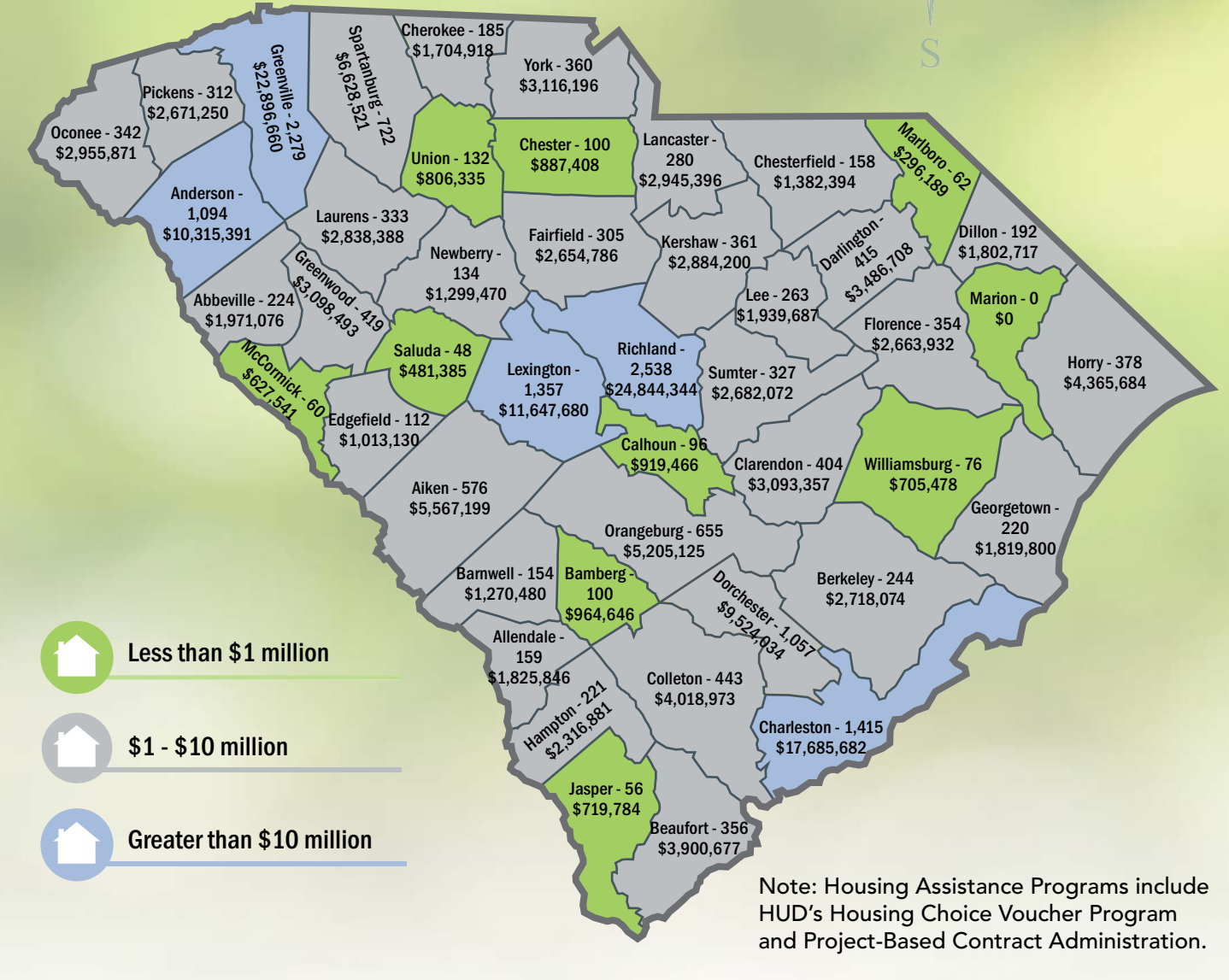
multifamily programs by county

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



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 economic output of those developments on the community.



Legislative 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 protect, strengthen, and expand the production potential of the tax-exempt private activity Housing Bond program (and its Mortgage Credit Certificate option) and the Low Income Housing Tax Credit, including through an increase in state Housing Credit authority.
- 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 responds 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 (FHFA) and the government-sponsored enterprises (GSEs) to strengthen and expand HFA-GSE partnerships.
- Protect and restore HOME funding, while working to increase program flexibility, improve efficiency, and eliminate needless bureaucracy.
- Section 8 funding adequate to renew all authorized vouchers; provide for new ones; compensate PHAs fairly for their administrative costs; and honor and, if expiring, extend existing project-based assistance commitments.
- To aggressively represent the interests of HFAs in HUD's Performance-Based Contract Administration (PBCA) program and to ensure that HUD and Congress recognize HFAs' proven capacity and track record to serve as PBCAs.
- 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.

- Dedicated and sustainable funding for the state-administered National Housing Trust Fund, with maximum flexibility for state 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, so as not to dilute resources needed for the production of new affordable housing.
- 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.
- To eliminate the face-to-face meeting requirement HUD currently imposes on FHA loan servicers.
- To secure authority for Ginnie Mae to securitize multifamily FHA-HFA risk-sharing loans.
- To advance HFA interests in federal agency implementation of the Dodd-Frank financial reform legislation, including its Qualified Mortgage, Qualified Residential Mortgage, and ability-to-repay regulations. NCSHA should also seek opportunities to minimize the administrative burden on HFAs of these and other federal single-family lending rules and regulations.
- To facilitate more efficient coordination of USDA rural housing programs with the Housing Credit and other HFA-administered programs and ensure that USDA does not administratively remove existing Section 521 Rental Assistance units from the program or cancel Section 521 Rental Assistance contracts from assisted properties that USDA removes from the program.
- To protect the SC Housing Trust Fund and monitor statewide legislation which would reduce its allocation from the documentary deed stamp tax.
- To monitor statewide legislation that would establish new parameters for LIHTC QAP.



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 2016 (July 1, 2015 – June 30, 2016). 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.

Beginning in Fiscal Year 2015 and continuing here, the impact of the agency's investment (i.e., purchasing and payroll dollars) has been incorporated into the calculation of the statewide impact estimates. Though not published as a separate item, these data are integrated into the total impact and employment figures. Thus, the total estimates reported for the state of South Carolina will exceed the sum of the estimates listed at the county and congressional district levels.

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.

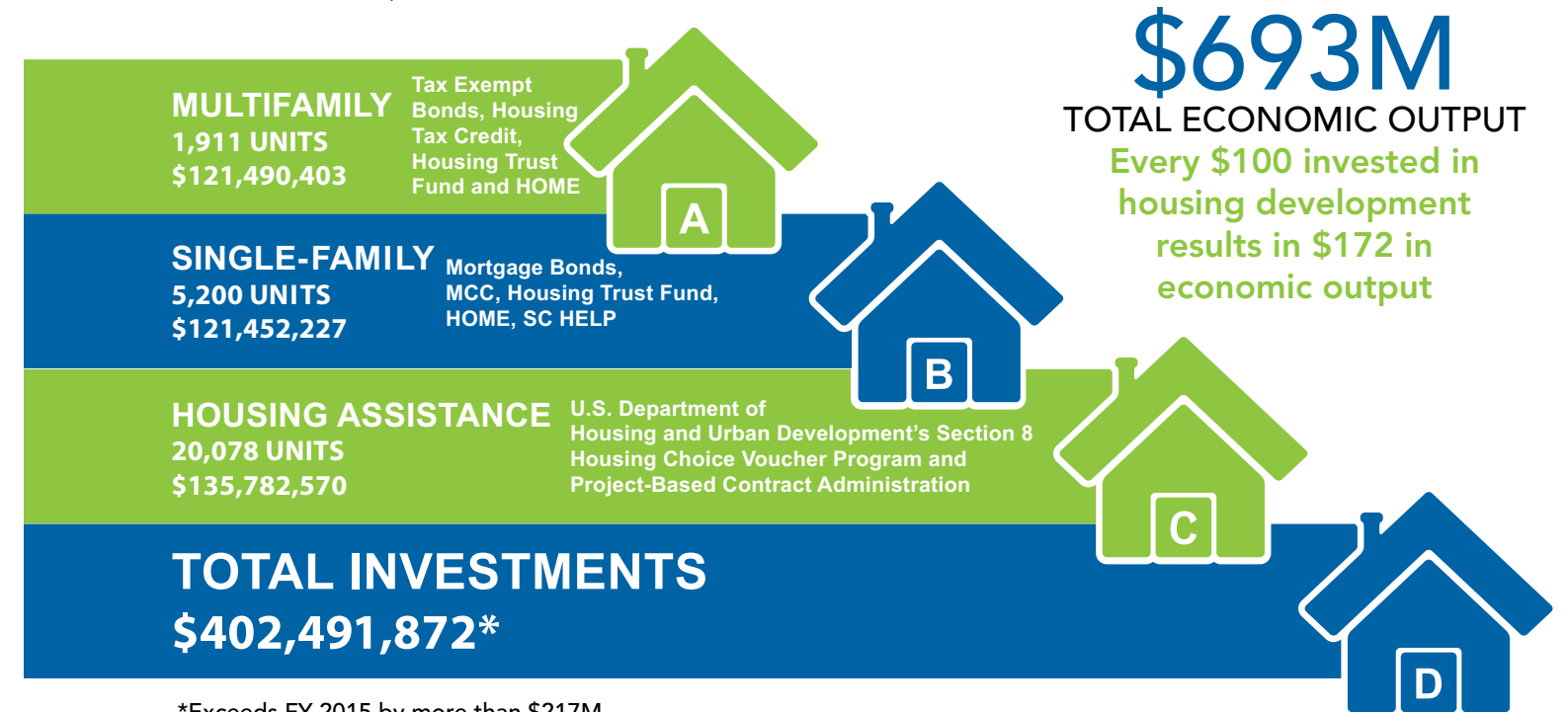
Employment

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.



*Exceeds FY 2015 by more than \$217M.

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 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

All estimates reflect the total economic output that is generated for South Carolina as a whole by the specific programs within their specific regions.

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.



Serving Our Citizens

Our office is located in Columbia, SC; however, we service the entire state.

Find us on Facebook: /SCStateHousing
Follow us on Twitter: @SCStateHousing



Parkside at Verdae - Greenville
Housing Tax Credit



Every \$100 in direct spending from our affordable housing initiatives resulted in an overall total economic impact of \$172 on South Carolina's economy.

SCHousing.com

SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY
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