



Lowcountry Affordable Housing Symposium

November 13, 2023

Port Royal Sound Foundation Maritime Center

Thank You to our Sponsors!



HILTON HEAD ISLAND-BLUFFTON
CHAMBER OF COMMERCE





Senator Tom Davis, District 46

**Statewide Policy:
Workforce Affordable Housing Policy Landscape**



Affordable Housing in South Carolina



SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY

The Basics

- The SC State Housing Finance and Development Authority(SC Housing) is a state agency founded in 1971 to serve housing needs of low- and moderate-income state.
- Funding base includes fees and revenue earned through administration of agency programs.
- Our mission is to create quality affordable housing opportunities for the citizens of South Carolina.



SC Housing Overview

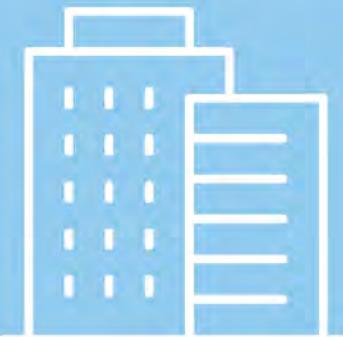
To do this, SC Housing administers programs that fall broadly within three divisions:

HOMEOWNERSHIP



We provide capital to private lenders for low-cost home loans that include down payment assistance that largely serve first-time homebuyers.

DEVELOPMENT



We finance construction and preservation of rent-restricted housing, primarily through the Low-Income Housing Tax Credit (LIHTC) and tax-exempt bonds.

RENTAL ASSISTANCE & COMPLIANCE

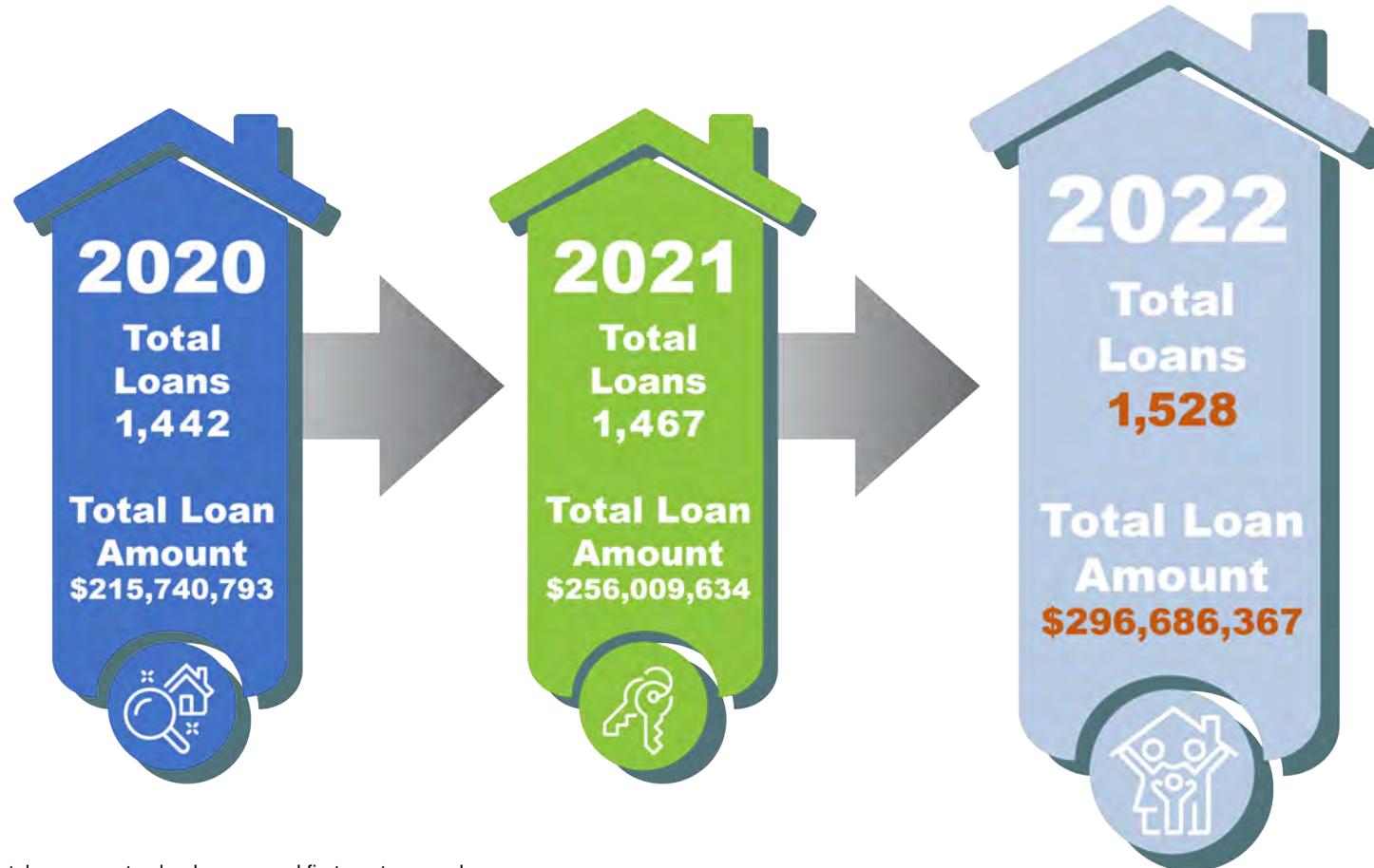


We administer HUD affordable housing programs and ensure viability of properties we've financed



Single Family Programs

Single-Family Mortgage Investment



Note: Totals represent calendar year end first mortgage only

Lack of Affordable Homes

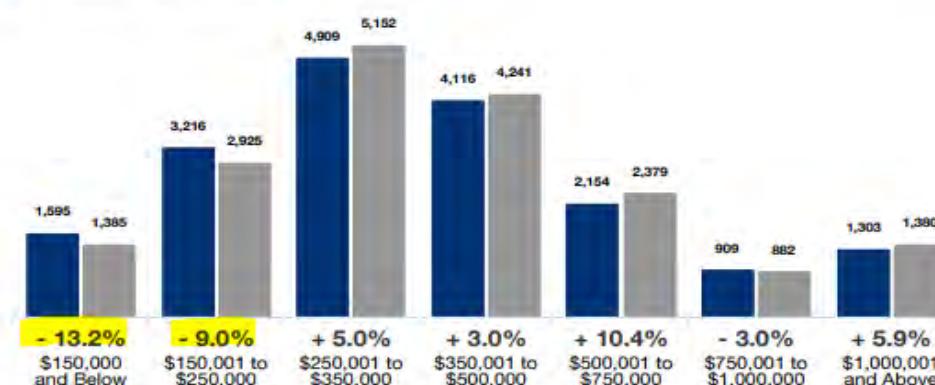
Inventory of Homes for Sale

The number of properties available for sale in active status at the end of the most recent month. **Based on one month of activity.**



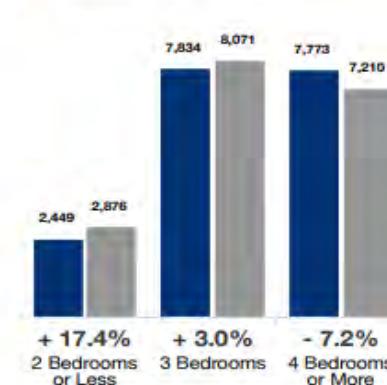
By Price Range

■ 8-2022 ■ 8-2023



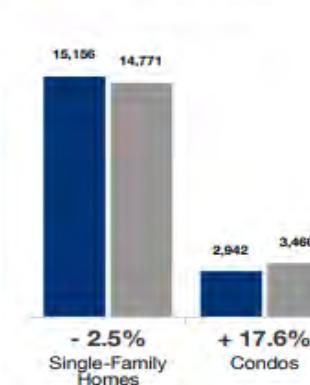
By Bedroom Count

■ 8-2022 ■ 8-2023



By Property Type

■ 8-2022 ■ 8-2023



All Properties

By Price Range	8-2022	8-2023	Change
\$150,000 and Below	1,595	1,385	-13.2%
\$150,001 to \$250,000	3,216	2,925	-9.0%
\$250,001 to \$350,000	4,909	5,152	+5.0%
\$350,001 to \$500,000	4,116	4,241	+3.0%
\$500,001 to \$750,000	2,154	2,379	+10.4%
\$750,001 to \$1,000,000	909	882	-3.0%
\$1,000,001 and Above	1,303	1,380	+5.9%
All Price Ranges	18,203	18,345	+0.8%

By Bedroom Count	8-2022	8-2023	Change
2 Bedrooms or Less	2,449	2,876	+17.4%
3 Bedrooms	7,834	8,071	+3.0%
4 Bedrooms or More	7,773	7,210	-7.2%

All Bedroom Counts	8-2022	8-2023	Change
	18,203	18,345	+0.8%

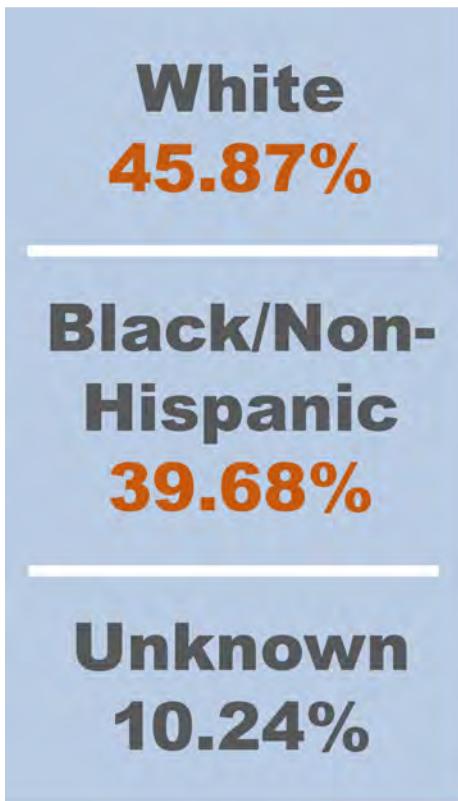
Single-Family Homes

8-2022	8-2023	Change	8-2022	8-2023	Change
1,229	1,020	-17.0%	296	285	-3.7%
2,232	1,911	-14.4%	979	1,007	+2.9%
4,162	4,126	-0.9%	736	1,016	+38.0%
3,633	3,659	+0.7%	478	577	+20.7%
1,929	2,024	+4.9%	222	350	+57.7%
801	775	-3.2%	103	106	+2.9%
1,169	1,255	+7.4%	128	119	-7.0%
15,156	14,771	-2.5%	2,942	3,460	+17.6%

Condos

8-2022	8-2023	Change	8-2022	8-2023	Change
956	1,104	+15.5%	1,416	1,688	+19.2%
6,680	6,637	-0.6%	1,139	1,414	+24.1%
7,520	7,030	-6.5%	240	170	-29.2%
15,156	14,771	-2.5%	2,942	3,460	+17.6%

Single-Family Beneficiary





Development Programs

Development

- 13 9% developments were awarded in 2022, which encompasses 726 units
- 2022 tax-exempt bond issuance for 918 rental homes that will receive 4% LIHTCs upon completion
- 2022 Small Rental Development Program awarded 2 projects that will create 28 new homes
- 2022 Emergency Repair Program served 268 households through grants of up to \$10,000 in repairs





Rental Assistance & Compliance Programs

Rental Assistance & Compliance

- 2022 – Compliance oversaw 36,473 rental homes in the state
- 2022 – 1,959 families and individuals were assisted with our Housing Choice Voucher program (covering Clarendon, Colleton, Dorchester, Fairfield, Kershaw, Lee, and Lexington)
- 2022- Conducted 174 Management and Occupancy Reviews of HUD-assisted properties
- 2022 – Disbursed \$148 million in rental assistance payments on behalf of HUD Considered a “High Performer” based on HUD’s ratings

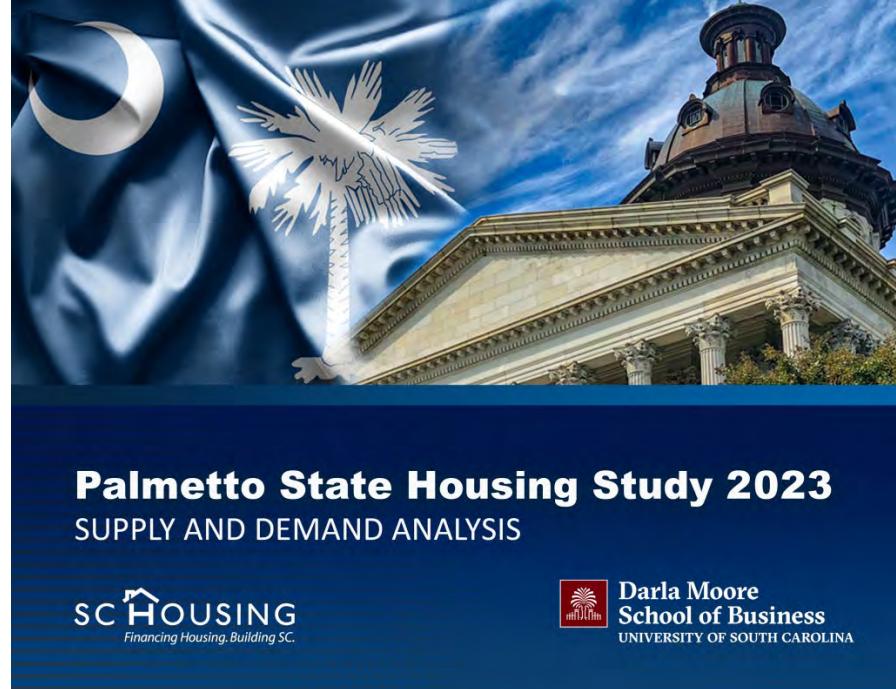




Housing Needs in South Carolina

Housing Needs

- Our newly revised Housing Needs Assessment has stark findings, even looking at data from before the pandemic:
 - More than **one in three** SC households that earn \$35,000-\$75,000 are cost burdened.
 - Approximately 50 percent of renting households and 25 percent of households with a mortgage are housing cost burdened in South Carolina
 - The number of homes sold for less than \$100,000 has decreased by 14.8% each year since 2014.
 - There are approximately **150,000 eviction filings annually**, or one for every four SC renter households.



[https://schousing.com/library/
marketing/Palmetto-State-Housing-Study-2023.pdf](https://schousing.com/library/marketing/Palmetto-State-Housing-Study-2023.pdf)



Thank you for your time

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803-896-8117/ Julie.Davis@schousing.com



Dr. Joseph Von Nessen

**The State of Housing in South Carolina: Understanding the
Region's Affordability Crisis: Palmetto Housing Study**

THE STATE OF HOUSING IN SOUTH CAROLINA

Joseph Von Nessen, Ph.D.

Research Economist

November 13, 2023

joey.vonnessen@moore.sc.edu



UNIVERSITY OF
South Carolina

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OVERVIEW

**(1) A LONG-RUN VIEW OF SUPPLY,
DEMAND, AND AFFORDABILITY**

**(2) THE ECONOMIC OUTLOOK FOR
HOUSING MARKETS IN 2024**

DRIVERS OF DEMAND

POPULATION GROWTH

Figure 1 – Cumulative Population Growth: 2010-2022

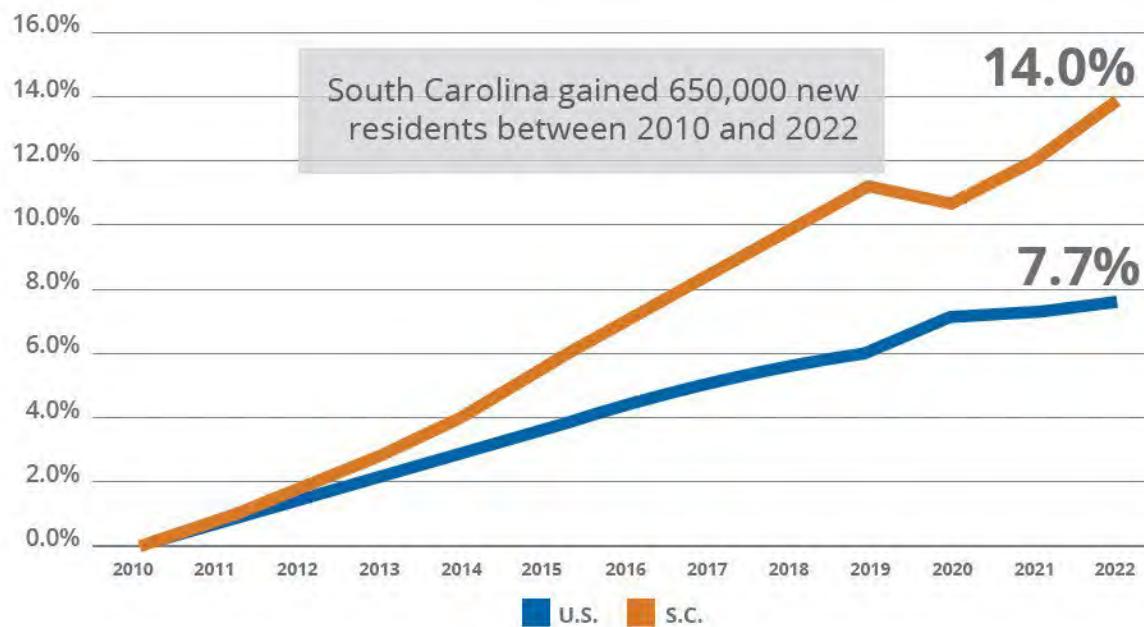
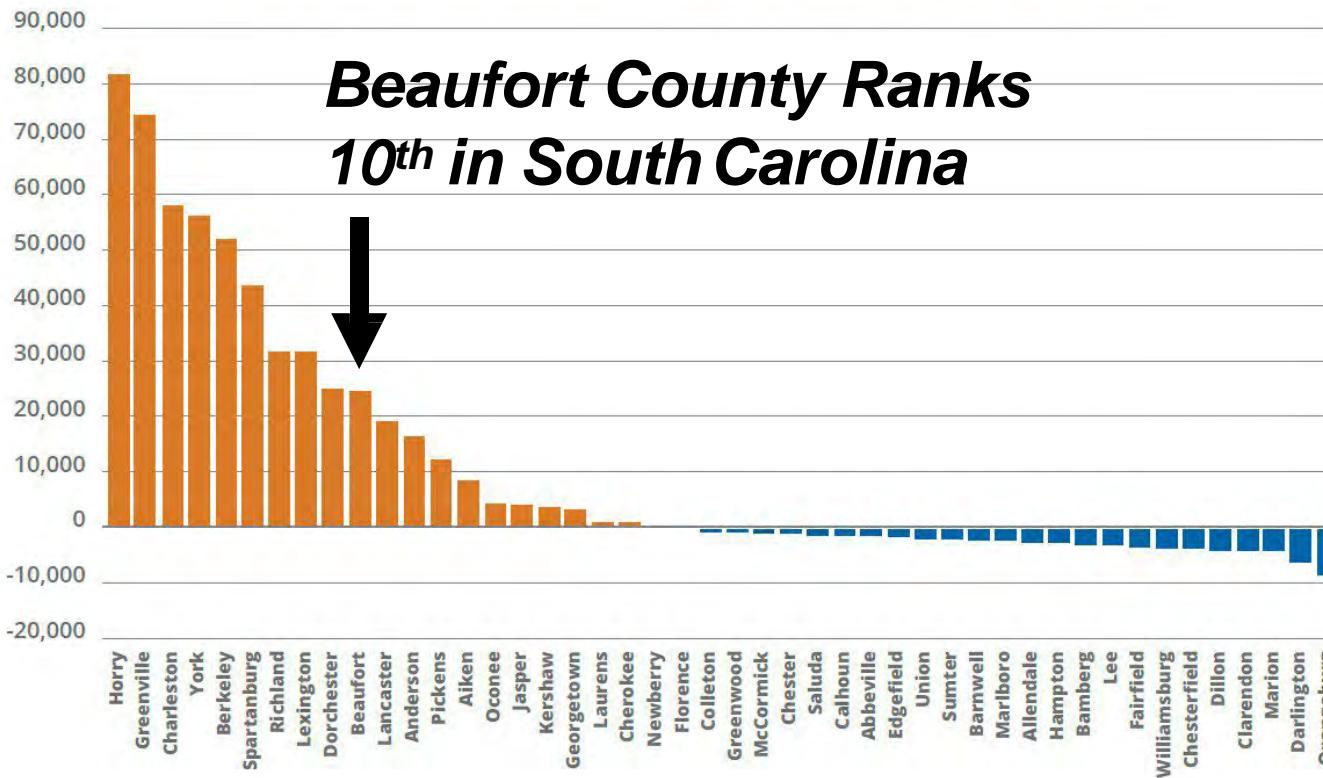


Table 1 – Total Number of Households

Year	United States	South Carolina
2010	114,567,419	1,761,393
2015	118,208,250	1,857,768
2021	127,544,730	2,049,972
<hr/>		
Total Change: 2010-2021	+12,977,311	+288,579
Pct. Change: 2010-2021	+11.3%	+16.4%

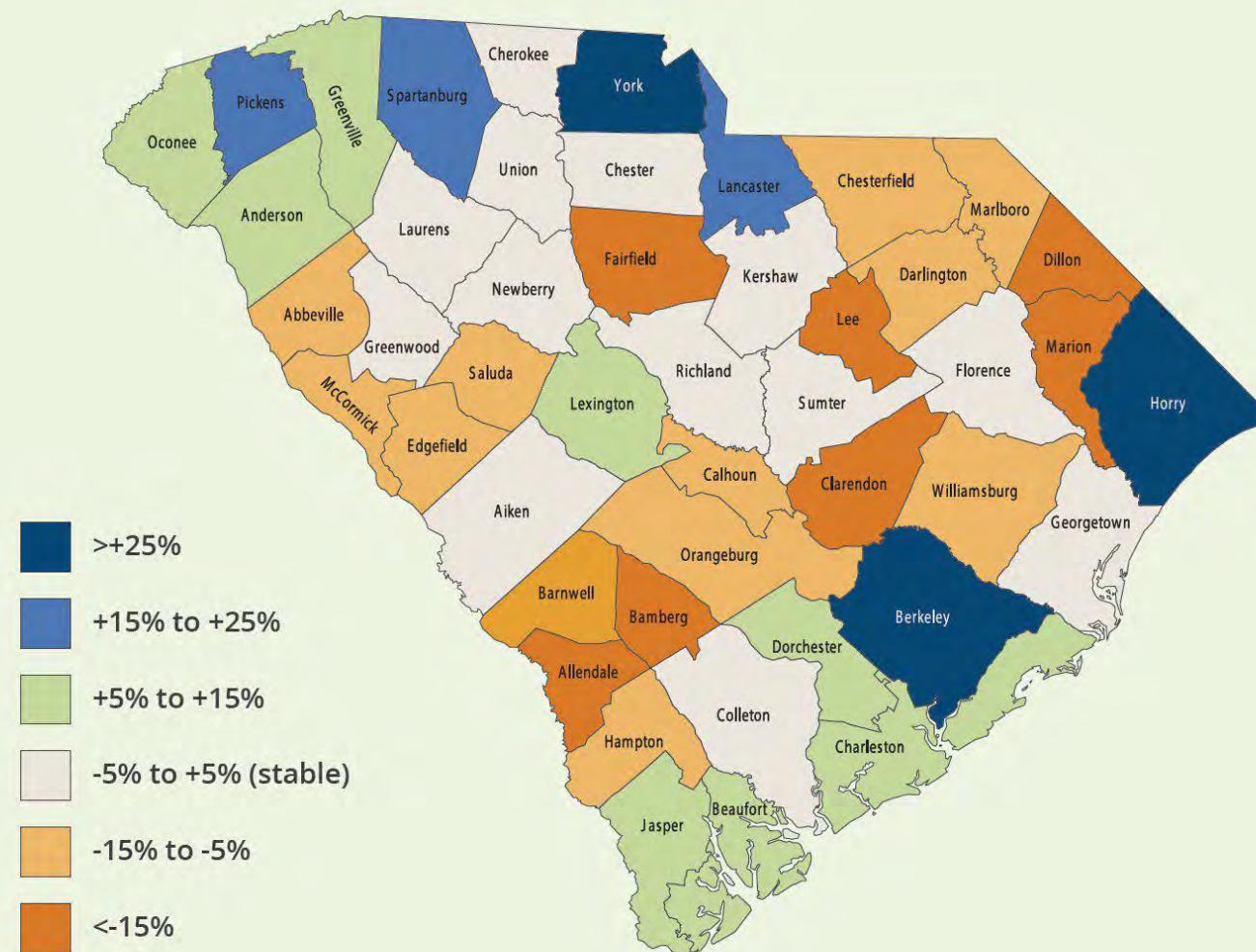
AN INCREASINGLY CONCENTRATED POPULATION BASE...

Figure 2 – Population Change by County: 2010-2020



Roughly 90 percent of South Carolina's population is located in just 50 percent of the state's counties

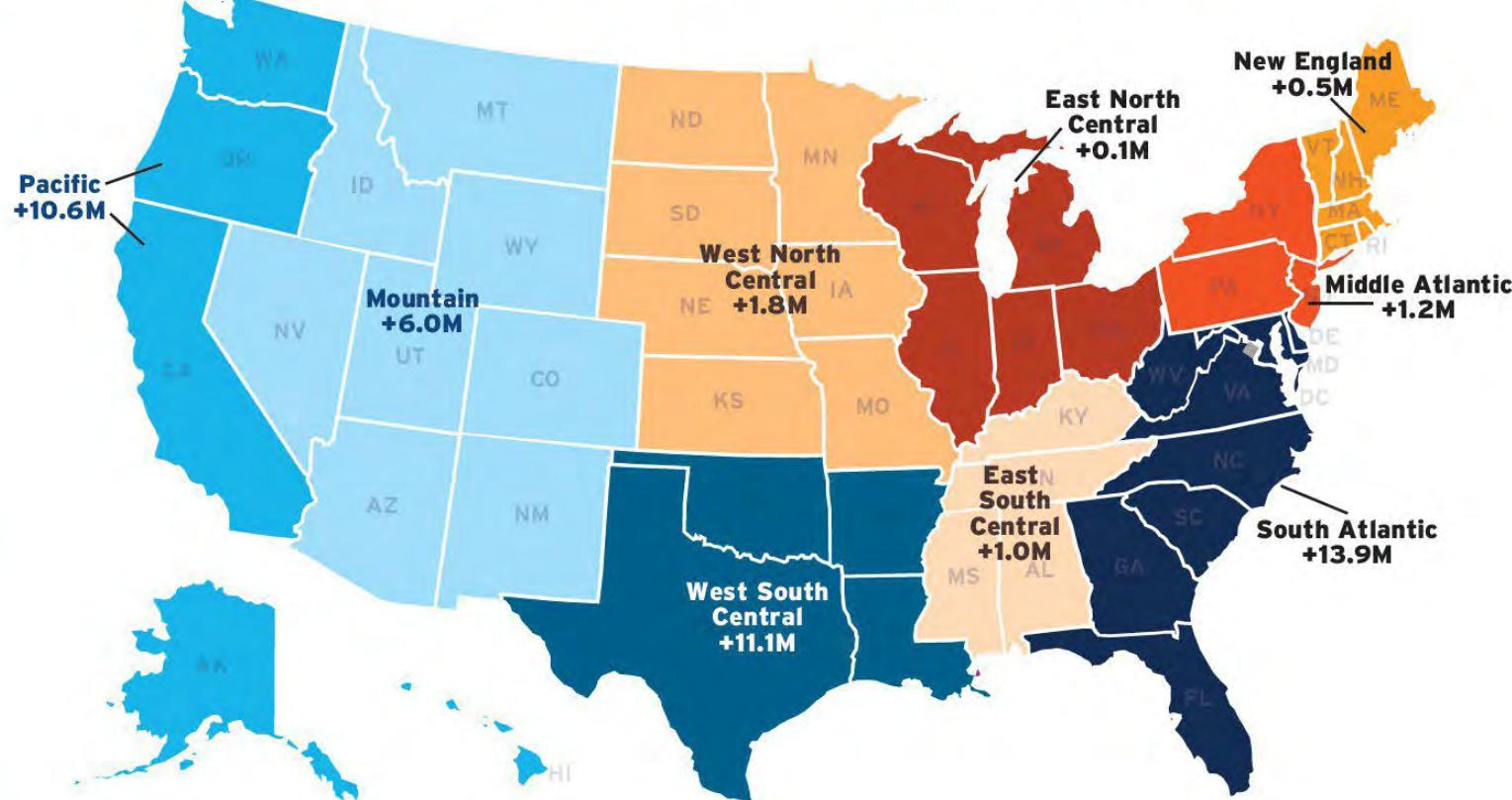
Figure 3 – South Carolina Projected Population Change: 2020-2030



POPULATION GROWTH TRENDS IN THE U.S.

The Southeastern United States is projected to experience more population gains than any other U.S. region through the year 2040

Projected Population Growth by U.S. Region: 2022-2040



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POPULATION GROWTH TRENDS IN THE U.S.

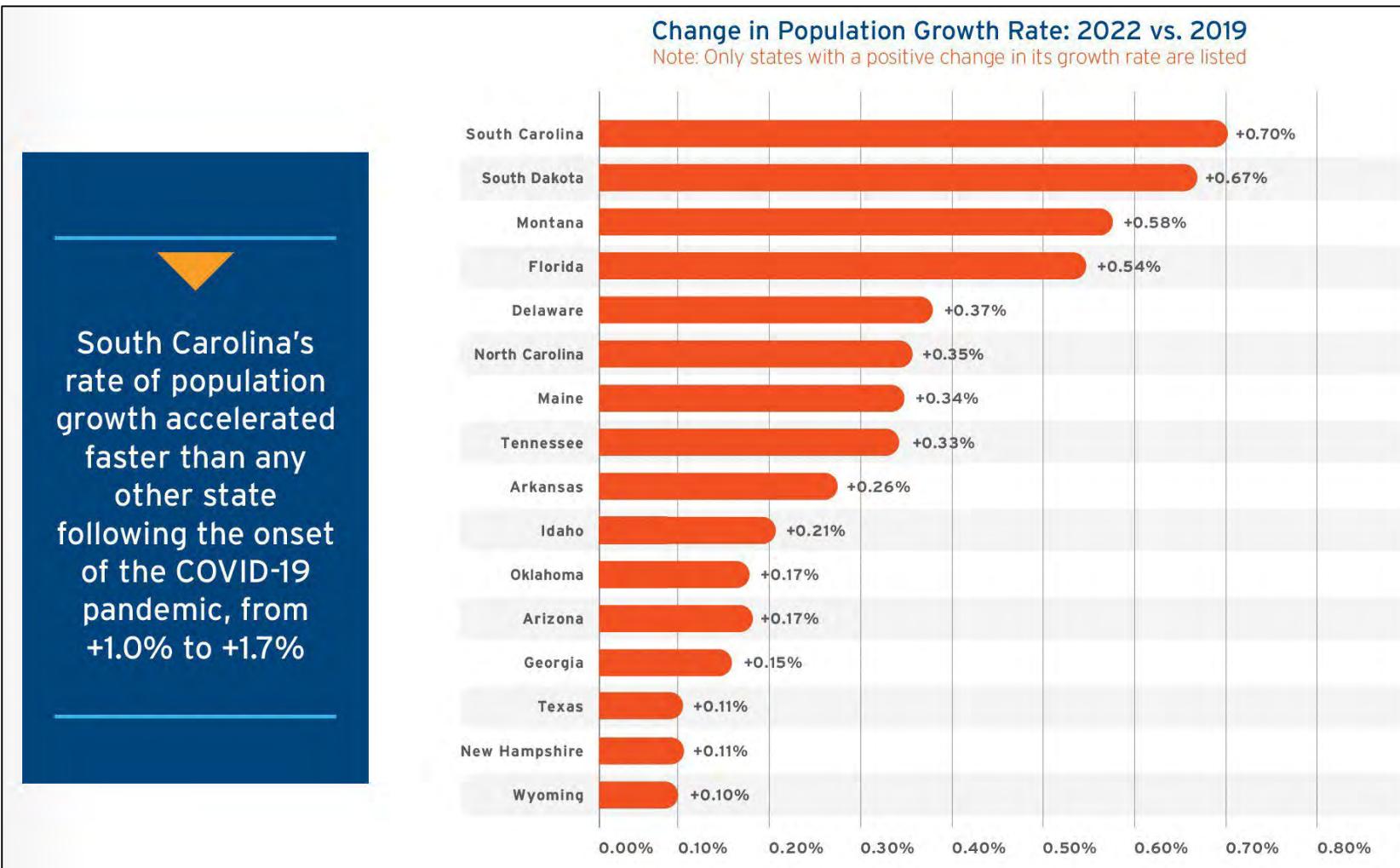
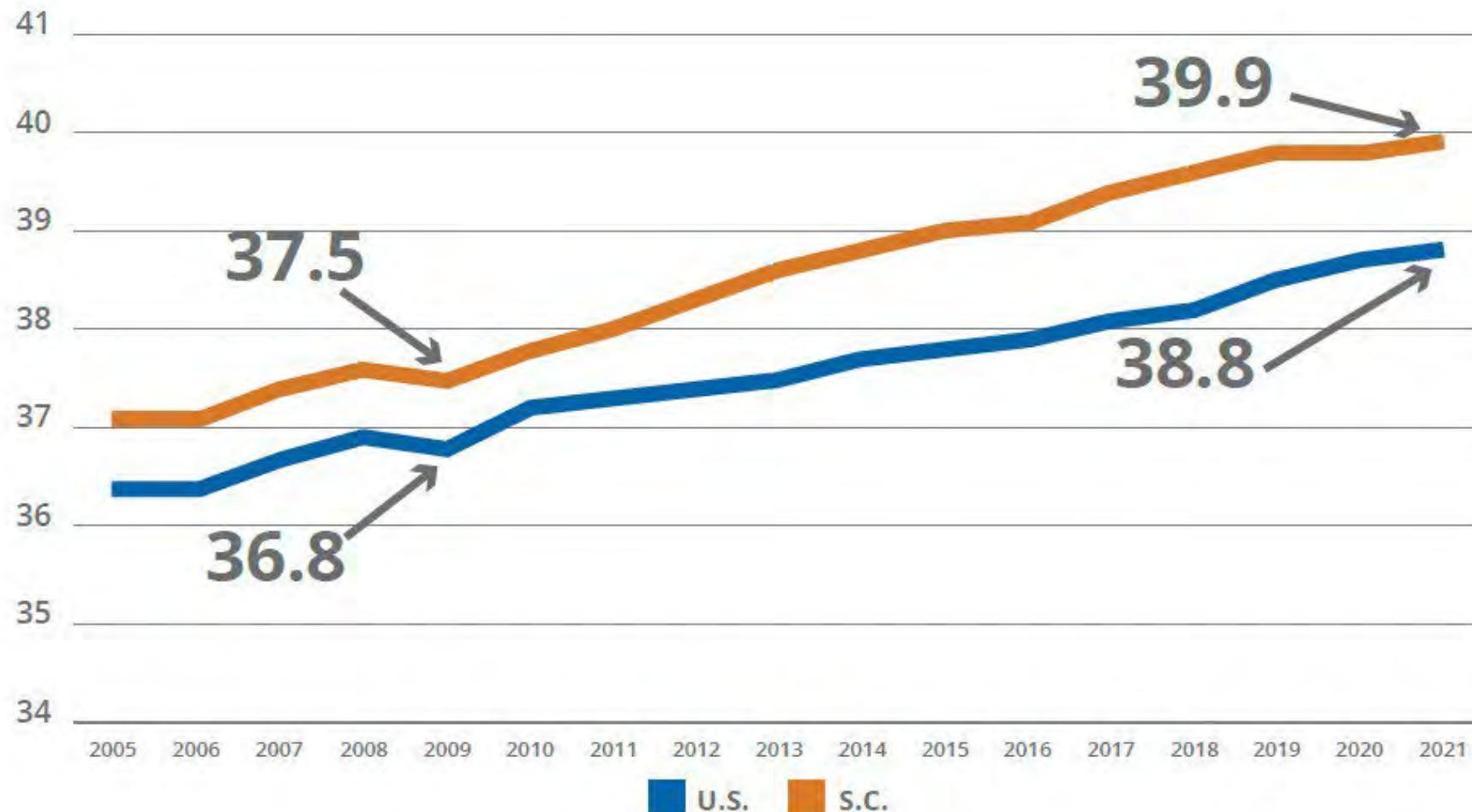


Figure 4 – Median Age of the Population: 2005-2021



DRIVERS OF SUPPLY

Figure 5 – S.C. Single-Family Housing Permits vs. Pop. Growth

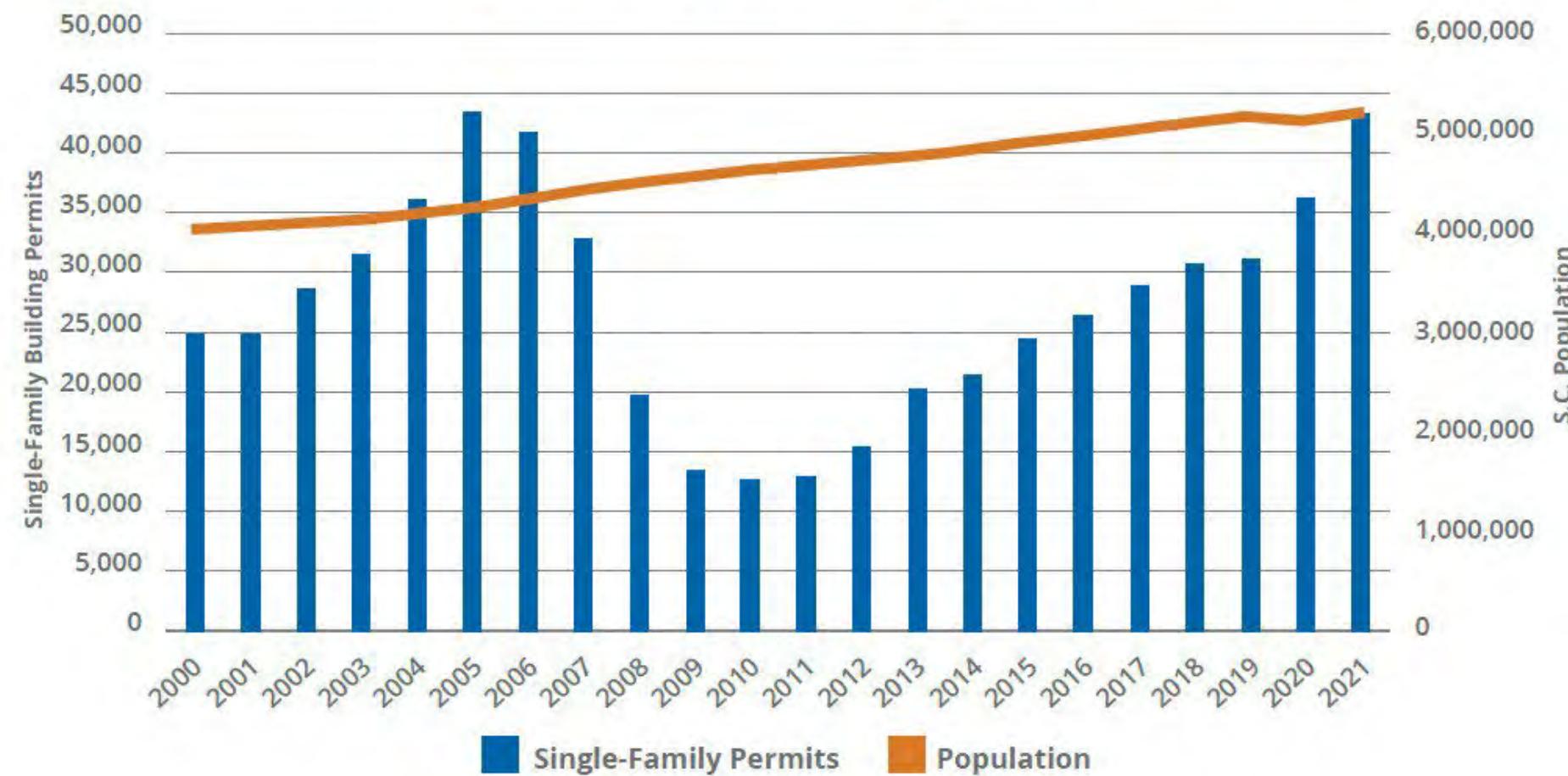
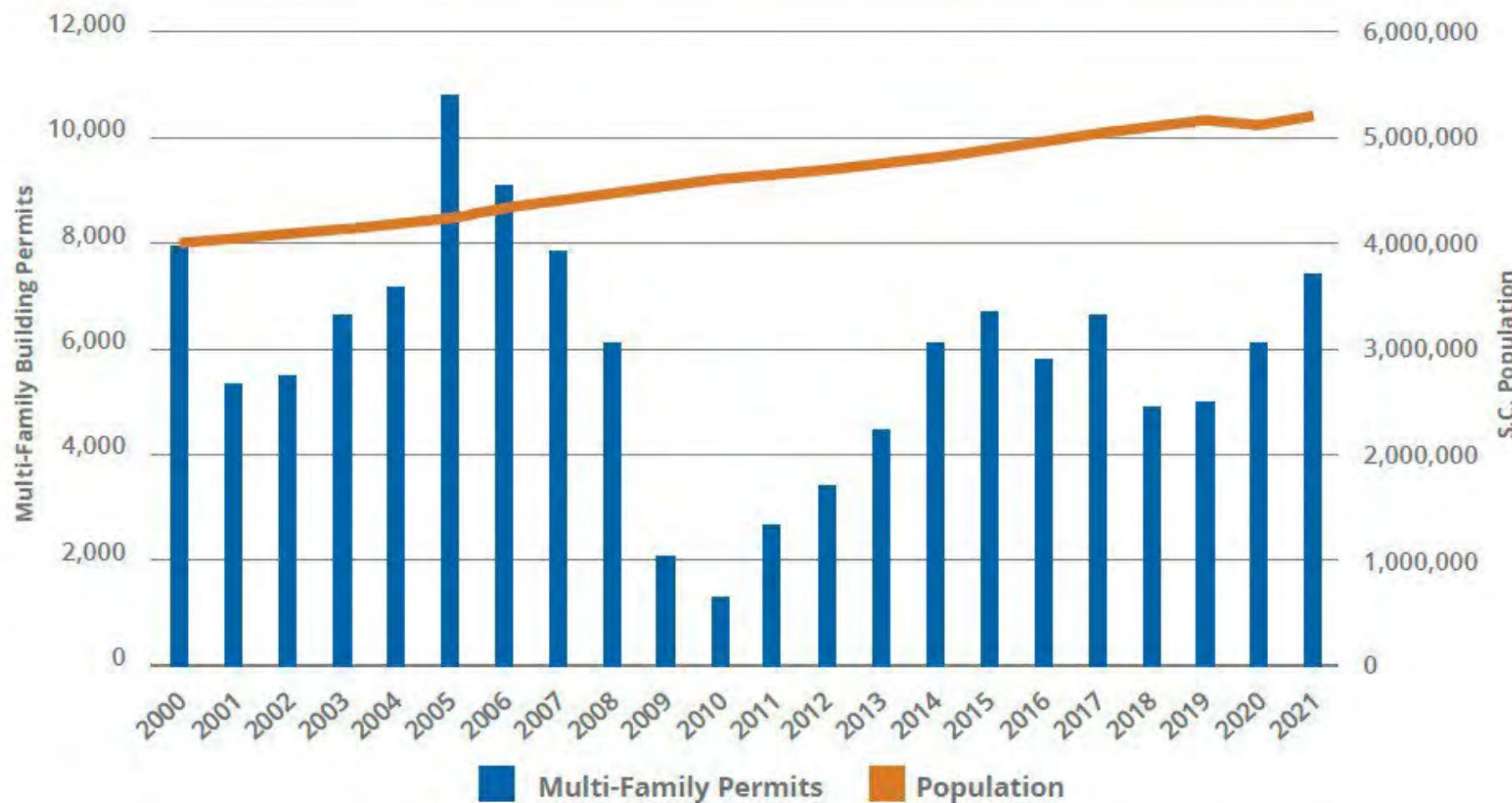


Figure 6 – S.C. Multi-Family Housing Permits vs. Pop. Growth

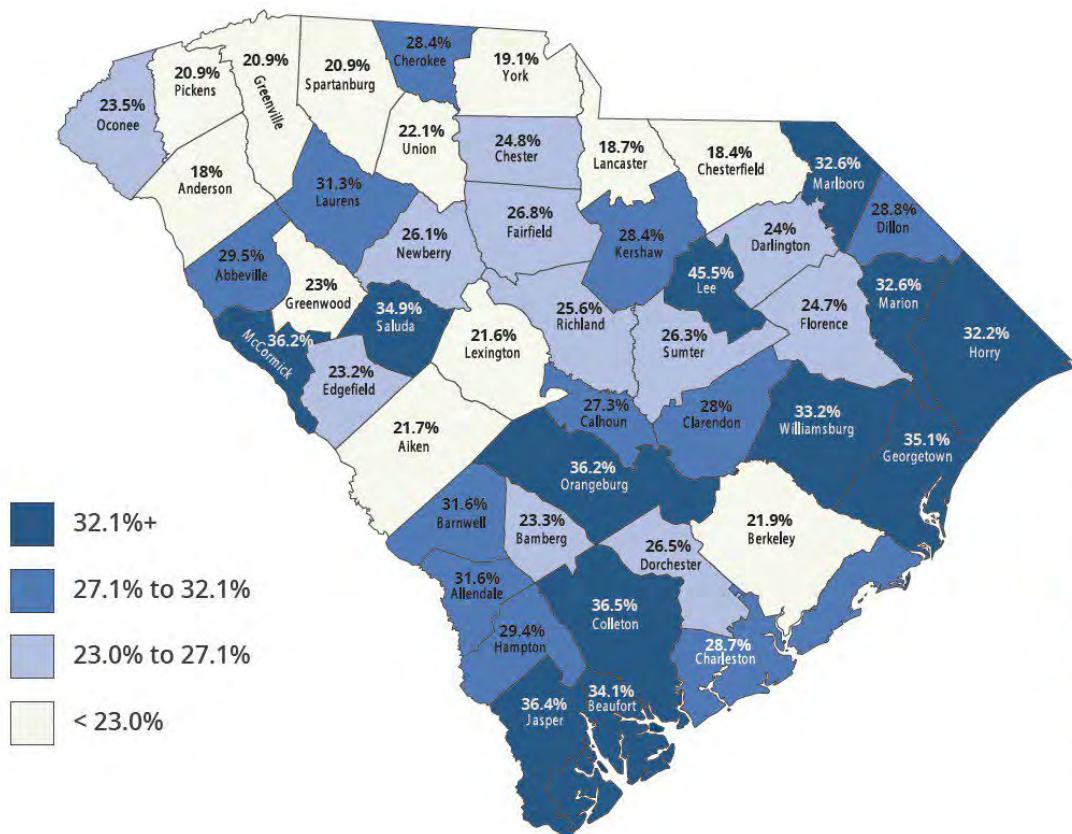


WHAT DOES THIS IMPLY ABOUT AFFORDABILITY?

DEFINING “COST BURDENED”

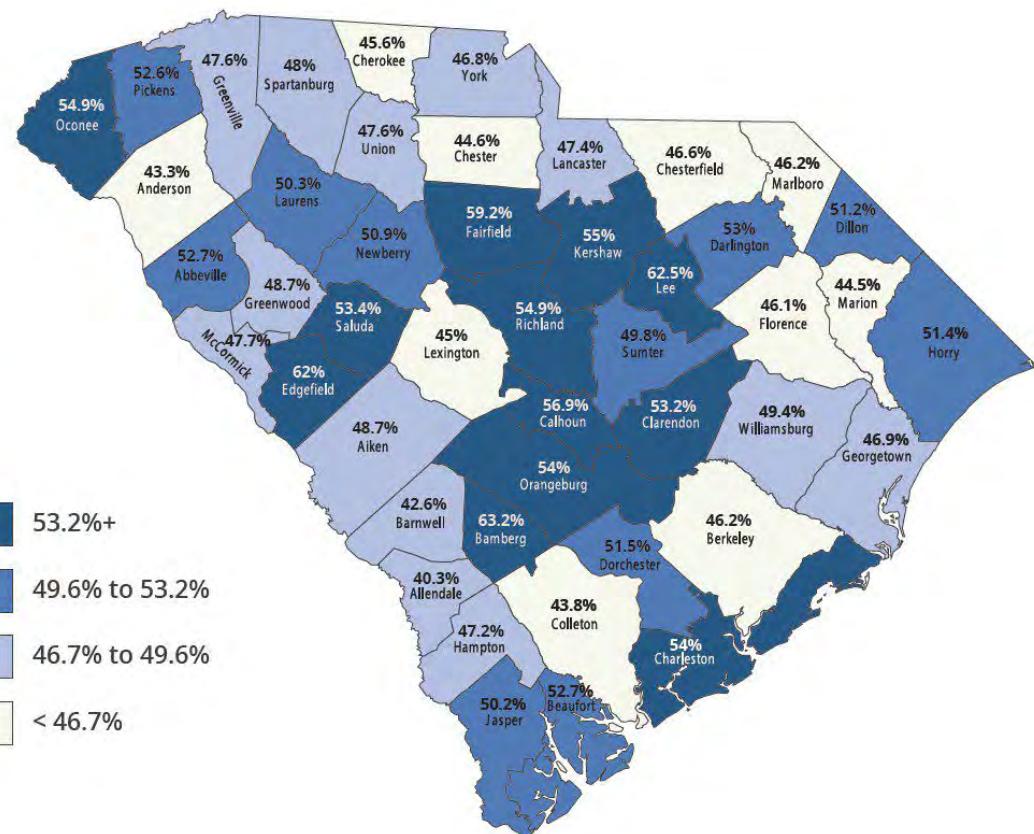
A HOUSEHOLD THAT PAYS MORE THAN
30 PERCENT OF ITS MONTHLY INCOME
TOWARDS HOUSING

Figure 9 – Pct. of Households (with Mortgages) that are House Cost Burdened
Geographic Unit of Analysis: County



**34.1% in Beaufort County
(25% in South Carolina)**

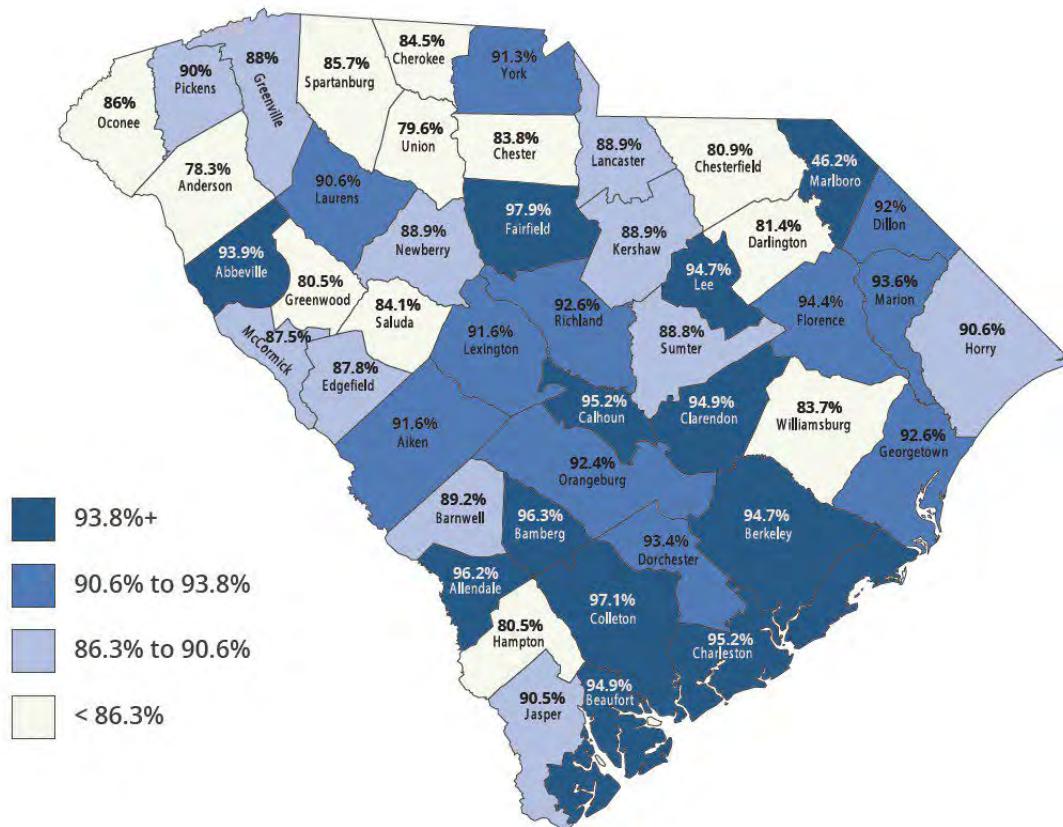
Figure 10 – Pct. of Households (Renters) that are House Cost Burdened
Geographic Unit of Analysis: County



**52.7% in Beaufort County
(50% in South Carolina)**

Figure 13 – Pct. of Households that are House Cost Burdened

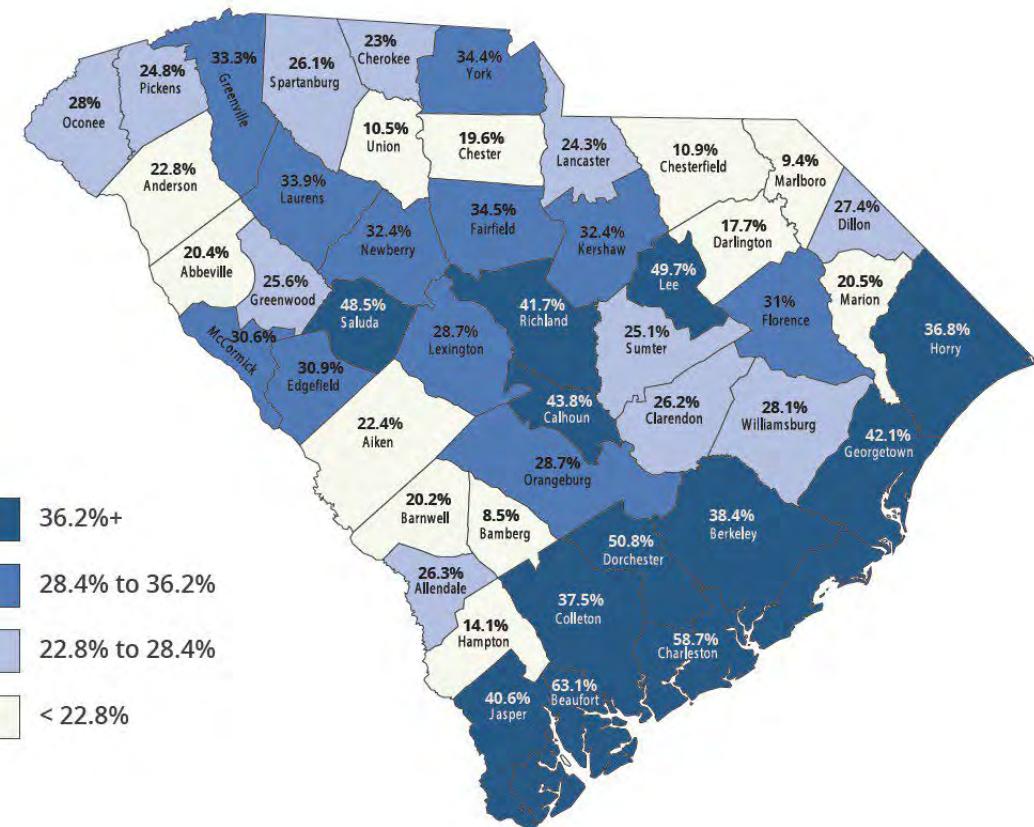
Annual Household Income: Less than \$35,000



94.9% in Beaufort County

Figure 14 – Pct. of Households that are House Cost Burdened

Annual Household Income: \$35,000 - \$75,000



63.1% in Beaufort County

**Figure 20 – Growth in S.C. Median Sales Price vs.
S.C. Median Household Income**

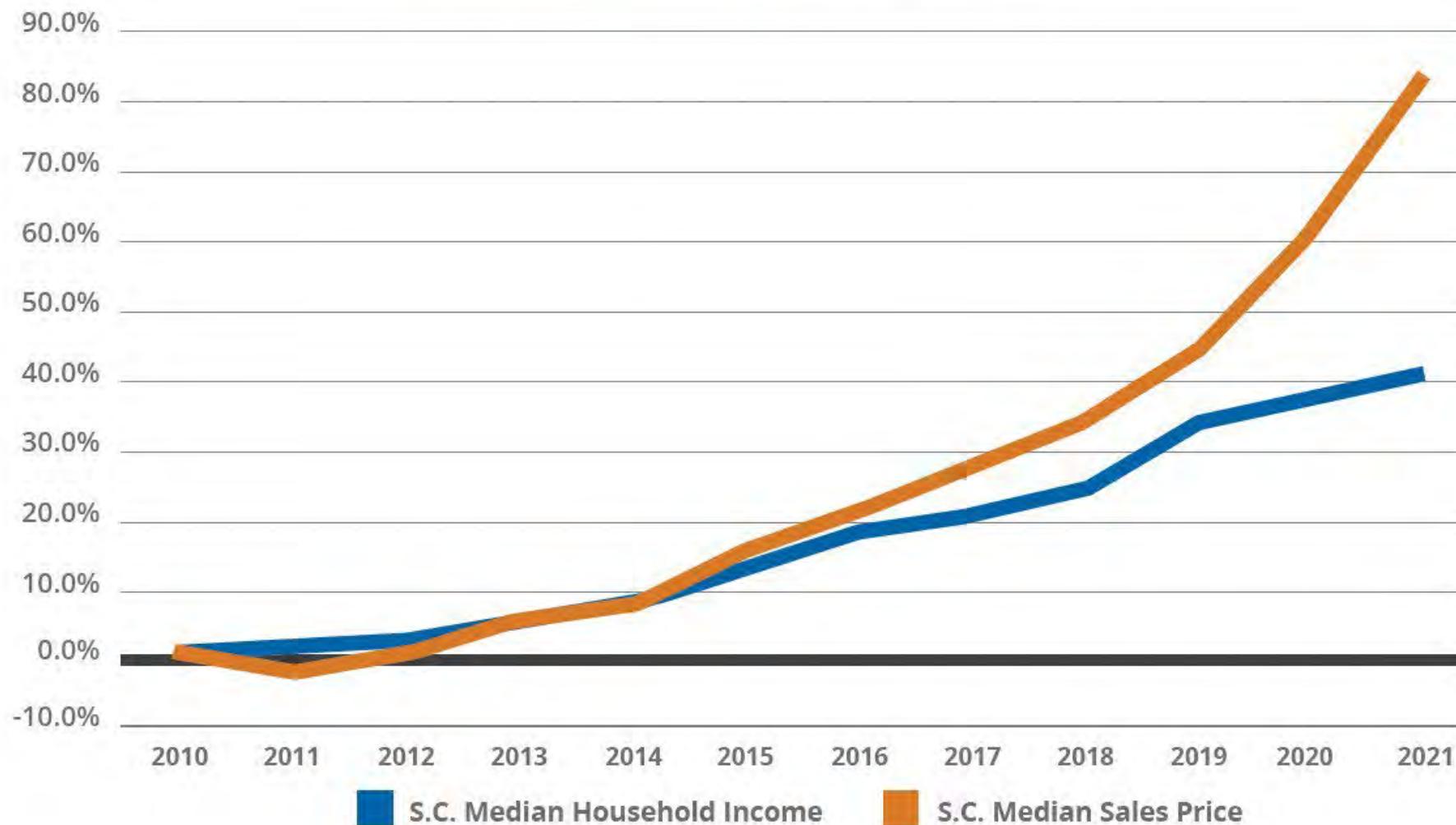


Figure 21 – County-Level Housing Affordability: 2021

Note: Counties shaded in blue denote those in which the median household could afford less than half of the homes listed for sale in the county in 2021.

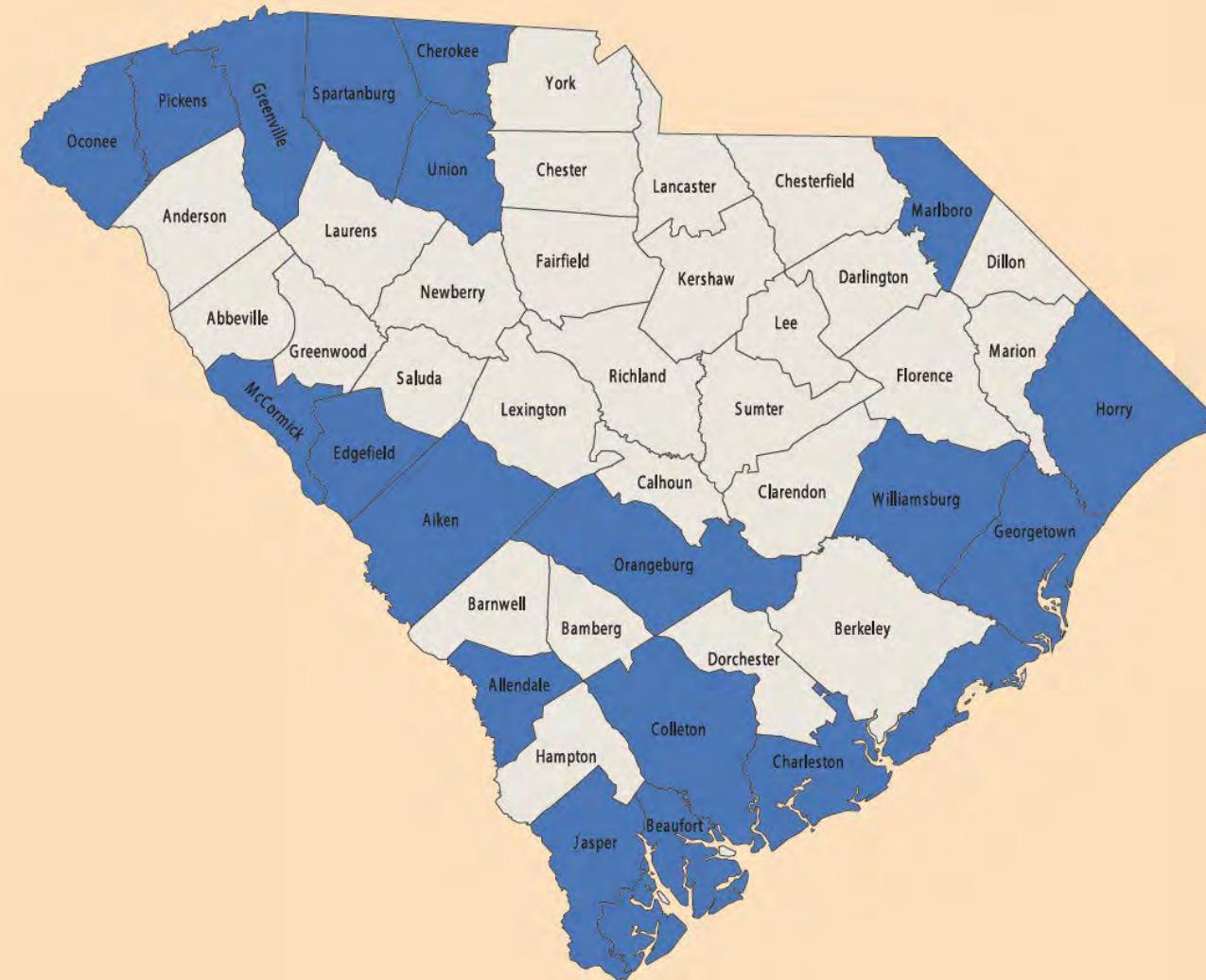


Figure 28 - Pct. of Households Reporting a Missed a Housing Payment within the Last Twelve Months

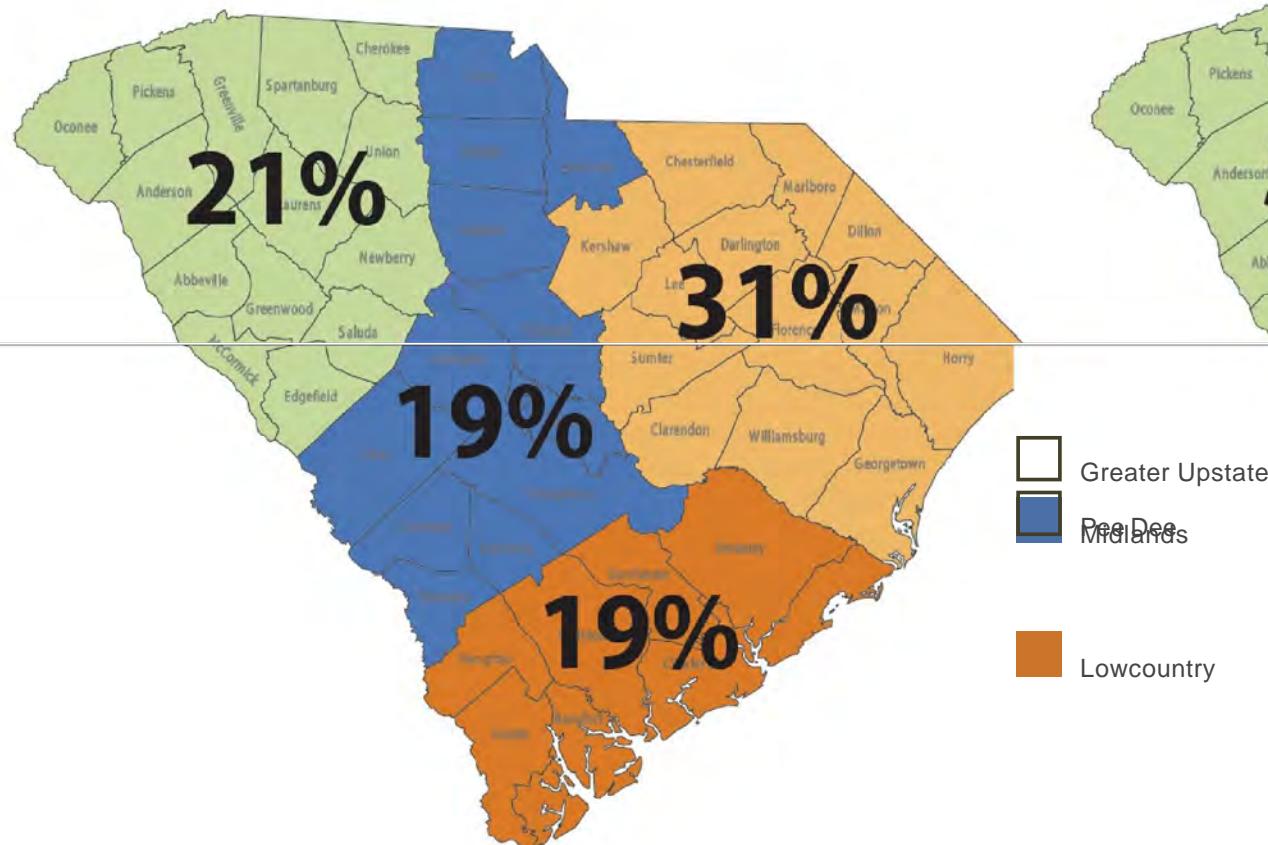
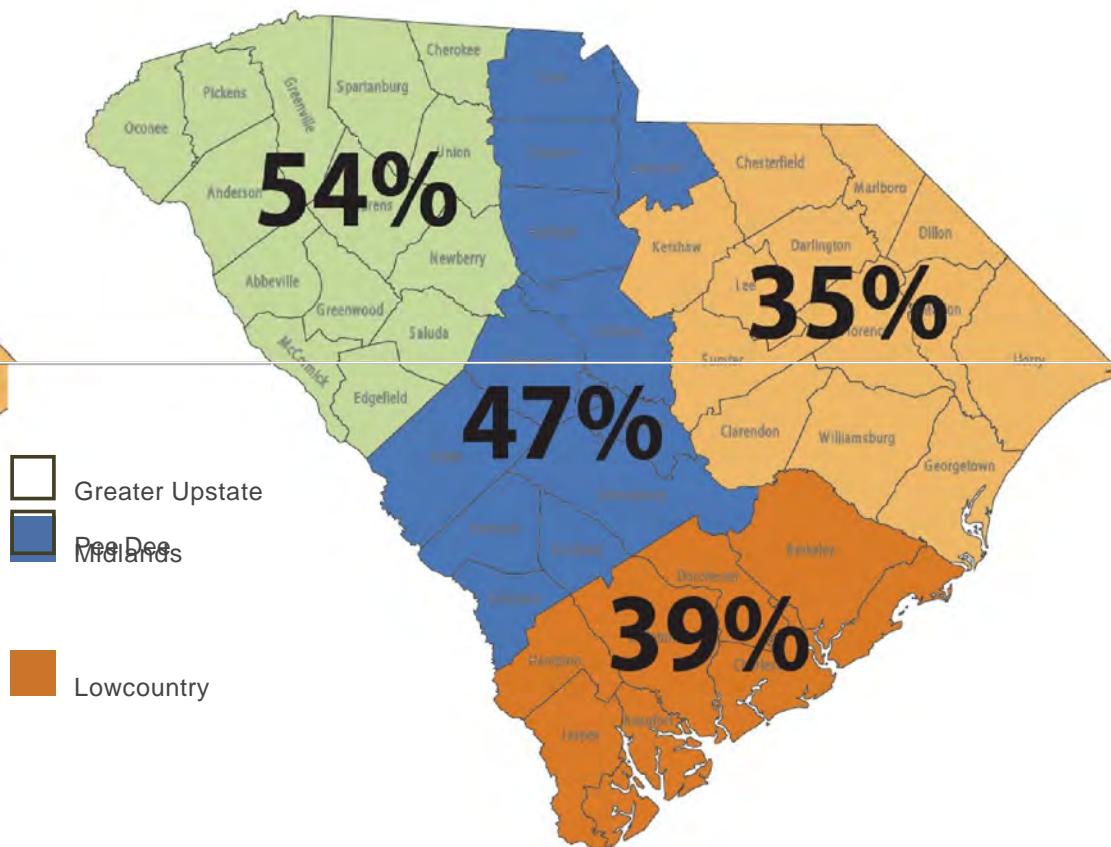


Figure 29 - Pct. of Households Reporting a Major Housing Repair Need



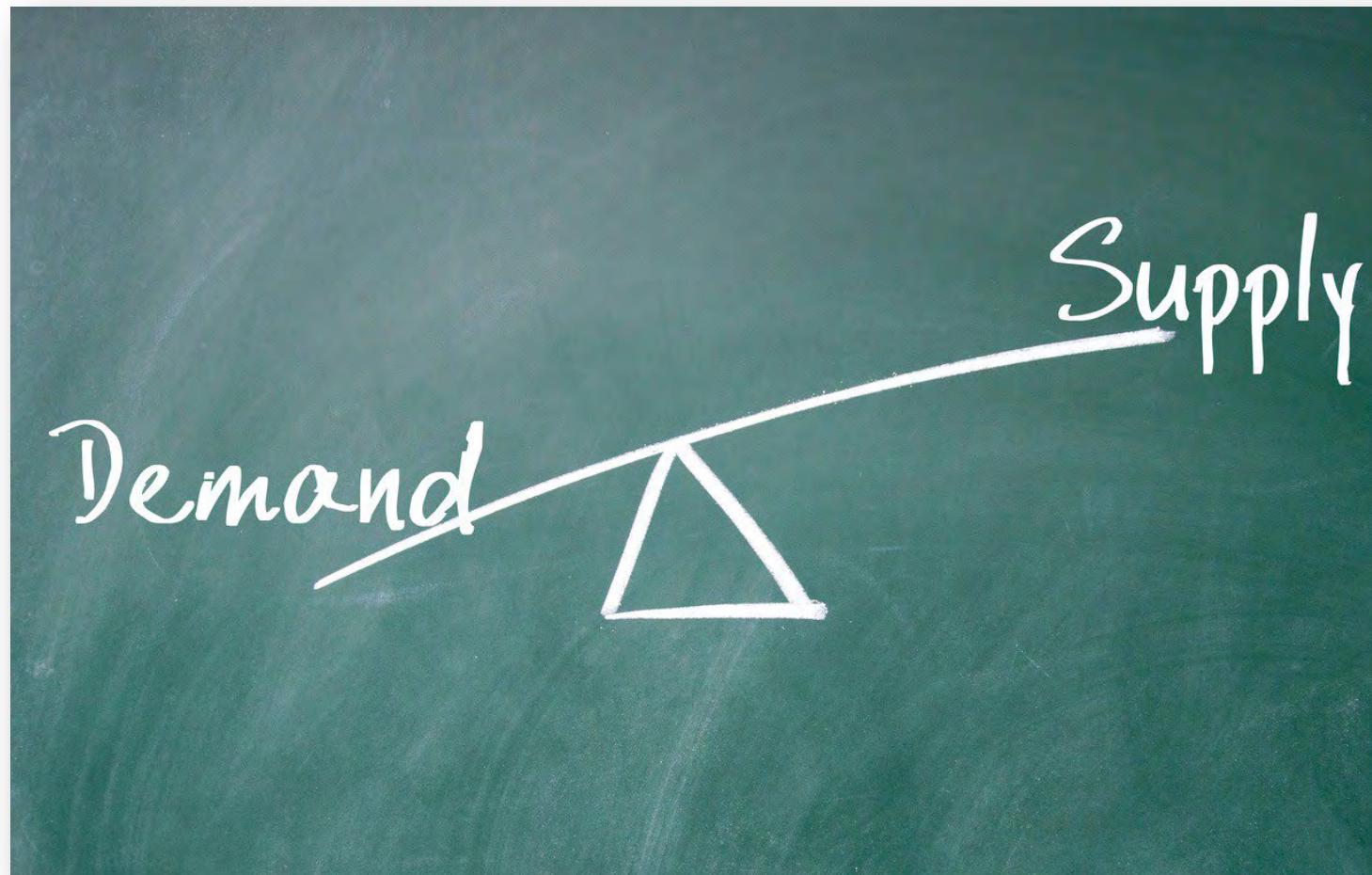
LOOKING AHEAD TO 2024!

THE BOTTOM LINE

THE GOOD, THE BAD, AND THE UGLY!

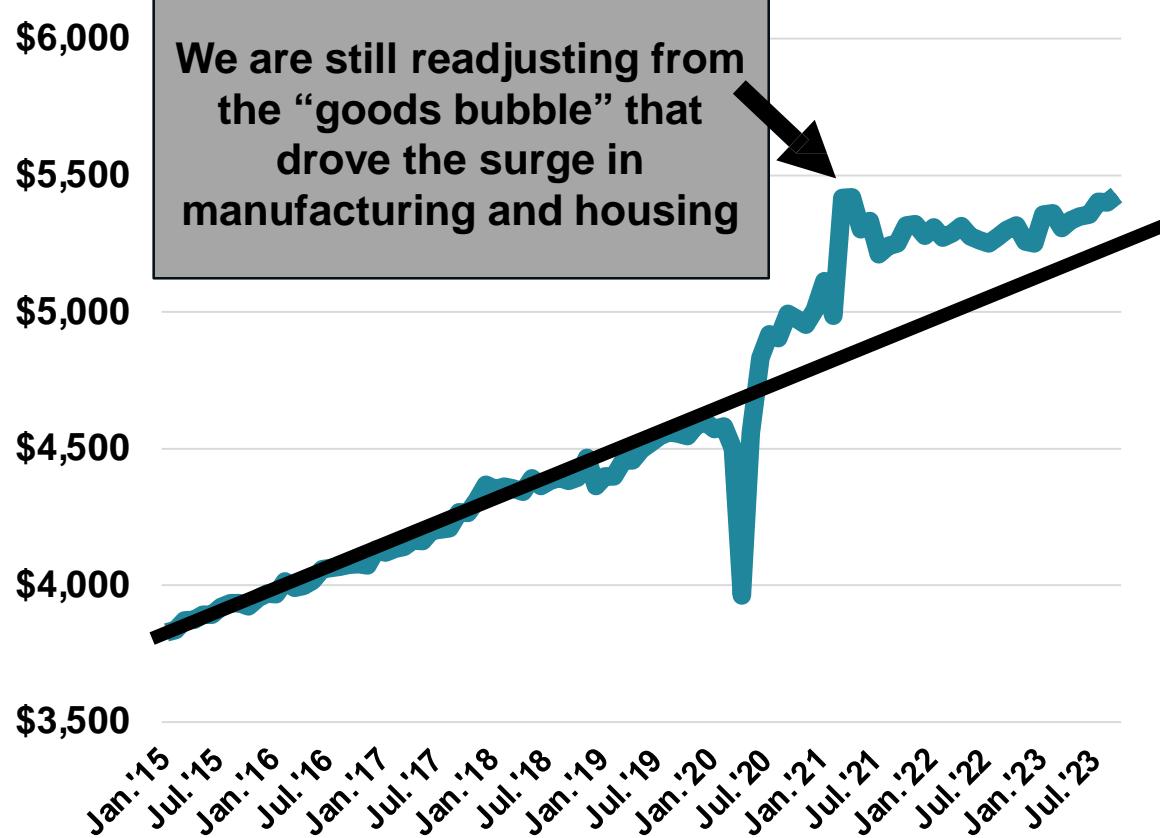
- THE SOUTH CAROLINA ECONOMY HAS BEEN RESILIENT IN 2023 BUT IS STILL READJUSTING
- THERE ARE SIGNIFICANT HEADWINDS FIGHTING THE FEDERAL RESERVE ON INFLATION THAT WILL PERSIST INTO 2024
- THE LIKELIHOOD OF RECESSION HAS DECREASED, BUT DON'T GET TOO COMFORTABLE YET

READJUSTING TOWARDS EQUILIBRIUM

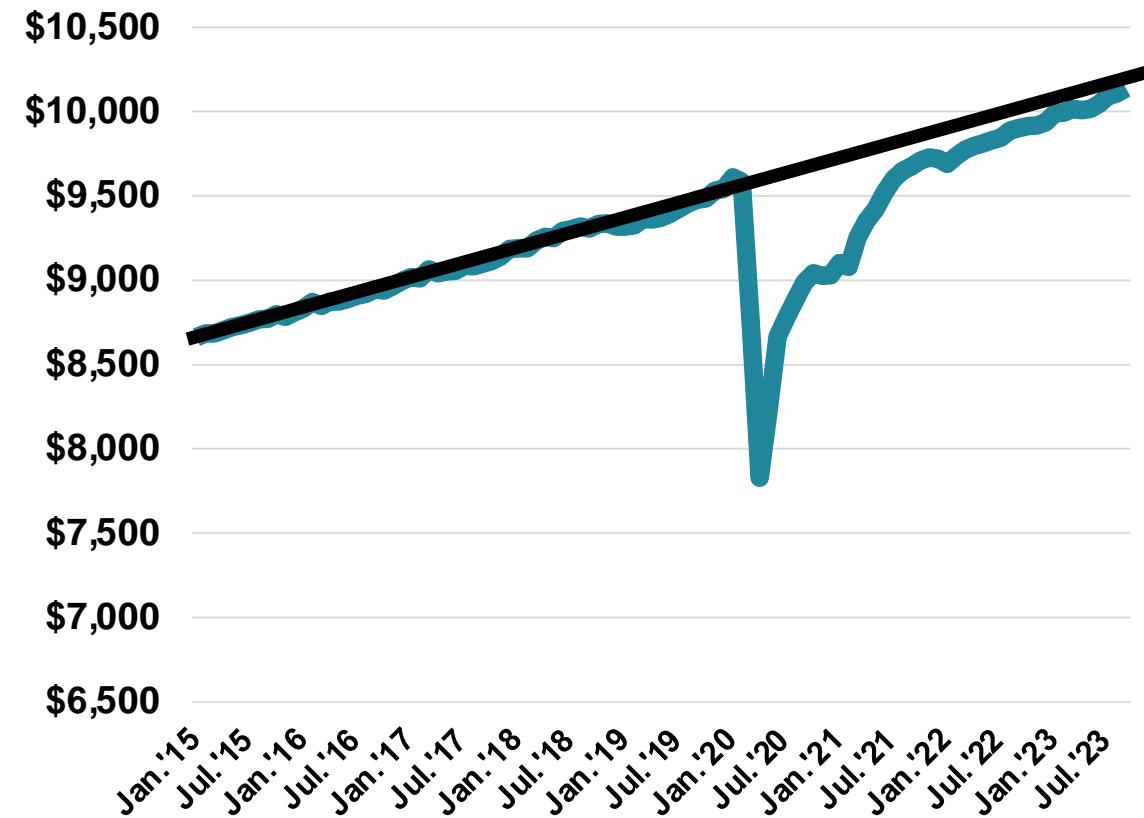


REAL U.S. CONSUMER SPENDING

Goods



Services



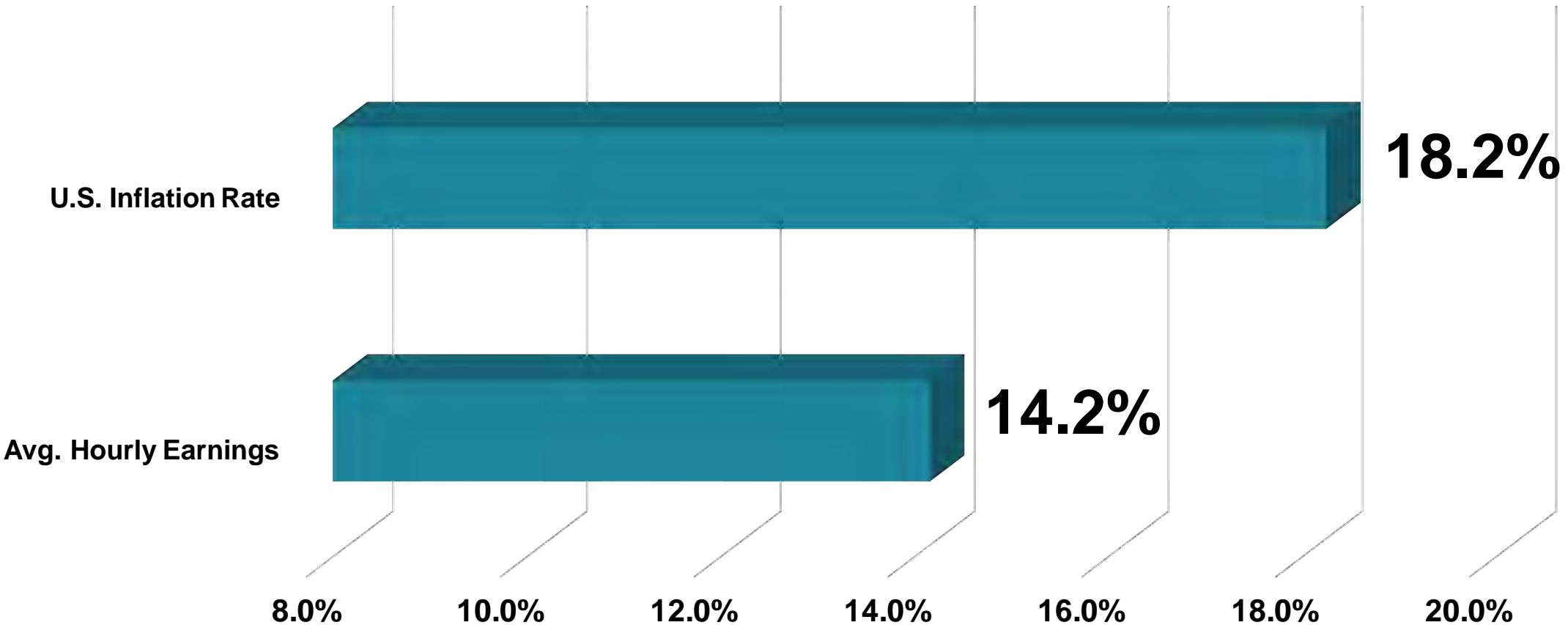
Source: U.S. Bureau of Economic Analysis, in billions

**EVEN THOUGH INFLATION HAS COME DOWN
SUBSTANTIALLY IN 2023, CONSUMER CONFIDENCE
REMAINS LOW. WHY?**

**THE CUMULATIVE EFFECTS OF INFLATION HAVE
LOWERED PURCHASING POWER.**

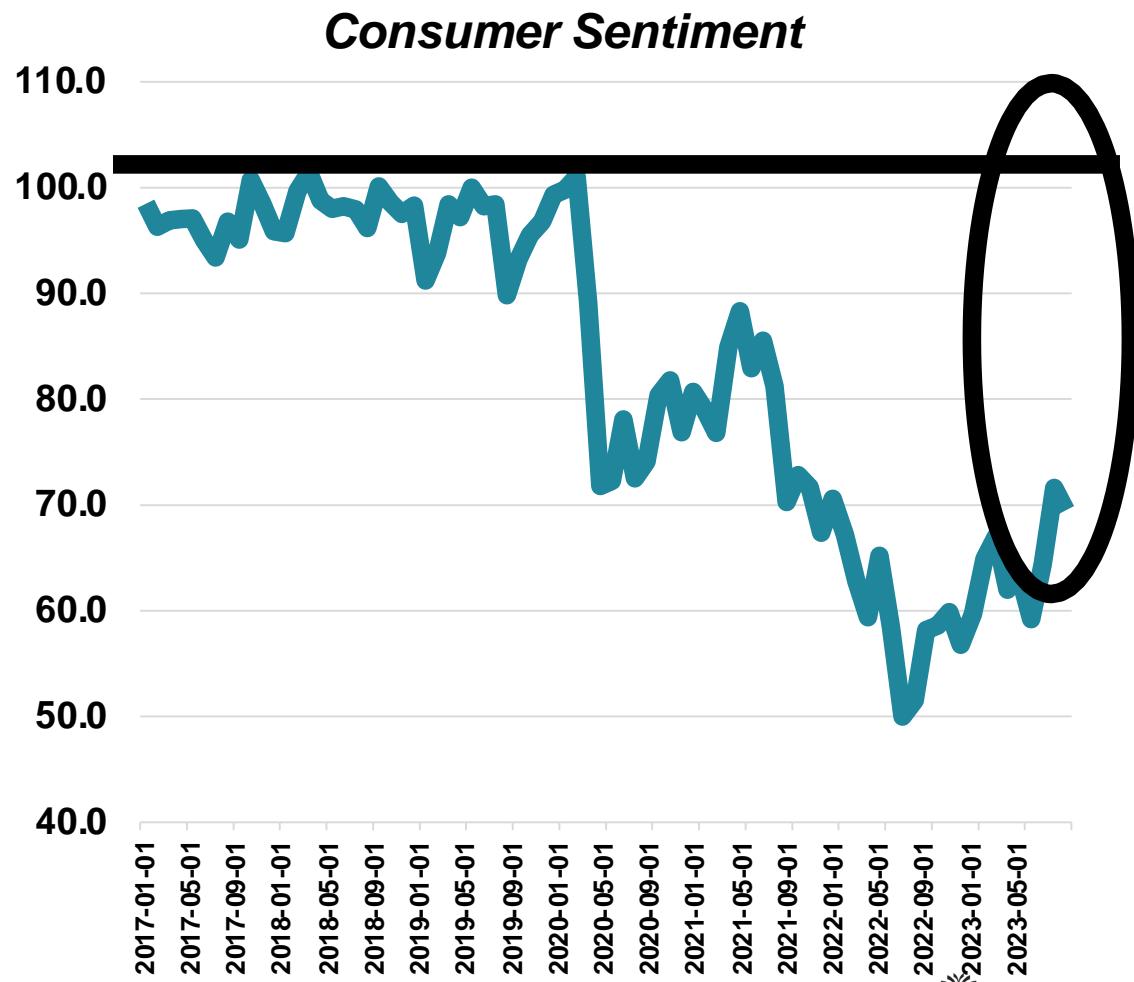
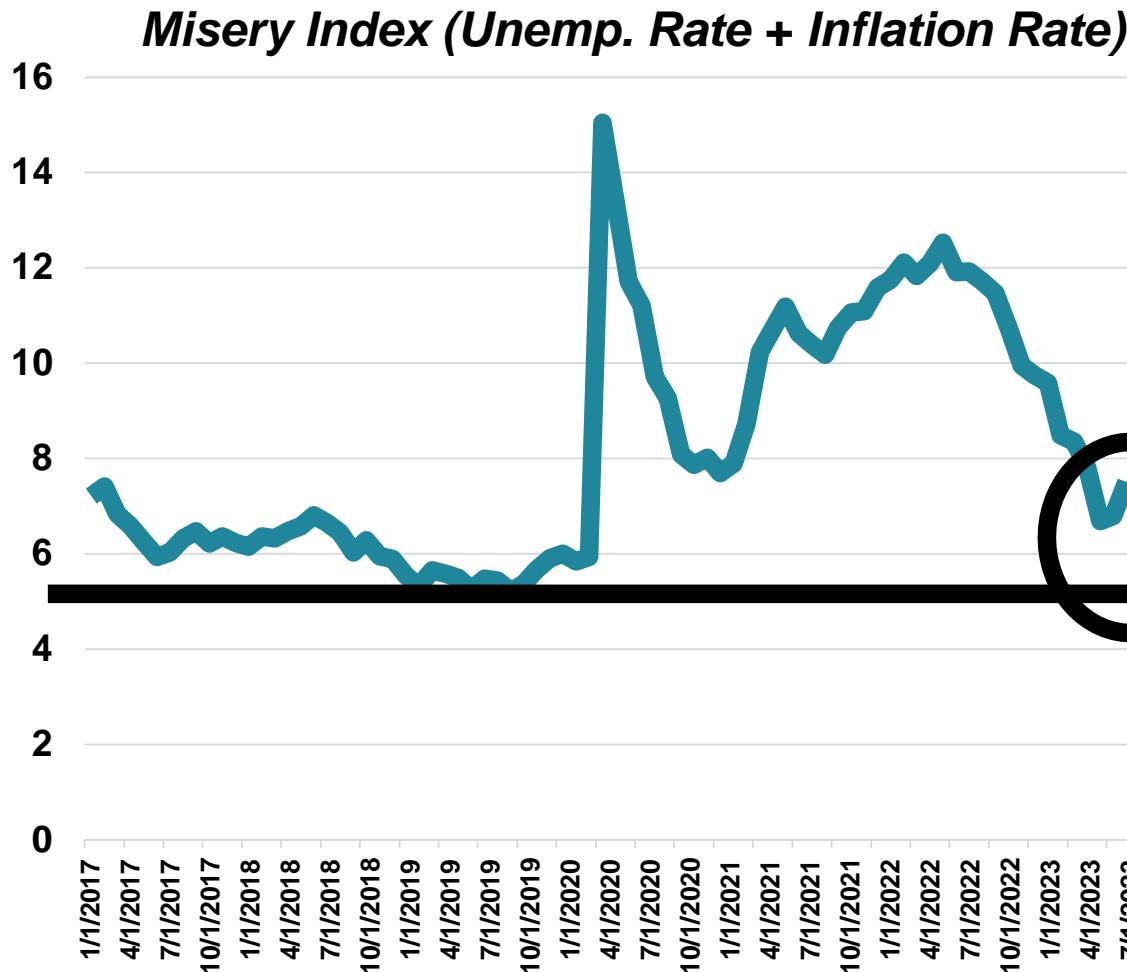
WAGE GROWTH AND INFLATION

Sept. 2023 vs. Sept. 2020



Source: U.S. Bureau of Labor Statistics

MISERY INDEX VS. CONSUMER SENTIMENT



Source: U.S. Bureau of Labor Statistics & University of Michigan

GOOD NEWS AND BAD NEWS

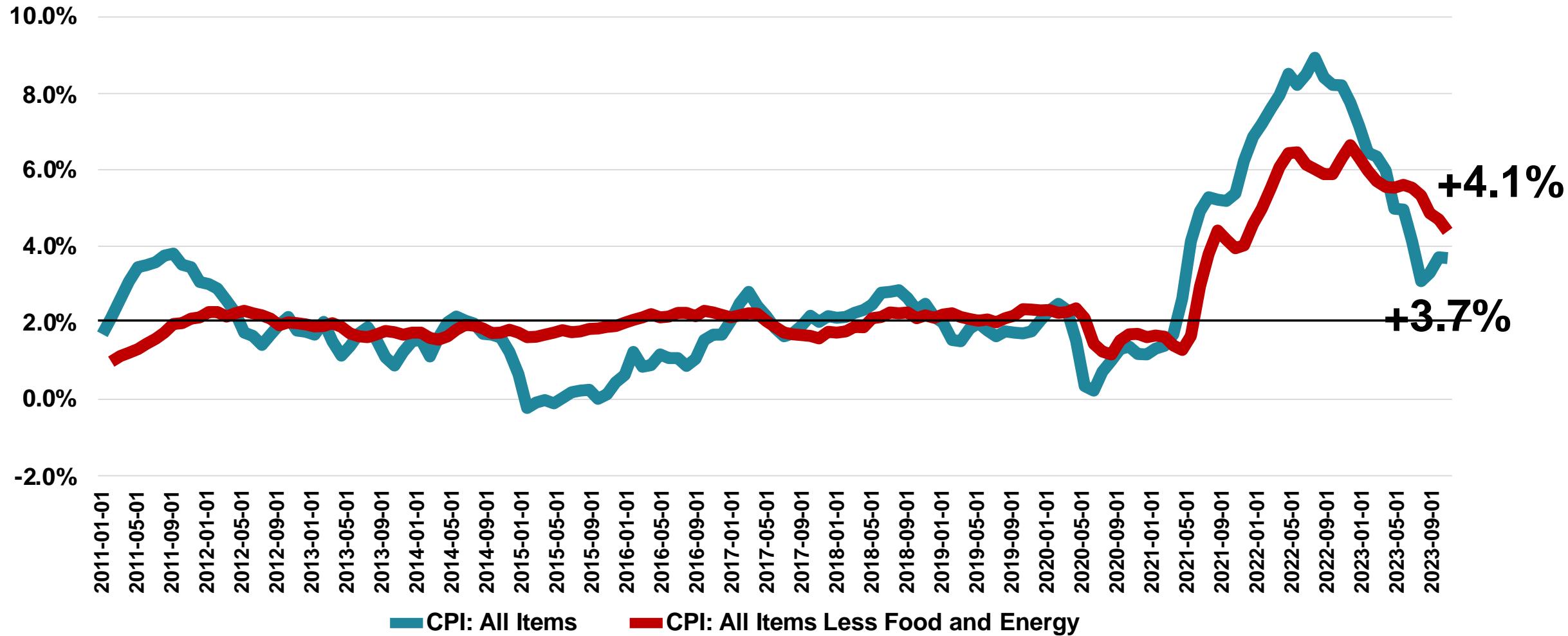


WE'VE SEEN SIGNIFICANT PROGRESS
TOWARDS INFLATION REDUCTION!



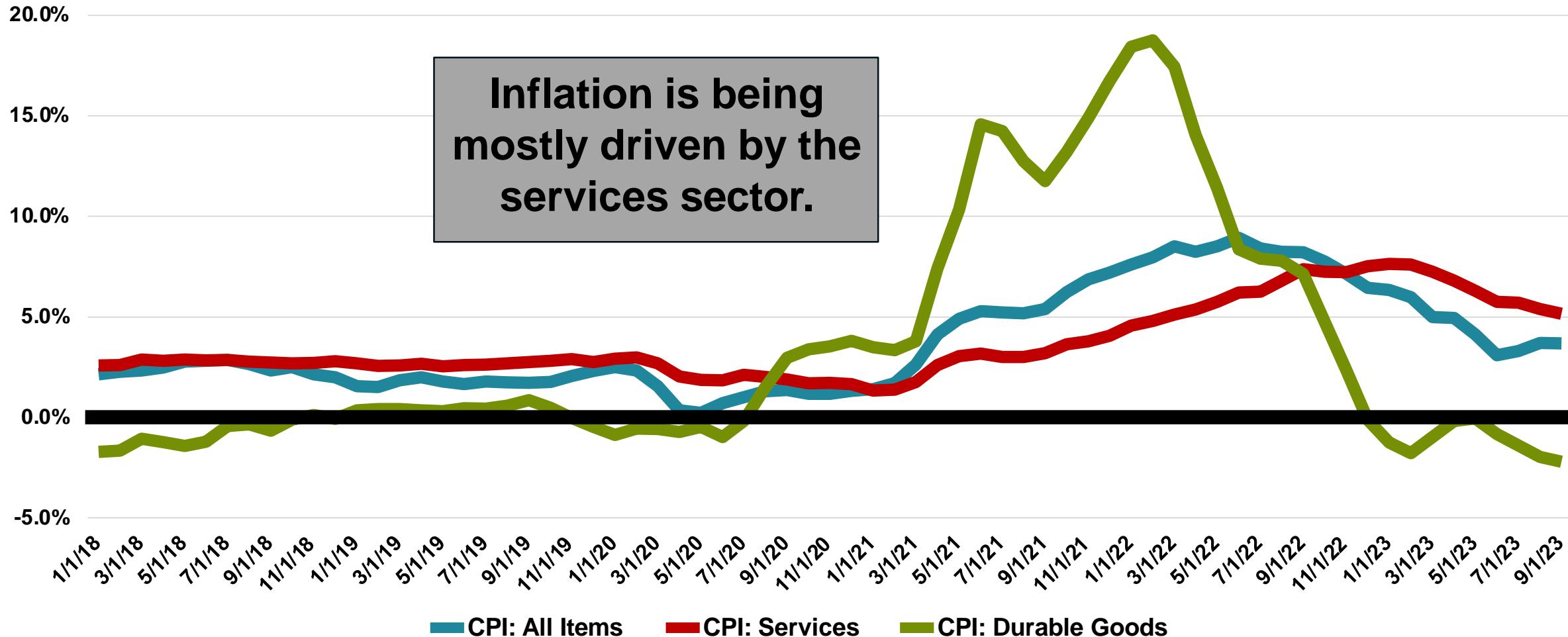
BUT THERE'S STILL A LONG
WAY TO GO

U.S. INFLATION RATE (YEAR/YEAR)



Source: U.S. BLS, Consumer Price Index

U.S. INFLATION RATE (YEAR/YEAR)

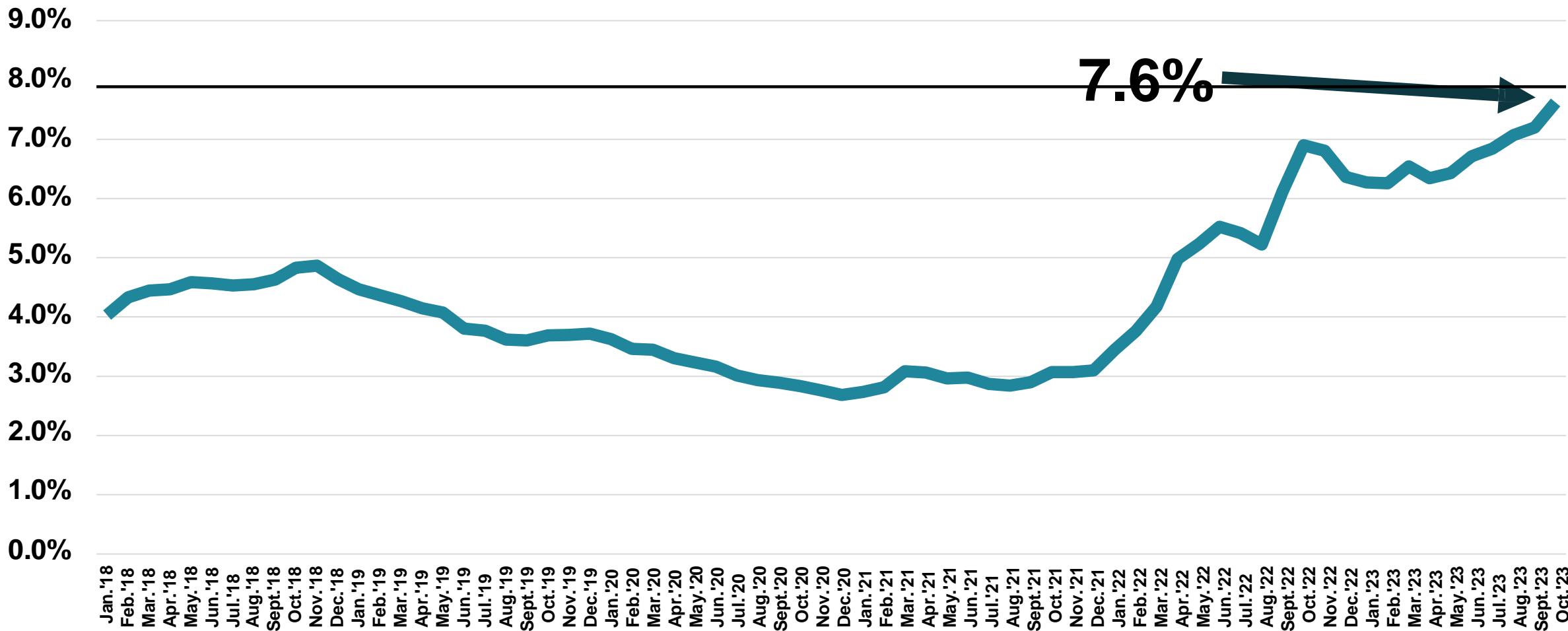


Source: U.S. BLS, Consumer Price Index

WHERE ARE INTEREST RATE HIKES
HAVING THE LARGEST IMPACTS?

THE HOUSING MARKET!

U.S. MORTGAGE INTEREST RATES



Source: 30-Year Fixed Rate Average, Freddie Mac

DIRECT EFFECTS (2022 & 2023)

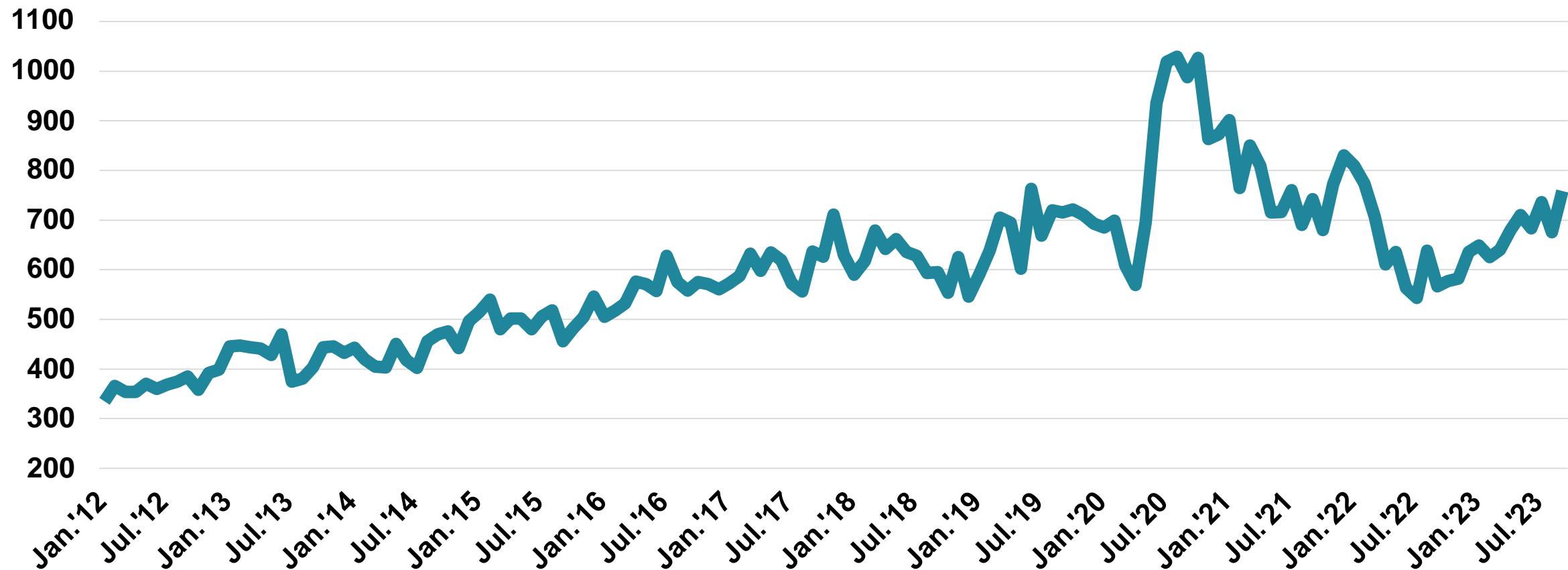
ANY REDUCTION IN HOUSING SALES DUE TO
DECREASES IN HOUSING AFFORDABILITY

INDIRECT EFFECTS IN 2024?

ANY FURTHER REDUCTION IN HOUSING SALES
DUE TO INCREASES IN UNEMPLOYMENT

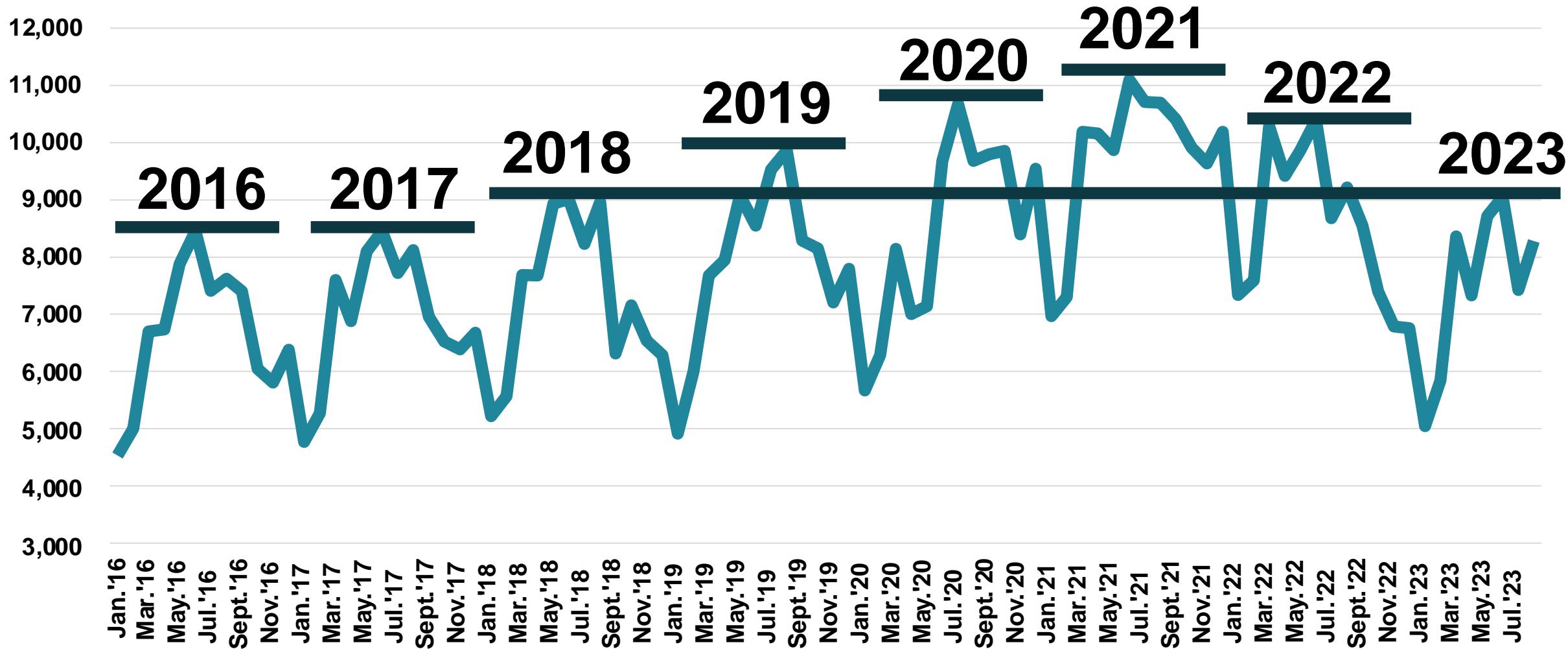
U.S. NEW SINGLE-FAMILY HOUSING SALES

in thousands



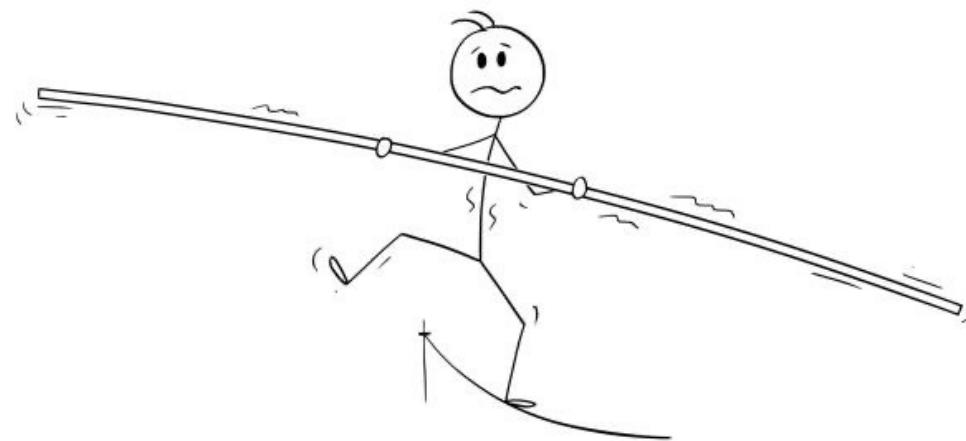
Source: U.S. Census Bureau

SOUTH CAROLINA HOUSING SALES



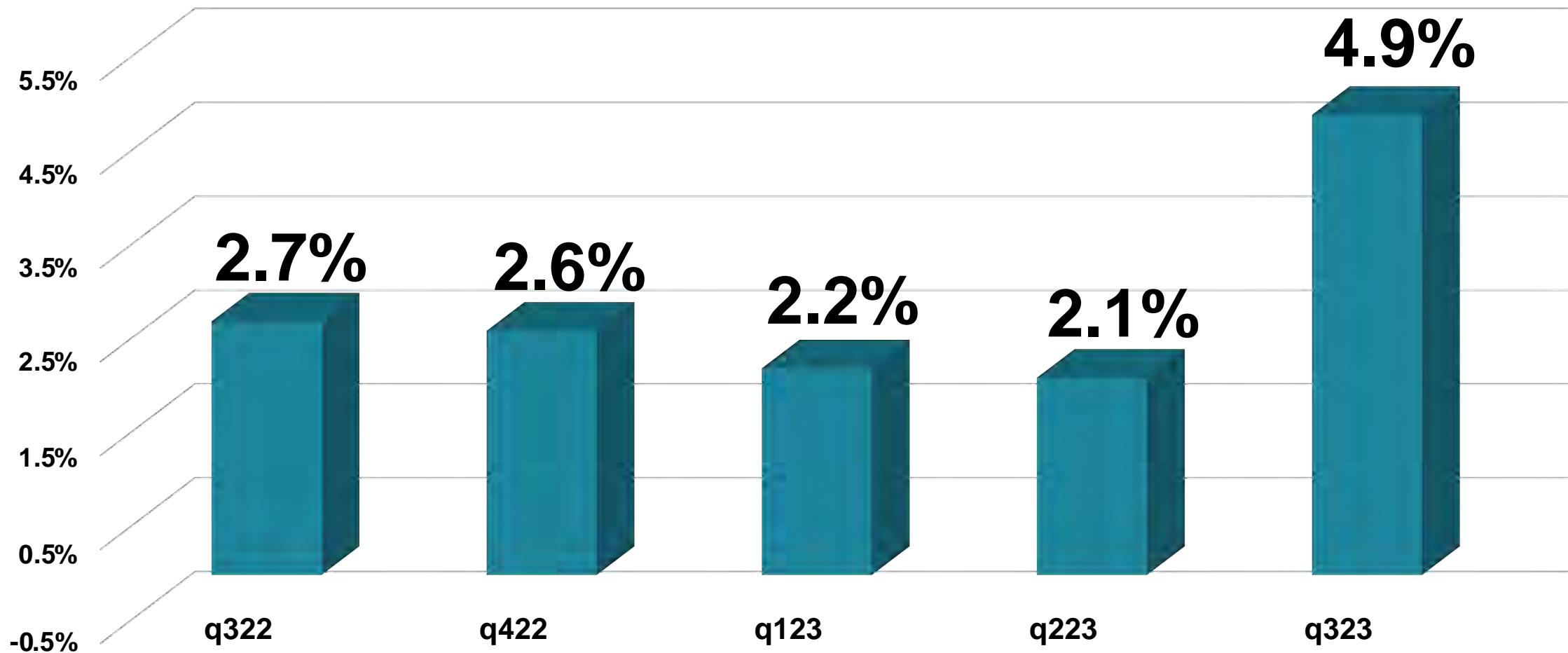
Source: South Carolina REALTORS

FED IS CONTINUING TO WALK A TIGHTROPE!



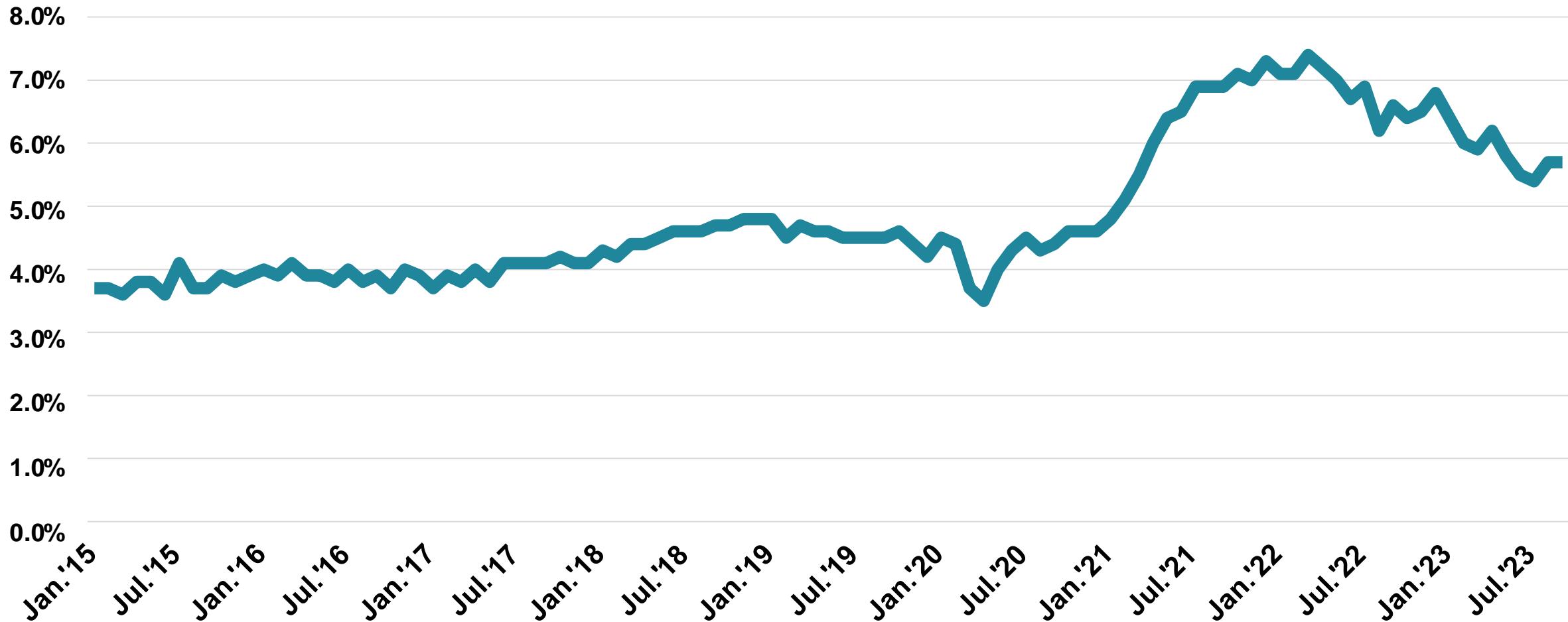
SO FAR, A SOFT LANDING IS ON TRACK...

U.S. ANNUALIZED GDP GROWTH



Source: U.S. Bureau of Economic Analysis

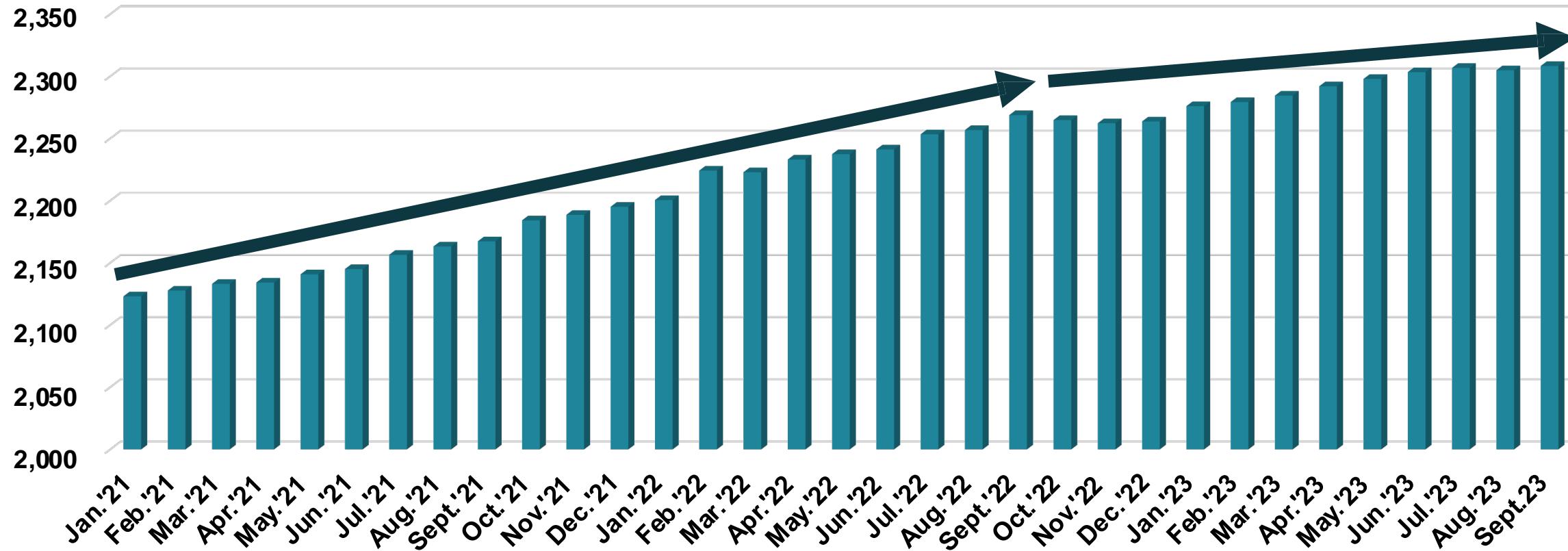
U.S. JOB OPENINGS RATE



Source: U.S. Bureau of Labor Statistics

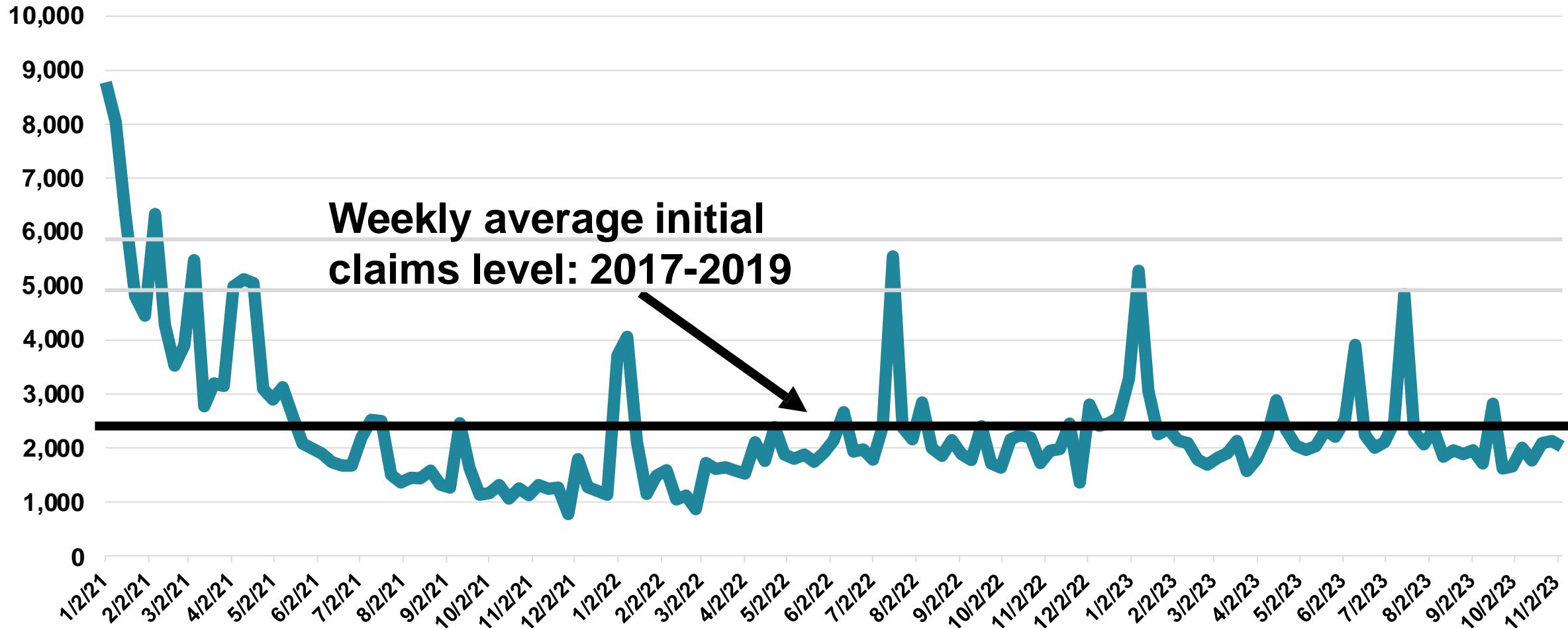
TOTAL SOUTH CAROLINA EMPLOYMENT

in thousands



Source: U.S. Bureau of Labor Statistics

S.C. INITIAL UNEMPLOYMENT INSURANCE CLAIMS



Source: S.C. Dept. of Emp. & Workforce

POTENTIAL SOURCES OF INFLATIONARY PRESSURE IN 2024

- RISING HEALTHCARE COSTS
- U.S. MOVING AWAY FROM GLOBALIZATION
- ONGOING LABOR SHORTAGE

**THESE FACTORS COULD LEAD THE
FED TO LEAVE INTEREST RATES
HIGHER FOR LONGER...**

**...MEANING THAT WE ARE NOT OUT
OF THE WOODS**

THE BOTTOM LINE

THE GOOD, THE BAD, AND THE UGLY!

- THE SOUTH CAROLINA ECONOMY HAS BEEN RESILIENT IN 2023 BUT IS STILL READJUSTING
- THERE ARE SIGNIFICANT HEADWINDS FIGHTING THE FEDERAL RESERVE ON INFLATION THAT WILL PERSIST INTO 2024
- THE LIKELIHOOD OF RECESSION HAS DECREASED, BUT DON'T GET TOO COMFORTABLE YET

THANK YOU!



Panel 1

How do we create affordable housing at scale?



Woda Cooper Companies, Inc.

- Formed in 1990
- Private company / Employee owned (ESOP)
- Headquarters: Columbus, Ohio – Southeast Office: Savannah, Georgia
- Develops, builds, and manages multifamily properties in 17 states
- Owns 350+ properties
- Manages over 13,500 units
- Industry leader - currently ranked 7th affordable housing developer in the nation
- Long-term owners



123 Club, Beaufort, SC



Jenny Greene, Hardeeville, SC



Crowfield Greene, Goose Creek, SC



Parrish Greene, Estill, SC



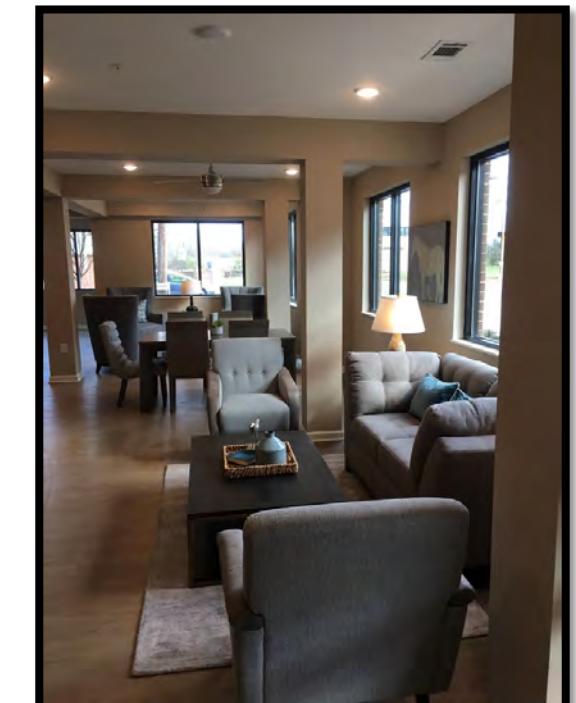
Oak Hollow, Summerville, SC



Pinecrest Greene, Charleston, SC



Mallalieu Pointe, East Point, GA



Charleston Redevelopment Corporation Palmetto Community Land Trust



- **Who We Are**

- a private 501(c)3 nonprofit corporation (Countywide Service Area)
- Three permanent stakeholder members
- Palmetto Community Land Trust provides long-term housing affordability

- **Outcomes/Metrics**

- \$14,500,000 in Affordable Housing Loans
- \$8,000,000 in Apartment acquisitions
- \$4,000,000 in Direct Investments

- **Project Classifications**

- Preservation:
 - Common Cause (Rehabilitation)
 - Acquisition Preservation of Existing Units)
- New Construction Activities
 - Single Family Detached (homeownership)
 - Scattered Site Rental
- Lending



The 1890 Building - Ashley River Road
Conceptual Building Elevation
May 2022



Scattered Site - Homeownership



Preservation



1890 Ashley River Road West Ashley



Commentary

Uncommon approach to prevent gentrification, displacement

BY APRIL WOOD
AND F.A. JOHNSON

Charleston's recent economic growth and strong housing market are certainly to be celebrated, but not all have shared in the prosperity.

Our great city faces the continued displacement of some of its long-term homeowners. We must grapple with the social equity implications of Charleston's economic success.

Concerns over displacement and gentrification have intensified, and the character of historic neighborhoods, particularly downtown, is changing dramatically.

With preservation funds increasingly hard to come by, this displacement is amplified.

Preservation initiatives are not limited to South of Broad.

Older homes across the city reflect the diverse breadth of Charleston's

history, but the cost of maintaining older homes — particularly for traditionally underserved communities — can limit homeowners' ability to remain in their home.

Common Cause is a loan fund established by Historic Charleston Foundation and the Charleston Redevelopment Corporation in response to this growing problem.

The Common Cause Fund was created to assist those in need with the resources to stay in their homes.

Homeowners who qualify can receive financial assistance to repair or maintain the exterior of their homes. Common Cause will provide funding, technical expertise and partnership engagement with the mission of pre-

serving the communities that contribute to the cultural fabric of the greater Charleston area.

This project is funded by a grant from the 1772 Foundation with support from Historic Charleston Foundation, Charleston Development Corporation and other generous community partners.

It is being carried out in partnership with the city of Charleston.

Common Cause loans are capped at \$60,000 per project to try to ensure our limited money has the greatest impact in the community.

Loan candidates must meet certain criteria to qualify for the loan. The borrower must: have clear title on the historic house (defined as being

50 years old or older); have an income of no more than 120% of our area median income range (for example, the maximum income for a household of one would be \$69,000); and plan to remain in the house for at least seven years after the work is done.

The funding is provided as below-market-rate, long-term loans. In some cases, these loans may be forgivable.

The foundation and corporation will be involved with project evaluation and review of the repair work.

Exterior repairs, such as fixing windows, addressing wood rot and painting, qualify for the program. In evaluating appropriate repair methods, our focus will be on maintaining the character-defining features of the house.

The implementation of the Common Cause loan program will provide much-needed resources to qualifying homeowners who need to make repairs.

Most importantly, this new effort should increase the likelihood of residents being able to stay in their homes without being forced out by displacement pressures or the threat of deteriorating living conditions. As we work to directly address these challenges, we must also work to advance creative options for housing in our city.

The Common Cause loan program is a unique combination of preservation and affordable housing initiatives.

We must collaborate to keep Charleston a beautiful, livable and affordable city for *all* of our citizens.

We invite the community to join us in this cause.

April Wood is Historic Charleston Foundation's easement and technical outreach manager. **F.A. Johnson** was named CEO of the Charleston Redevelopment Corporation in 2021.

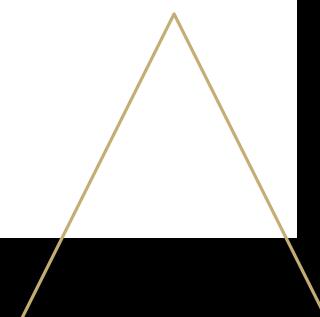


Wood



Johnson

Schaumber Development



Building Developments That Enhance Communities

WHO WE ARE:

Schaumber Development is a real estate development and consulting firm specializing in quality affordable housing. Our company takes great pride in creating housing that is attractively designed, skillfully built, and well-managed.

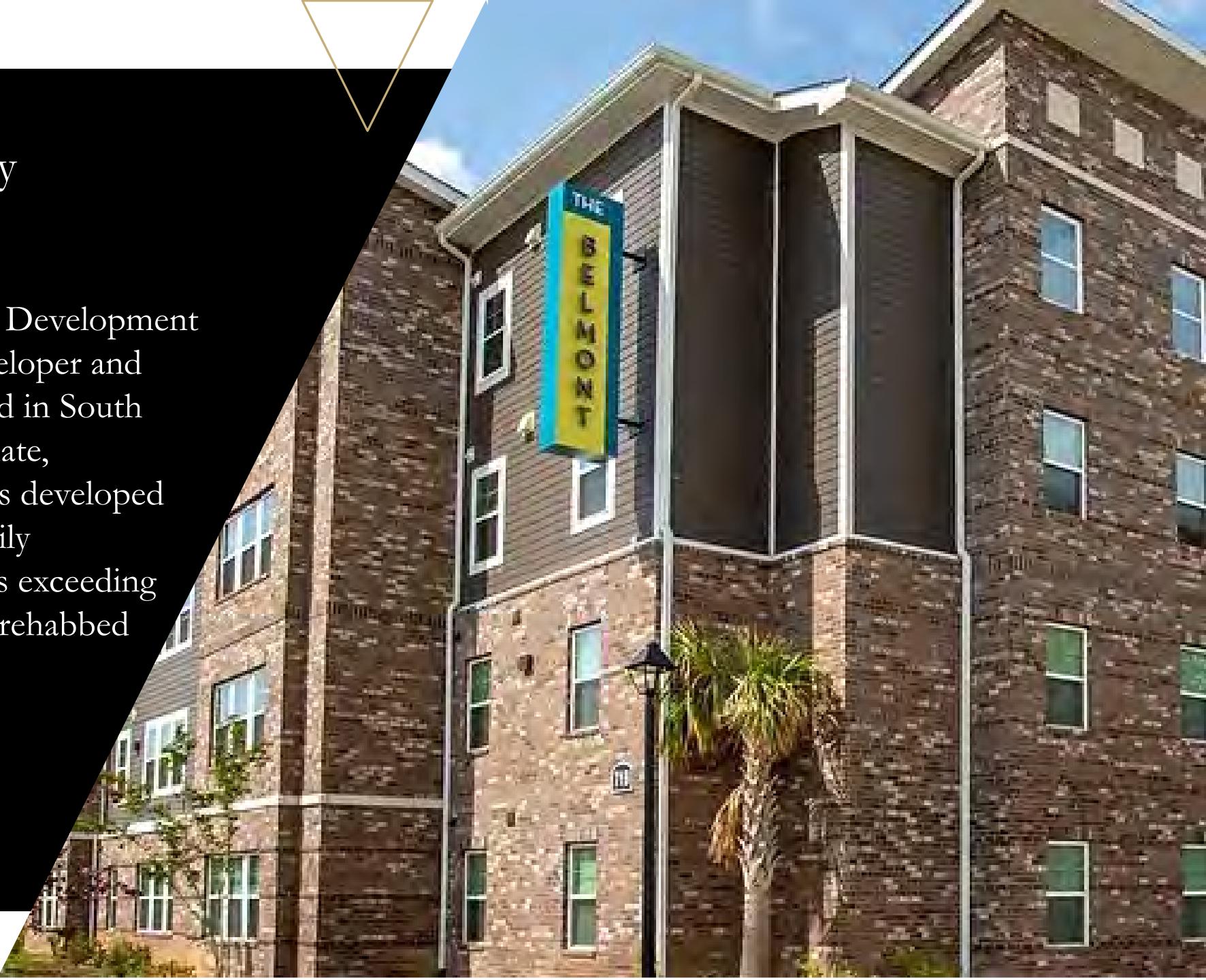
We are known for engineering creative solutions, handling complex financial structures, and innovative approaches to development and design. We are committed to long-term success and engagement within the communities we build.

THE SULLIVAN



Completed Multifamily Developments

Formed in 2001, Schaumber Development is an affordable housing developer and consultant with office located in South Carolina and Maryland. To date, Schaumber Development has developed more than 20 New multifamily communities in the Carolinas exceeding 1,200 apartment homes and rehabbed more than 350 units.



Communities Built

CRESCE
NT VILLAS I & II
(FLORENCE SC)

EVERGREEN VILLAS (SUMTER, SC)

GUARDIAN ANGEL VILLA
(CHARLOTTE, NC)



Communities Built

JACKSON CREEK (COLUMBIA, SC)

MANOR AT WEST GREENVILLE
(GREENVILLE, SC)

THE ELLINGTON (SPARTANBURG, SC)

THE GALLERY AT WEST GREENVILLE
(GREENVILLE, SC)



The Sullivan

COMPLETED IN SUMMER 2023

6001 JACKS LOOKOUT RD
GREENVILLE, SC 29617



Swansgate III

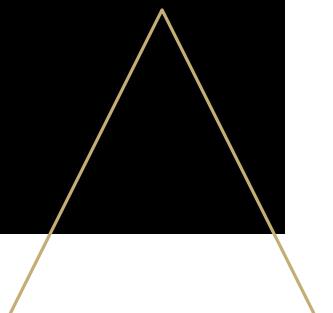
COMPLETED REHAB IN SUMMER 2023

1023 & 1053 FUTRELL DRIVE
MYRTLE BEACH, SC 29577



The Riley Overbrook

- Coming Soon in 2025
 - 29 Oakley Drive
- Greenville, SC 29607
 - 88 units (1,2&3 Bedrooms)





Panel 2

**Locally Driven Creative
Affordable Housing Initiatives and Solutions**

- FOUNDED IN 1998
- 700 HOMES DEVELOPED TO-DATE
- 181 IN CONSTRUCTION QUEUE AT PRESENT

My contact:
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don@homesofhope.org



- MARKET QUALITY SINGLE-FAMILY
- CONNECTIONS TO RESOURCES FOR ECONOMIC MOBILITY OFFERED FOR EACH HOUSEHOLD
- MIXED-INCOME DEVELOPMENT EMPHASIS

BUILD DEVELOP CONNECT

































SOME FINANCIAL TOOLS

- Patient or philanthropic capital
- Public/Private partnerships
(Government/Churches/Corporations)
- Developer vs. General Contractor
- Equity Fund
- RRR fund (Rental Revenue Reinforcement)
- H.O. fund
- Tax Credits
- Bond issuances
- Market profits
- Leveraging!!!





Habitat
for Humanity®
of the Lowcountry

Habitat for Humanity of the Lowcountry



- Hilton Head Regional and LowCountry Habitats merged in July 2023
- Built 183 houses in total
- Now serving all of Beaufort and Jasper Counties
- Completed a 32-house development on Hilton Head Island in December 2022
- Finishing up 3 lots in Beaufort
- Up next: 3 lots in Ridgeland

Habitat Model



- Competitive application process for families earning between 30% and 80% of AMI
- Homebuyers complete 300-400 hours of sweat equity
- Also take classes on homeownership skills such as budgeting, credit and home repairs
- Have an affordable mortgage repaid to Habitat, along with a silent second mortgage
- Mortgage payments of 30% or less of household income

Continuing to Evolve

Traditionally, Habitat offered single-family homeownership opportunities through new construction on Habitat-acquired land. Over the last few years, we have expanded to include:

- Rehab and resell
- Minor repair program
- Building on a homebuyer's property

Other Options:

- Building multi-family units
- Building smaller cottages for seniors and veterans
- Working with private developers for mixed income communities

Beaufort NSP Rehabs

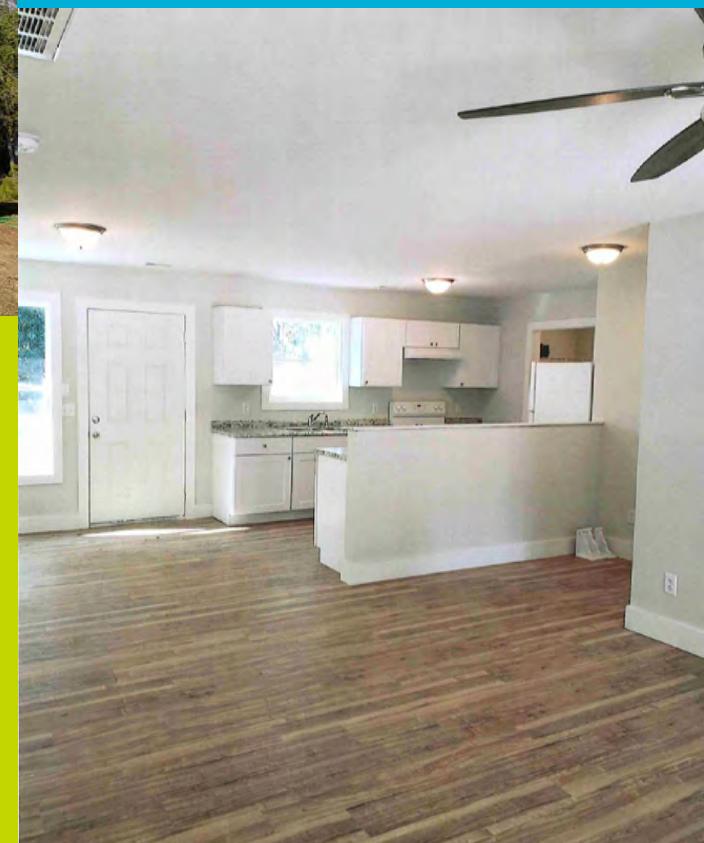


The Glen, Hilton Head



Typical Habitat House

- Approx. 1100 sq ft
- 3 bed, two bath
- Whirlpool appliances





501c-3 Non-Profit formed in May to address workforce affordable housing shortage across Beaufort and Jasper counties.

<https://ccdc-sc.org/>

WHO
We Are

109



Coastal Community Development Corporation Mission

The Coastal Community Development Corporation (CCDC) seeks to increase the availability of homes for our local and regional workforce by preserving existing housing, redeveloping existing property and developing new property to meet the demand of our region while serving working residents.

Mechanisms to Serve Workforce



Targeted rents that serve 50%-150% AMI



Units will be deed restricted for 99 years

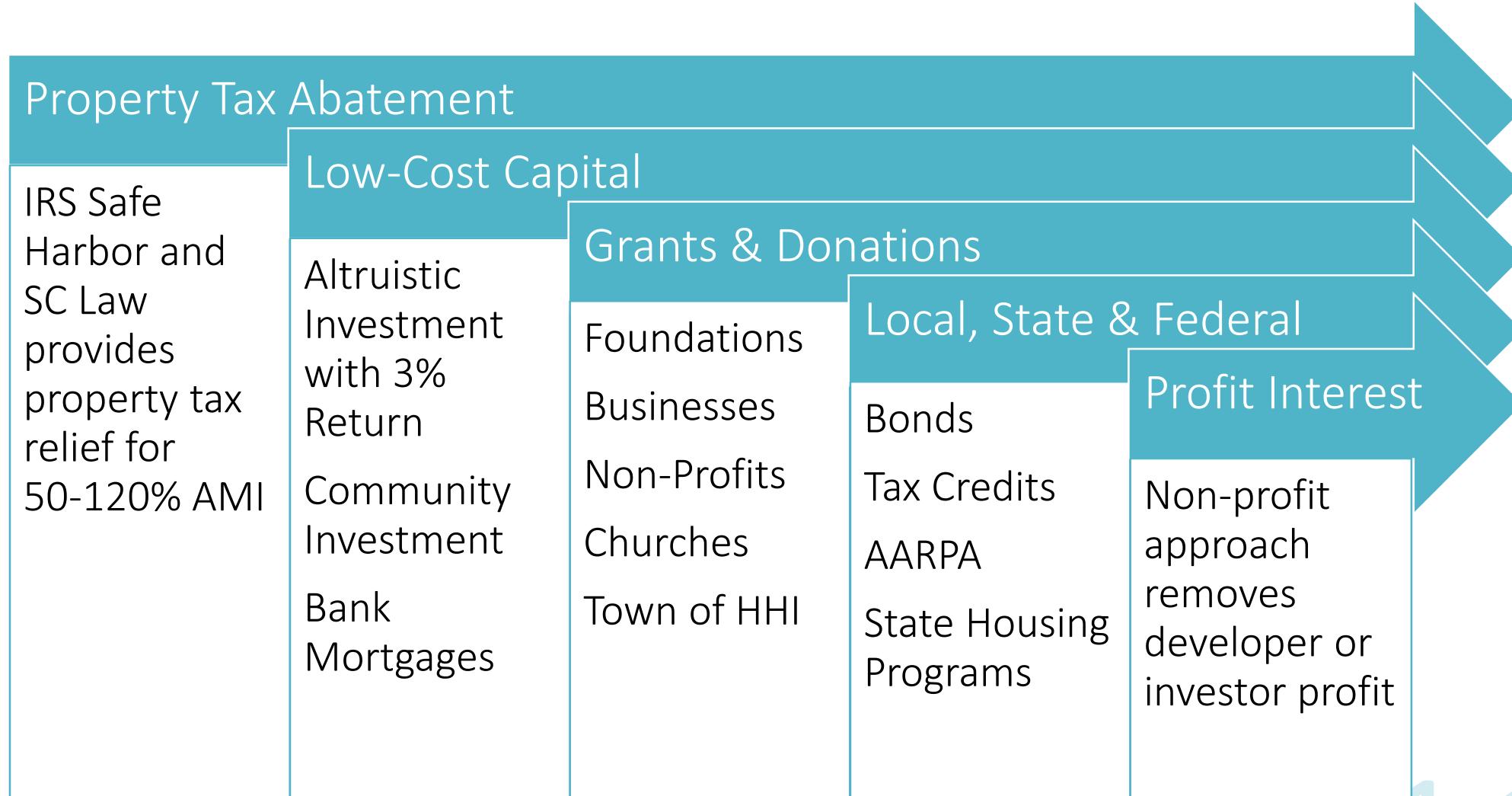


Application process will ensure workers
have first access to CCDC owned housing
inventory in the community they work in



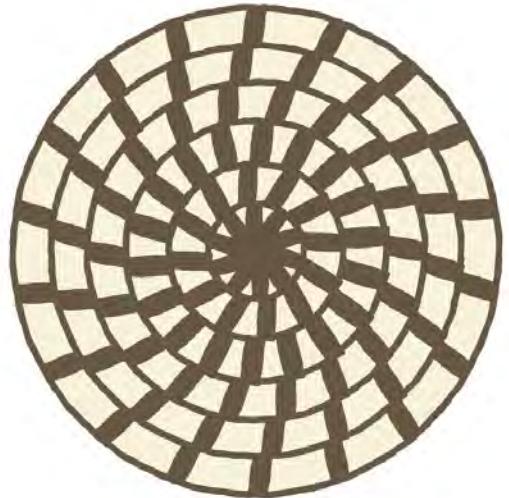
No short term rentals, i.e. AIR BnB

Cost Curve Bending Strategies



Recent Acquisition 1 Bedroom Marshside





**BEAUFORT
JASPER** HOUSING
TRUST

WENDY ZARA, CHAIR, WRAP UP AND CALL TO ACTION

Thank You.

We'd love to hear from you.

Please complete brief survey, QRCode.



HILTON HEAD ISLAND-BLUFFTON
CHAMBER OF COMMERCE

