SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY



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Opening Comments

Bonita Shropshire, Executive Director



Agency Updates Since Last Hearing

- Housing Needs Assessment Released
- Drafting 2020 Qualified Allocation Plan & Developer Roundtable on Policy
- Senate Oversight Committee
- Chief Financial Officer



Topics Requested

- Email from 7/25/2019:
 - Strategic plan (Bonita Shropshire, Executive Director)
 - Performance measures (Clayton Ingram, Communications Manager)
 - Expenditures breakdown by division or major program (Paul Linhardt, Senior Accountant)
 - Personnel statistics & information (Tracey Easton, General Counsel)
 - Suggested law changes (Bonita Shropshire, Executive Director)



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Performance Measures

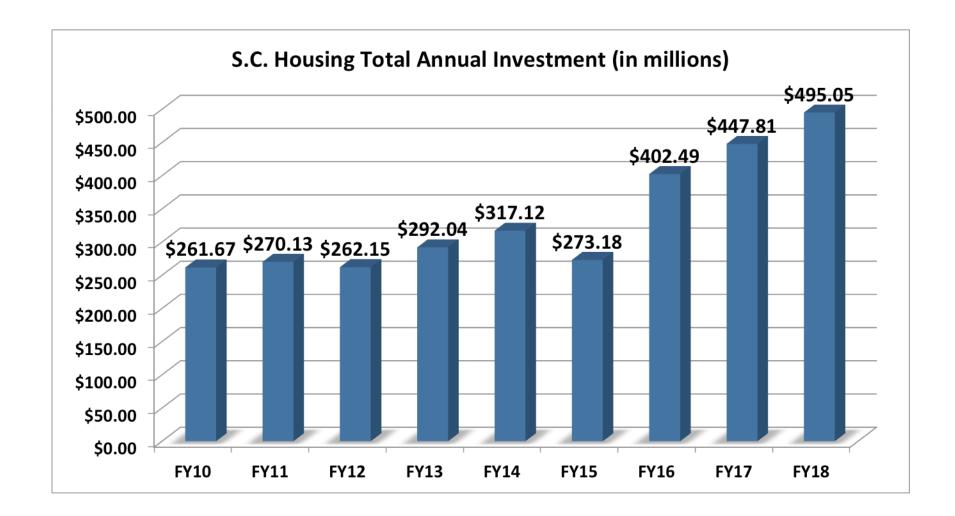
Clayton Ingram, Communications Manager



Economic Impact Analysis

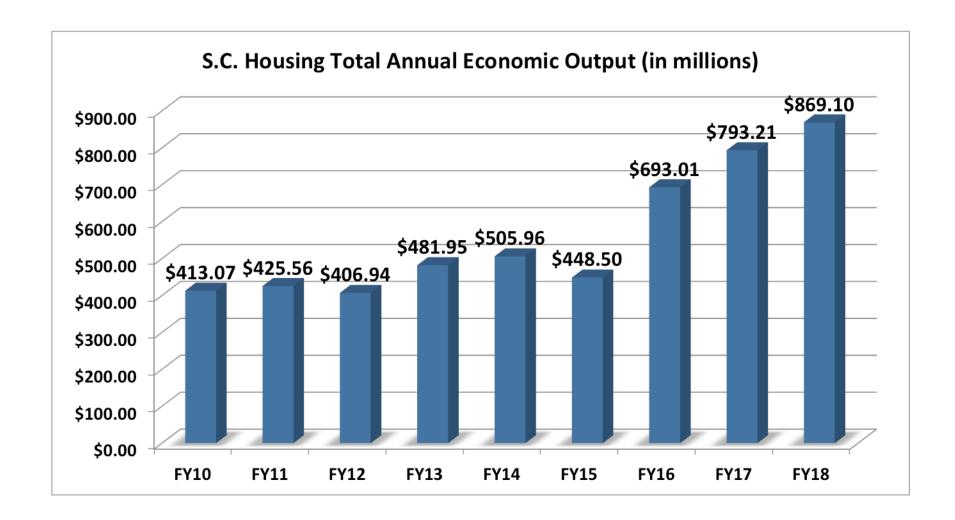
- SC Housing measures its performance annually in terms of Economic Impact Analysis, prepared by Research Economist Dr. Joey Von Nessen of the Darla Moore School of Business.
- An accurate way to measure and put perspective on how SC Housing affects South Carolina's housing markets and the overall economy
- Quantifies SC Housing's impact on both the overall economy and various local regions
- Additional information contained in the 2018 FY 2018 Economic Impact Report (previously provided)





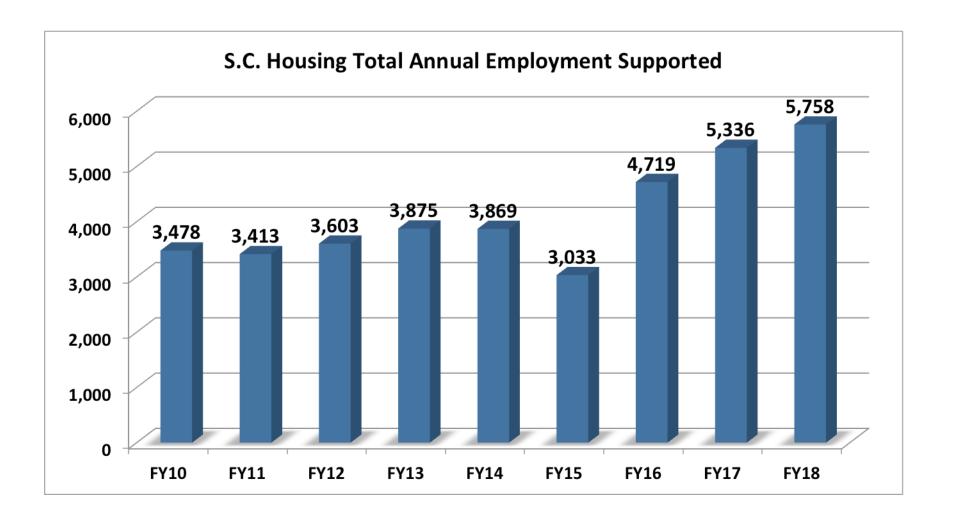






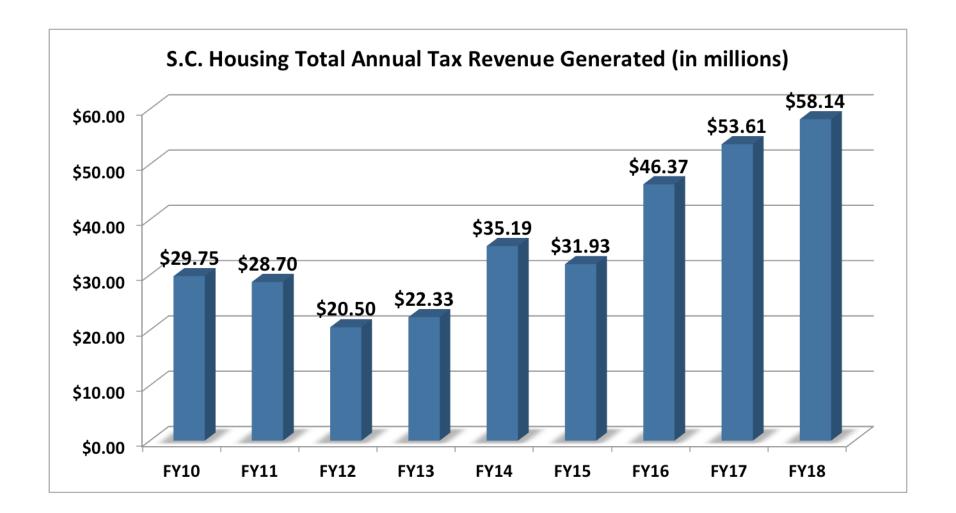




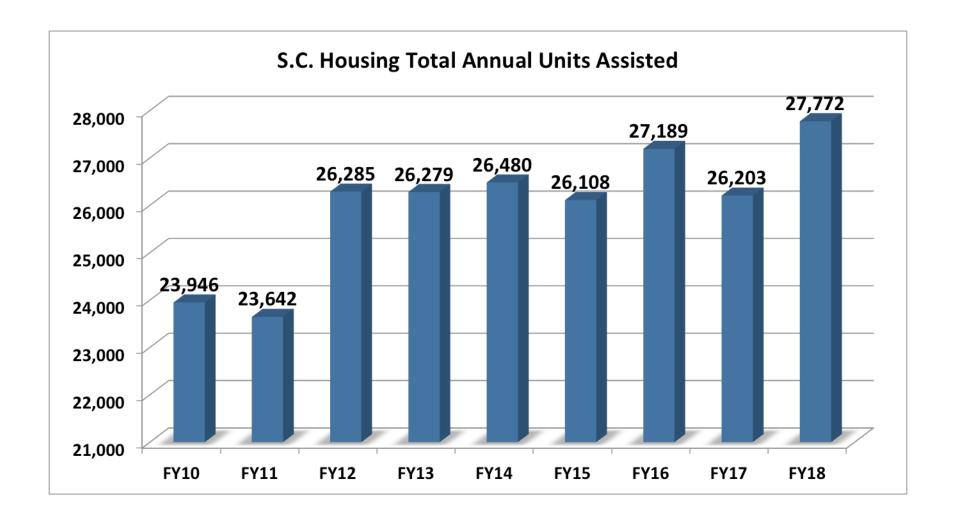














Summary & Overall Impact

	2014	2015	2016	2017	2018
Investment	\$317.1M	\$273.2M	\$402.5M	\$447.8M	\$495.1M
Economic Output	\$506.0M	\$448.5M	\$693.0M	\$793.2M	\$869.1M
Employment	3,869	3,033	4,719	5,336	5,758
Tax Revenue	\$35.2M	\$31.9M	\$46.6M	\$53.6M	\$58.1M
# of Units Assisted	26,480	26,108	27,189	26,203	27,772

 In FY18, every \$100 in direct spending from SC Housing's affordable housing initiatives resulted in an overall total economic impact of \$176 on South Carolina's economy. This has grown from \$158 per \$100 in FY 2010.



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Expenditure Breakdown

Paul Linhardt, Senior Accountant



Multi Family Housing Development – Tax Credit

9% Tax Credits number of units during FY2018-19

738

- Source of Funds US Internal Revenue Service and User Fees
- FY 2018-19 Developments Completed

		» Amount	As % of Total
_	Administrative Expenditures	382,000	6.3%
-	Development Assistance	96,722,000	Fed. Tax Credits claimed over 10-year period

4% Tax Credits number of units during FY2018-19

1,909

- Source of Funds US Internal Revenue Service and User Fees
- FY 2018-19 Developments Completed

		Amount	As % of Total
_	Administrative Expenditures	127,000	2.1%
_	Development Assistance	32.628.000	Fed. Tax Credits claimed over



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10-year period

Multi Family Housing Development – Other

SC Housing Trust Fund

Number of units during FY2018-19

24

- Source of Funds Deed Recording Fee
- FY 2018-19 Expenditures

		» Amount	As % of Total
_	Administrative Expenditures	66,000	1.1%
_	Development Assistance	750,000	0.2%

HOME

Number of units during FY2018-19

56

- Source of Funds US Dept. of Housing and Urban Development
- FY 2018-19 Expenditures

_	Administrative Expenditures	1,642,000	26.9%
_	Development Assistance	3,591,000	2.4%



Single Family Housing Rehabilitation

SC Housing Trust Fund

- Number of families during FY2018-19
 418
- Source of Funds Deed Recording Fee
- FY 2018-19 Expenditures

		» Amount	As % of Total
_	Administrative Expenditures	359,000	5.9%
_	Rehabilitation Assistance	4,102,000	1.3%



Special Needs Housing

SC Housing Trust Fund

•	Number	of units	during	FY2018-19	53
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- Source of Funds Deed Recording Fee
- FY 2018-19 Expenditures

		» Amount	As % of Total
_	Administrative Expenditures	101,000	1.7%
_	Development Assistance	1,166,000	0.4%



Quality Control and Compliance Monitoring

Unit inspections during FY2018-19 1,657

- Source of Funds Inspection Fees paid by Developers
- FY 2018-19 Expenditures

» Amount As % of Total

Administrative Expenditures 531,000 8.7%



Rental Assistance – Project Based

- Contract Administration
- Number of families during FY2018-19 17,900
- Source of Funds US Department of Housing and Urban Development
- FY 2018-19 Expenditures

		» Amount	As % of Total
_	Administrative Expenditures	933,000	15.3%
_	Rent and Utility Assistance	135,828,000	89.7%



Rental Assistance – Tenant Based

Housing Choice Voucher Program

Number of families during FY2018-19
 2,238

Source of Funds – US Department of Housing and Urban Development

FY 2018-19 Expenditures

		» Amount	As % of Total
_	Administrative Expenditures	1,102,000	18.1%
_	Rent and Utility Assistance	11,929,000	7.9%

HOME

Number of families during FY2018-19

Source of Funds – US Department of Housing and Urban Development

FY 2018-19 Expenditures

		» Amount	As % of Total
_	Administrative Expenditures	4,000	0.1%
_	Security Deposit Assistance –	43,000	0.03%



Homeownership Programs

1st Time Homebuyer Mortgage Program

Number of 1st mortgages during FY2018-19 1,111

Source of Funds – Revenue Bonds and User Fees

FY 2018-19 Expenditures

» Amount As % of Total
– Administrative Expenditures 777,000 12.7%

Mortgages Purchased
 141,867,000
 Paid by Bond Funds



Homeownership Programs

Palmetto Advantage and Mortgage Tax Credit Programs

- Number of 1st mortgages during FY2018-19
 170
- Source of Funds US IRS / Fannie Mae and User Fees
- FY 2018-19 Expenditures

		» Amount	As % of Total
_	Administrative Expenditures	75,000	1.2%
_	Mortgage Interest Assistance	27,094,000	Tax Credit claimed by
			homeowner



All SC Housing Programs

Budgeted Funds

Number of Families/Units assisted during FY2018-19 app. 1100

- Source of Funds Federal Funds and User Fees
- FY 2018-19 Expenditures

		» Amount	As % of Total
_	Administrative Expenditures	15,934,000	9.5%
_	Housing Assistance	151,391,000	90.5%

Non-Budgeted Funds

- Source of Funds Revenue Bonds, IRS Tax Credits and HTF
- FY 2018-19 Expenditures

		» Amount	As % of Total
_	Mortgage Revenue Bonds	141,867,000	46.6%
_	IRS Tax Credits	156,444,000	51.4%
_	Housing Trust Funds	6,018,000	2.0%



Personnel Statistics & Information

Tracey Easton, General Counsel



Personnel Strategies - Onboarding

- Prior to their first day all new employees receive an electronic onboarding package.
- On the first day of employment, new employees go through orientation with HR staff.
- Supervisor for the new employee completes a New Hire Checklist.



Personnel Strategies - Training

- SC Housing is committed to making training available for its employees.
- SC Housing historically sends two employees annually to CPM training.
- In recent years, SC Housing offered a leadership training program. The program was put on hold for a few years to allow the next pool of eligible employees to grow.
- Employees attend training offered by local and national trade groups.
- HR does not track data related to training



Personnel Strategies – Retention

- SC Housing strives to hire and retain qualified employees.
- SC Housing offers competitive salaries and the State benefits package.
 - SC Housing is currently participating in a salary study that compares salaries of state housing agency employees nationwide.
 - SC Housing has conducted internal inequity reviews and has re-classed or adjusted salaries of impacted employees.
- SC Housing also offers flexible schedule options and tuition assistance.
- If an employee receives a job offer, SC Housing is able to offer a bonus or raise to retain the employee.



Personnel Information – By the Numbers

- 125 Full time employees
 - 68 % Female, 32% Male
 - 29% Black/African American 4% Hispanic 67% White
- 13 Employees Departed SC Housing in past Fiscal Year under the following circumstances

Reason for Departure	#	Division		
Deceased	1	Development		
Dismissal- Unsatisfactory Performance	1	Compliance Monitoring		
Employed Outside State Gov	4	Development, Finance, Housing Choice Voucher, Legal		
Personal	2	Compliance Monitoring, Housing Choice Voucher		
Resignation	1	Development		
Retirement	2	Development, Executive		
Temporary Employment	_			
Ended	2	Development, Internal Audit		
TOTAL 13				



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Qualified Allocation Plan Policy Update

John Tyler, Director of Housing Initiatives & Innovation



Proposal Stage

 Please note: This is designed to give a high level overview of policy changes under consideration for the 2020 Qualified Allocation Plan ("QAP"). The QAP is not finalized.



2020 QAP Planning & Innovation

- SC Housing's Cross-Divisional "Action Team" was tasked by the Executive Director of making policy recommendations for the 2020 QAP.
- Proactive approach:
 - Meet early and often
 - Strategic framework for planning & decision making
 - Consider consistent feedback received
 - Allow data to instruct policy
 - Consult institutional knowledge
 - Review other jurisdictions



Objective – Ensure program is opened up for participation for those currently not participating

- Allow experienced developers from across the U.S. to participate
- Allow developers who lack experience to enter the program by partnering with an experienced developer



Objective – Ensure areas with highest need can participate in the program

- Close examination of data presented by Dr. Grady
- Examined areas in greater need for new construction and those for rehabilitation / preservation
- See Housing Needs Assessment



Objective – Have a cost structure that allows for development in more areas of South Carolina while maintaining efficiency of allocation

- Prior versions had cost caps which led to difficulties in many communities.
- Total Development Cost maximums will be based upon the county grouping. Using a 5 factor analysis to provide points to projects that have lesser costs relative to other applications submitted.



Objective – Quality site characteristics

- Prior versions had an odometer-based approach to site characteristics, which led to difficulties in many communities.
- Proposed policy is to consider the quality of life in a proposed development rather than an odometer reading the distance to a particular goods or service provider
 - Schools, Jobs, Public health, Opportunity Zones, High speed internet, Transit, and more



Objective – Incentivize leveraging resources outside of the tax credit

- Provide points for non-Authority sources of funding
- Extra points to applications with funds from a local government
- Points for applications that are part of a concerted community revitalization plan



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Impact of Programs by County

Bryan Grady, Chief Research Officer



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Closing Comments

Bonita Shropshire, Executive Director

