



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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<b>Bill Number:</b>	H. 4552	Introduced on January 9, 2024
<b>Author:</b>	Pendarvis	
<b>Subject:</b>	Tax Increment Financing	
<b>Requestor:</b>	House Medical, Military, Public, and Municipal Affairs	
<b>RFA Analyst(s):</b>	Jolliff	
<b>Impact Date:</b>	February 15, 2024 - Updated to Correct a Typographical Error	

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### **Fiscal Impact Summary**

This bill expands the projects that can be undertaken in the redevelopment of a federal military installation to include affordable housing projects. Currently, there are three redevelopment authorities (RDAs) established pursuant to Chapter 12 of Title 31: the Charleston Naval Complex Redevelopment Authority, the Myrtle Beach Air Force Base Redevelopment Authority, and the Savannah River Site Redevelopment Authority. This bill would specifically allow these RDAs to include affordable housing in a redevelopment project plan.

This bill is not expected to have a fiscal impact. The RDAs receive funding from redevelopment fees and lease revenue. Permitting affordable housing as a redevelopment project may impact future development plans. However, this bill does not change total available funding and would not impact overall expenditures.

Based on information provided by the Municipal Association of South Carolina (MASC), the bill only applies to RDAs as authorized and does not change the responsibilities of any municipality. Therefore, it would not impact local expenditures. Additionally, the changes are not expected to impact local revenue. Under current law, a municipality may issue obligations upon the request of an RDA to finance the redevelopment project upon adoption of an ordinance. The obligations are secured by the special tax allocation fund that attributes the property taxes generated in the project area to the fund. However, the bill does not change the allocation or imposition of property tax and, therefore, is not expected to impact local property tax revenue.

*This impact statement has been updated to correct a typographical spelling error.*

### **Explanation of Fiscal Impact**

#### **Introduced on January 9, 2024**

#### **State Expenditure**

This bill expands the projects that can be undertaken in the redevelopment of a federal military installation to specifically include affordable housing projects. Currently, there are three RDAs established pursuant to Chapter 12 of Title 31: the Charleston Naval Complex Redevelopment Authority, the Myrtle Beach Air Force Base Redevelopment Authority, and the Savannah River Site Redevelopment Authority. Redevelopment projects currently include buildings,

improvements, parking facilities, and recreational facilities. It also includes portions of the project located outside the project area so long as they provide infrastructure support for the area. RDAs establish redevelopment plans to outline the projects that will be undertaken.

The bill expressly states that a redevelopment project can include affordable housing where all or part of the property tax revenues generated in the tax increment financing district are used to provide publicly and privately owned affordable housing in the district or for infrastructure projects that support affordable housing. Affordable housing is defined as residential housing for rent or sale that is appropriately priced for a person or family whose income does not exceed 80 percent of the median income for the local area according to figures released by the U.S. Department of Housing and Urban Development (HUD).

Based on information provided by the Charleson RDA, the RDA was directed to provide property to the City of North Charleson through legislation. The development agreement includes a project to provide attainable housing. Attainable housing is defined as residential dwelling [units] for which the occupants have an aggregate household income equal to or less than 120 percent of the Area Median Income as published by HUD.

This bill would specifically allow RDAs to include affordable housing in a redevelopment project plan. RDAs receive the majority of funding from redevelopment fees and some lease revenue. Expressly permitting affordable housing as a redevelopment project may impact future development plans. However, this bill does not change total available funding and would not impact overall expenditures.

#### **State Revenue**

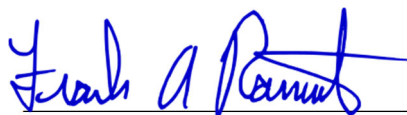
N/A

#### **Local Expenditure**

Based on information provided by MASC, the bill only applies to the three RDAs currently authorized. It does not change the responsibilities of any municipality and, therefore, will not impact local expenditures.

#### **Local Revenue**

A municipality, after the adoption of an ordinance pursuant to Section 31-12-280 concurring in an authority's redevelopment plan, may issue obligations upon the request of the redevelopment authority to finance the redevelopment project upon adoption of an ordinance. The obligations are secured by the special tax allocation fund that attributes the property taxes generated in the project area to the fund. The bill does not change the allocation or imposition of property tax and, therefore, is not expected to impact local property tax revenue.



Frank A. Rainwater, Executive Director