

# South Carolina Consolidated Plan for Housing & Community Development

2018

## Analysis of Impediments to Fair Housing



**South Carolina**  
Department of Commerce  
Just right for business.

Community  
Development  
Block Grant

Community Development Block Grant  
HOME Investment Partnerships & National Housing Trust Fund  
Emergency Solutions Program  
Housing Opportunities for People with HIV/AIDS



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# PART I - INTRODUCTION

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## BACKGROUND

The Federal Fair Housing Act of 1968 states that it is the policy of the United States to provide for fair housing throughout the country and the Act prohibits any person from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including or otherwise making unavailable or denying a dwelling to any person because of race, color, religion, sex, national origin, handicap, or familial status.

The fundamental goal of the United States Department of Housing and Urban Development (HUD) fair housing policy is to ensure housing choice for all persons through Fair Housing Planning. This calls upon jurisdictions to *affirmatively* promote fair housing, and provisions to further this fair housing are long-standing components of HUD's regulatory requirements for states that receive federal funds for housing and community development programs. This includes jurisdictions participating in HUD Community Planning and Development programs: CDBG, HOME, ESG, and HOPWA and National Housing Trust Fund. Nationally, fair housing and impediments to fair housing are monitored by HUD through the Community Block Development Grant (CDBG) program. This role of HUD to act as an administrator of fair housing programs originated in 1968 with the passage of the Civil Rights Act.

Each state grantee that receives CDBG funding under Title I of the Housing and Community Development Act is required to further fair housing and conduct fair housing planning through four actions. First, the state must conduct an analysis to identify impediments to fair housing choice within those cities/communities within its jurisdiction. Second, the state will take appropriate actions to address the effects of any impediments identified through the analysis. Third, the state will maintain records, reflecting the analysis and the actions taken in this regard. Fourth, the state must make efforts to assure that units of local government receiving HUD funds comply with these certifications to affirmatively further fair housing. As a part of the Consolidated Plan process, and as a requirement for receiving HUD funding, the state is required to submit a certification that it has undertaken fair housing planning through the four actions mentioned above.

Consistent with the above requirements, the State has undertaken fair housing planning at the state level, including preparing an Analysis of Impediments (AI) in 1997 and in 2010 with updates to the AI in 2003, 2009, and this update in 2018. In each year, the State has taken actions to overcome the effects of identified impediments, maintaining records throughout the period 1997 through 2017, and ensuring that all State-funded jurisdictions comply with their certifications to affirmatively further fair housing. Further, the state has consistently focused on fair housing issues and made efforts to mitigate impediments to fair housing choice education and outreach, by making affordable housing more readily available, and by addressing capacity.

In 2015, HUD released its final rule on Affirmatively Further Fair Housing (AFFH) to equip communities that receive HUD funding with the data and tools that will help them to meet long-standing fair housing obligations in their use of HUD funds. HUD's intention is to provide publicly open data for grantees to use to assess the state of fair housing within their communities and to set locally-determined priorities and goals. The rule responds to recommendations of the Government Accountability Office and stakeholders for

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HUD to enhance its fair housing planning obligations by providing greater clarity and support to jurisdictions receiving HUD funding, and facilitating local decision-making on fair housing priorities and goals. In January 2018, however, HUD issued a notice extending the submission deadline for consolidated plan program participants to submit the AFFH rule's required Assessments of Fair Housing (AFH) to HUD until the program participants' next AFH submission deadline that falls after October 31, 2020. The notice provides that HUD will discontinue the review of any AFHs submitted to HUD that have not yet received a determination of accept, non-accept, or deemed accepted and program participants will not receive such a determination.

Well in advance of states being required to use the AFH assessment tool to complete an AFH, and also in advance of the State's next five-year Consolidated Plan (which will not be submitted until January 2021), the State initiated an effort to procure consulting services and develop an AFH for South Carolina. Following the HUD guidance issued in 2018, work performed to begin developing the AFH was redirected toward updating the State's Analysis of Impediments for the current 2016-2020 Consolidated Plan period, so that the State can better understand the current conditions with respect to fair housing planning and develop new and appropriate policies and programs to address changing circumstances and needs. This report represents the State's efforts in making an objective assessment of the nature and extent of fair housing concerns, and the potential impediments to making fair housing choice available to its residents.

## LAWS AND DEFINITIONS

The definition of Fair Housing is based upon a number of Federal statutes, Executive Orders, and regulations, and guidance from Federal Agencies, including HUD and the Department of Justice, augmented by State law as described below. The concept of affirmatively furthering fair housing, ensuring non-discrimination in housing and providing fair housing choice is rooted in the Fair Housing Act of 1968, and other relevant federal regulations, such as Title VI of the Civil Rights Act of 1964, the Architectural Barriers Act of 1968, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, and numerous Executive Orders, addressing issues such as language barriers. In the *Fair Housing Planning Guide*, HUD defines fair housing choice as "equal and free access to residential housing." This applies to all individuals, regardless of race, color, religion, sex, disability, familial status, or national origin. It also applies to those whose limited English proficiency (LEP) is a barrier to full and meaningful participation in federally-assisted and federally conducted programs and activities.

Thus, throughout this document, **Fair Housing** is defined as follows:

*Fair housing is a condition in which individuals of similar income levels in the same housing market have like ranges of housing choice available to them regardless of race, color, ancestry, national origin, religion, sex, disability, marital status, or familial status.*

These classes of individuals, defined as "**protected classes**," should have the same kinds of opportunities as other individuals of similar income levels when choosing where and in what type of dwelling they wish to live. Actions, omissions, or decisions which restrict housing choice, or which have the effect of restricting housing choice or the availability of housing choices, are considered barriers or impediments to fair housing choice.

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*The Fair Housing Law and other legislation, define the “protected classes,” who are specifically protected from discrimination, based upon race, color, religion, sex, disability, familial status, or national origin.*

In its *CDBG Fair Housing and Non-discrimination Trainer Guide*, HUD further defines **discriminatory housing practices** as including “any action in which an individual or class of individuals in a specific protected class is treated differently than others who are not in that protected class, when the result of that action denies that individual or class of individuals equal access to or benefit of a housing opportunity.”

HUD further notes that specific actions may be required to *create* equal access for people with disabilities.

Common impediments cited by HUD are:

- Discrimination against families with children,
- Failure to make reasonable accommodations for persons with disabilities, which has the effect of discriminating against and limiting housing choices for persons with disabilities,
- Insufficient multi-lingual marketing efforts for LEP, which has the effect of limiting housing choices for LEP individuals,
- Zoning and land use policy that restrict certain types of housing to certain areas, effectively segregating public housing, supportive and group housing for persons with disabilities, and
- Locating housing that is affordable for lower-income individuals in specific areas, resulting in geographic concentrations of racial and ethnic minorities and low-income populations.

Thus, in this document, based upon the legal framework of federal and state laws and the guidance provided by the U.S. Department of Housing and Urban Development (HUD) *Fair Housing Planning Guide*, **impediments to fair housing choice** are defined as:

*Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin, which restrict housing choices or the availability of housing choices; or*

*Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.*

To affirmatively promote equal housing opportunity, a community must work to remove impediments to fair housing choice.

## SCOPE

The scope of this study covers a full array of public and private policies, practices, and procedures affecting housing choice.



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The Analysis of Impediments:

- Serves as the substantive, logical basis for Fair Housing Planning.
- Provides essential and detailed information to policy makers, administrative staff, housing providers, real estate organizations, lenders, and fair housing advocates.
- Assists in building public support for fair housing.

### PARTICIPANTS

The Department of Commerce, Grants Administration Division, administers the Community Development Block Grant Program for the state and acts as the lead entity responsible for the development of the state's Consolidated Plan. The South Carolina State Housing Finance and Development Authority, also known as SC State Housing, administers state and federal housing funds, including the HOME Program and the National Housing Trust Fund, and undertook development of the State Assessment of Fair Housing. Both agencies have been involved in coordinating this current AI Update. However, preparation and development of an AI is a collaborative effort requiring input from numerous individuals, agencies and organizations throughout the state, including the other state agencies that administer HUD Consolidated Plan Programs. These agencies and the programs they administer are outlined below.

Agency	Program Administered
South Carolina Department of Commerce, Grants Administration Division (Lead Agency)	CDBG
South Carolina State Housing Finance and Development Authority (SC Housing)	HOME & NHTF
South Carolina Office of Economic Opportunity (OEO)	ESG
South Carolina Department of Health and Environmental Control, STD/HIV Division (DHEC)	HOPWA

### METHODOLOGY

#### CITIZEN PARTICIPATION

Citizen participation is an integral part of the development of an AI, as it helps to evaluate the status of fair housing across the state. Both surveys and representative stakeholder interviews were used to obtain input from citizens, local governments, community development professionals, housing developers, housing providers, public and assisted housing service providers, and providers of related housing, homeless, special population, lower income populations and community services. An attempt was also made to reach out to those with limited English proficiency.

#### COMMUNITY/CITIZEN SURVEYS

During the months of February and March 2018, the State conducted an online, statewide survey on fair housing issues for local governments, stakeholders, and State residents. Notification of the availability of the online survey were sent to lead and partner agency program constituents, including other state agencies,

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the 10 regional councils of government, elected officials and administrative staff of units of local government within the state, non-profit organizations, homeless coalitions, housing developers, housing and fair housing service providers, and other organizations. More than 2,156 survey notices were sent out and a total of 149 surveys were completed.

For units of local government where more than 5% of the population only speaks Spanish, according to the most recent 5-Year American Community Survey data, a separate email was sent requesting assistance in placing a Spanish language version of the survey in Town Hall or other places where it would be accessible to Spanish speaking residents. For those towns that were not able to receive the Spanish survey notification via email, paper copies of the survey were sent via regular mail. Also, both the English and Spanish versions of the survey were posted online.

### **STAKEHOLDER INTERVIEWS**

In addition to the surveys, the State conducted interviews with key stakeholders to better assess progress since the last AI and emerging trends in fair housing concerns. A total of 14 stakeholders were contacted with requests for interviews. Eight interviews were conducted with all stakeholders who responded to the request.

## **RESEARCH AND ASSESSMENT**

Research for this study involved primary and secondary data sources. Despite this research, it is acknowledged that what is represented by these data does not capture the totality of fair housing conditions in South Carolina. Not all fair housing problems are recorded or come to light as fair housing complaints.

### **STATE DEMOGRAPHIC, ECONOMIC, AND HOUSING PROFILE**

Based upon US Census data, the US Bureau of Economic Analysis, and the US Bureau of Labor Statistics and data from State agencies, academic organizations and institutes and reliable private entities such as the Appleseed Legal Justice Center and the Kaiser Family Foundation, this Analysis presents a profile of the State's population, income, and housing characteristics.

### **FAIR HOUSING COMPLAINT AND LEGAL ANALYSIS**

Using information gathered by HUD's Fair Housing and Equal Opportunity Office and the South Carolina Human Affairs Commission, fair housing complaints received in South Carolina over the past several years were reviewed. Information from the US Department of Justice and the South Carolina Department of Consumer Affairs was also reviewed.

### **LENDING ANALYSIS**

Home Mortgage Disclosure Act (HMDA) information, which contains racial and ethnic information on applicants for mortgage-related loans, was analyzed for lending institutions operating in South Carolina. Predatory lending practices and related legislation were also reviewed, along with the impacts of foreclosure activity in the state and Community Reinvestment Act (CRA).

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### IDENTIFICATION OF IMPEDIMENTS & ACTIONS TO ADDRESS IMPEDIMENTS

Impediments to fair housing choice were identified and actions to overcome the effects of such impediments were developed based on:

- Outreach conducted during this update of the study, to obtain input from local governments and other parties such as community development professionals, non-profits, housing developers, public and assisted housing providers, housing service providers, agencies assisting disadvantaged individuals and those with limited English proficiency, and the public.
- Study of existing socio-economic conditions and housing trends and patterns.
- Analysis of fair housing complaint and lending data.
- Analysis of factors in the public and private sectors affecting housing choice, which include: laws, regulations, policies and practices; location, availability and accessibility of housing; conditions affecting fair housing choice for protected classes and availability of affordable housing.

The impediments to fair housing choice identified as a result of this update to the Analysis of Impediments are summarized below.

#### **Impediment #1**

Housing discrimination impedes fair housing choice and primarily impacts minorities and persons with disabilities while familial status appears to be an emerging issue.

#### **Impediment #2**

Minority households experience housing problems at a disproportionately higher rate in the state than the population within that category as a whole.

#### **Impediment #3**

Economic barriers serve as an impediment to fair housing choice particularly where the supply of adequate affordable and accessible housing is limited.

#### **Impediment #4**

Regulatory barriers and lack of coordination, planning and resources impede fair housing choice.

#### **Impediment #5**

Fair housing is impeded by a lack of knowledge of fair housing laws in the general public, understanding among local government officials and available resources for housing providers.

#### **Impediment #6**

Lack of public transportation appears to present a barrier to fair housing choice due to its limited availability, particularly in rural areas, and the prohibitive cost to extend or expand services.

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Please refer to Part VI – Impediments to Fair Housing Choice for complete analysis and discussion.

Actions the State may take during the Consolidated Plan period to address the above impediments to fair housing are outlined below. Note that these actions may be undertaken by any of the Consolidated Plan partner agencies, by other HUD-funded agencies in the state, by local government recipients of HUD funds or by other state agencies, as appropriate. Planned actions include:

### **Action #1**

The State recognizes that, despite an ongoing emphasis on fair housing and continual outreach and education, discriminatory practices still persist and limit housing choices for the state's protected classes. To address the issue, the State will promote activities and actions that help educate housing providers, including actions to combat discrimination in the private sector in lending, brokerage, leasing, appraisal and other activities related to the provision of housing.

### **Action #2**

The State is concerned that minority households experience housing needs in South Carolina more prevalently than the state's population as a whole, and it plans to address this impediment to fair housing choice. It will further evaluate available data regarding disproportionate housing needs and the greater incidence of housing problems among those households, in an attempt to identify factors contributing to this pattern and actions that can be taken to address it.

### **Action #3**

Given the economic barriers to housing choice in South Carolina (due to poverty and unemployment), the State knows households are challenged to purchase affordable homes and low-income families face significant cost burdens when they seek rental housing. The accessibility of housing has also become increasingly important as disability raises a fair housing issue, and as the aging population presents a higher share of the disabled. Expanding the supply of affordable and accessible housing, therefore has become essential. The State will continue to make available federally-supported financing, rental subsidies and incentives to reduce the cost of housing development and to induce developers to keep rental rates or housing prices affordable and develop new affordable housing that closes the "affordability gap"; increase awareness of that issue, as well as, requirements regarding accessibility and reasonable accommodations for disabled and elderly; advocate for methods of streamlining rental assistance programs to reach more tenants; and otherwise consider better design and targeting of housing programs to the extent possible.

### **Action #4**

The State recognizes that greater coordination at the state and local level is necessary to address fair housing issues and ensure that fair housing principles are integrated into broader housing development and reflective of human service needs. To address this issue, the State will seek to better coordinate and maximize available resources.

### **Action #5**

Because the general public, government officials and housing providers all require more knowledge of fair housing laws and a better understanding of their responsibilities and available resources, fair housing education remains an issue in South Carolina. The State will strengthen efforts to make the public aware of



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fair housing rights by providing communities information on fair housing laws and policies, model zoning ordinances, and advice from other communities that have succeeded in removing the stigma of affordable housing.

### **Action #6**

As public transit in South Carolina in general is a long-standing issue, especially in the rural areas of the state, the State realizes public transportation is inaccessible or limited for low income persons, who rely on such transportation, and is often cost prohibitive to provide and operate in rural areas. The State will consider ways to encourage transportation related planning and projects through its federally-supported community development programs.

In addition to the above actions, the State will evaluate how well this updated AI addresses these fair housing issues in regard to the Assessment of Fair Housing framework as described in HUD's Interim Guidance (January 2018). The State recognizes that HUD is encouraging new AIs be aligned with the AFH and, where possible, include AFH assessment tools and data. To that end, this update has sought to broaden its assessment of fair housing issues to cover more AFH-oriented topics and to incorporate AFH data that is reliable and pertinent for States at this time.

Please refer to Part VII – Actions to Address Impediments for complete discussion and details.

## PART II – STATE PROFILE

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### DEMOGRAPHIC DATA

#### POPULATION

The State of South Carolina has seen significant population growth in the last decade and a half. In 2000, the population of the state was slightly more than 4 million (4,012,012) and since that time the population has grown by over 20 percent to 4,834,605. The United States as a whole, for comparison, grew by only 13.2 percent during this time period.

With this growth in population there has also been an increasing shift towards urbanization. South Carolina was historically a rural agricultural state but that began changing in the 1940's. Currently, 73.5 percent of the state's population lives in one of South Carolina's seven Metropolitan Statistical Areas (MSA). This is a four percent increase from 69.4 percent in 2010.

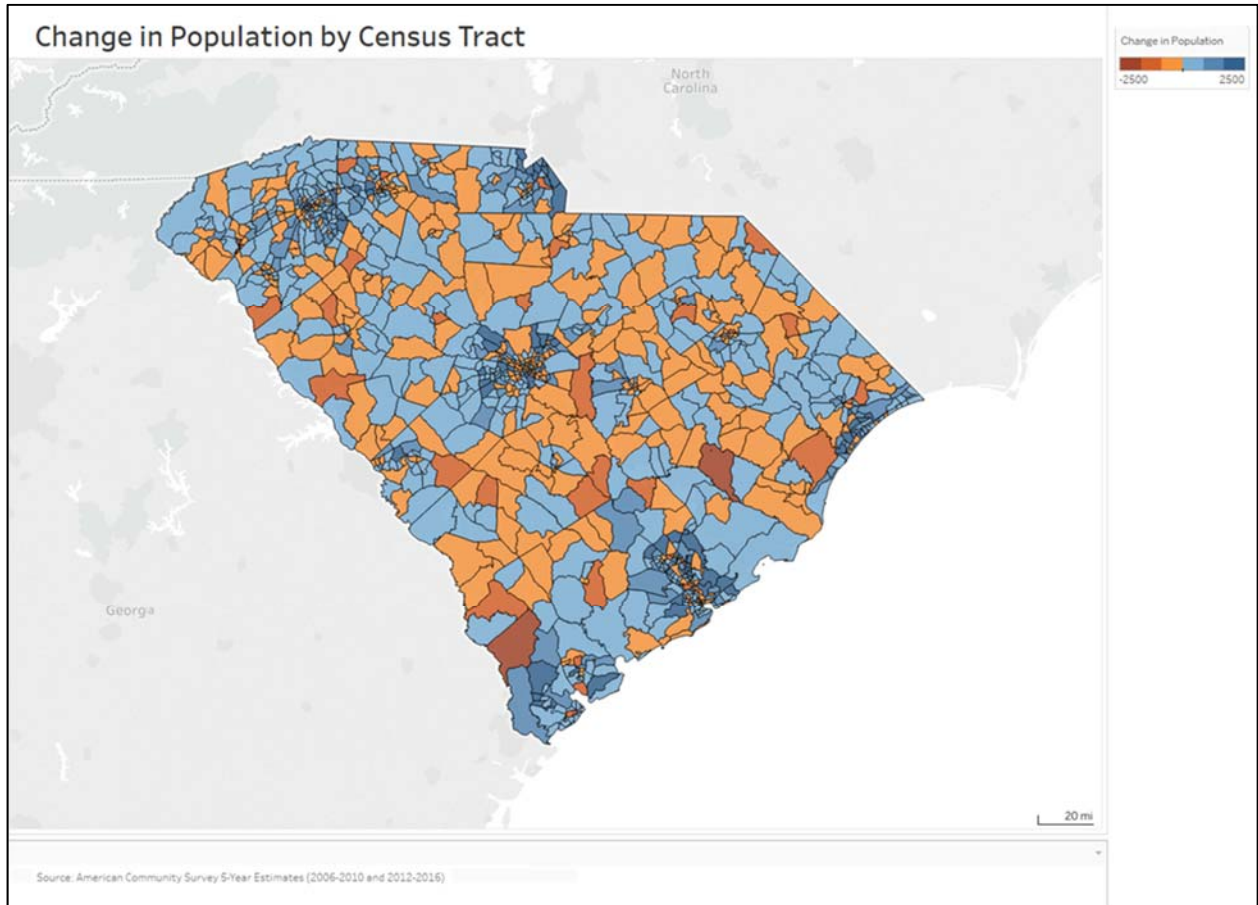
While the state is steadily urbanizing, there are some urban areas that are growing more quickly than others. The coastal areas are seeing faster population growth than inland areas. Between 2010 and 2016, the Myrtle Beach MSA grew by nearly 120,000 and now represents 9.3 percent of South Carolina's total population, an increase from 7.1 percent in 2010. Similarly, the Charleston MSA grew by almost 100,000 people and now represents 15.7 percent of the total population, up from 14.4 percent.

There are two MSAs that have seen their relative population shrink since 2010. The Florence MSA grew by less than 500 people and represents only 4.3 percent of the state's total population, a reduction of 0.2 percent. The Sumter MSA saw a reduction in both total population and relative representation in the state, the population reduced from 107,456 to 107,396 and the percentage of the state's population reduced from 2.3 percent to 2.2 percent.

Approximately one-third of the state's population is in areas designated as "non-metropolitan," more or less corresponding to the State Consolidated Planning Area (SCPA), and the remainder are located in the state's metropolitan areas. While South Carolina was historically a more rural and agricultural state, this began changing in the 1940's and the trend toward urban growth has continued.

The following map visualizes the overall change in population in South Carolina by census tract. There are clear areas of growth surrounding the South Carolina MSAs, as well as tracts near the border cities of Charlotte, NC; Savannah, GA; and Augusta, GA.

## PART II — STATE PROFILE



The State of South Carolina can be broken down into 10 regions. The largest region in the state, by far, is the Appalachian region with 25.3 percent of the population and two regions have approximately 15 percent of the state's population (Berkeley-Charleston-Dorchester and Central Midlands). The smallest two regions, Santee-Lynches and Upper Savannah, each have less than 5 percent of the population.

**Population by Region**  
**Regional Population as Percent of Total South Carolina Population**

Region	2016 Population	% of Total South Carolina Population
Appalachian	1,221,500	25.3%
Berkeley-Charleston-Dorchester	728,271	15.1%
Catawba	389,673	8.0%
Central Midlands	740,220	15.3%
Lowcountry	260,682	5.4%
Lower Savannah	316,326	6.5%
Pee Dee	343,297	7.1%
Santee-Lynches	223,017	4.6%
Upper Savannah	217,581	4.5%
Waccamaw	394,038	8.2%

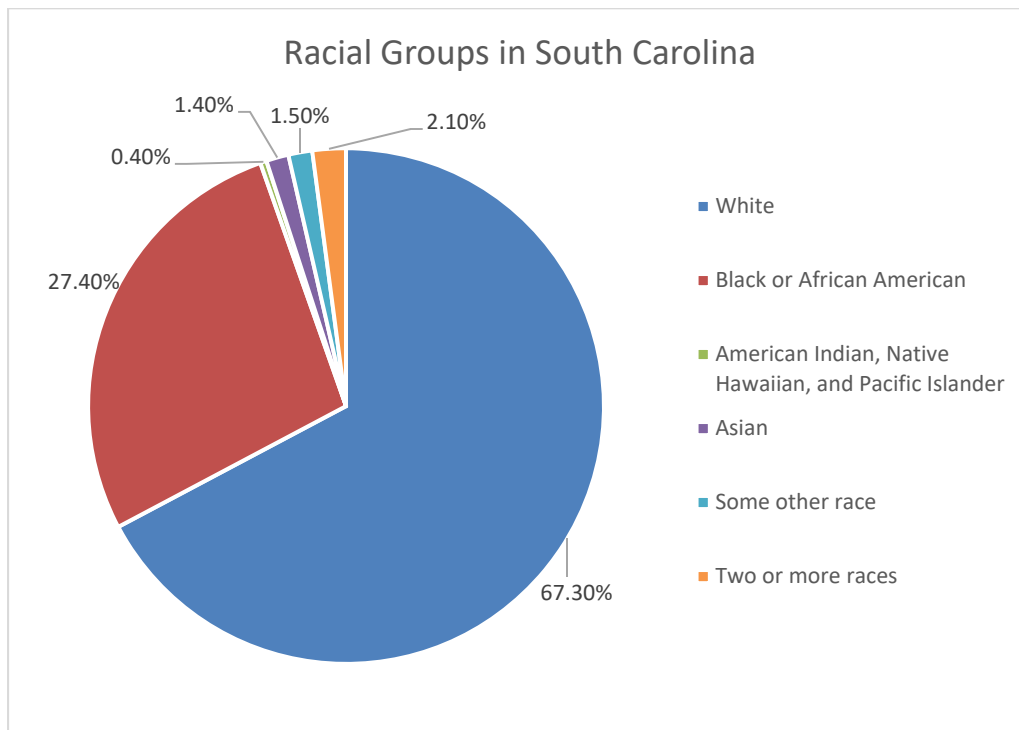
Source: American Community Survey 5-Year Estimates (2012-2016)

## PART II — STATE PROFILE

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### RACE AND ETHNICITY

The racial demographics of South Carolina has shifted significantly throughout the state's history. Before 1920, the state was a majority black state. Since 1920, the state saw steady growth in the relative white population which eventually represented 69 percent of the population in 1990. After 1990, white resident's majority has remained relatively stable and is currently 67.3 percent. While the second most common racial group in the state is currently black or African American, there has been significant growth in recent years in other racial groups.

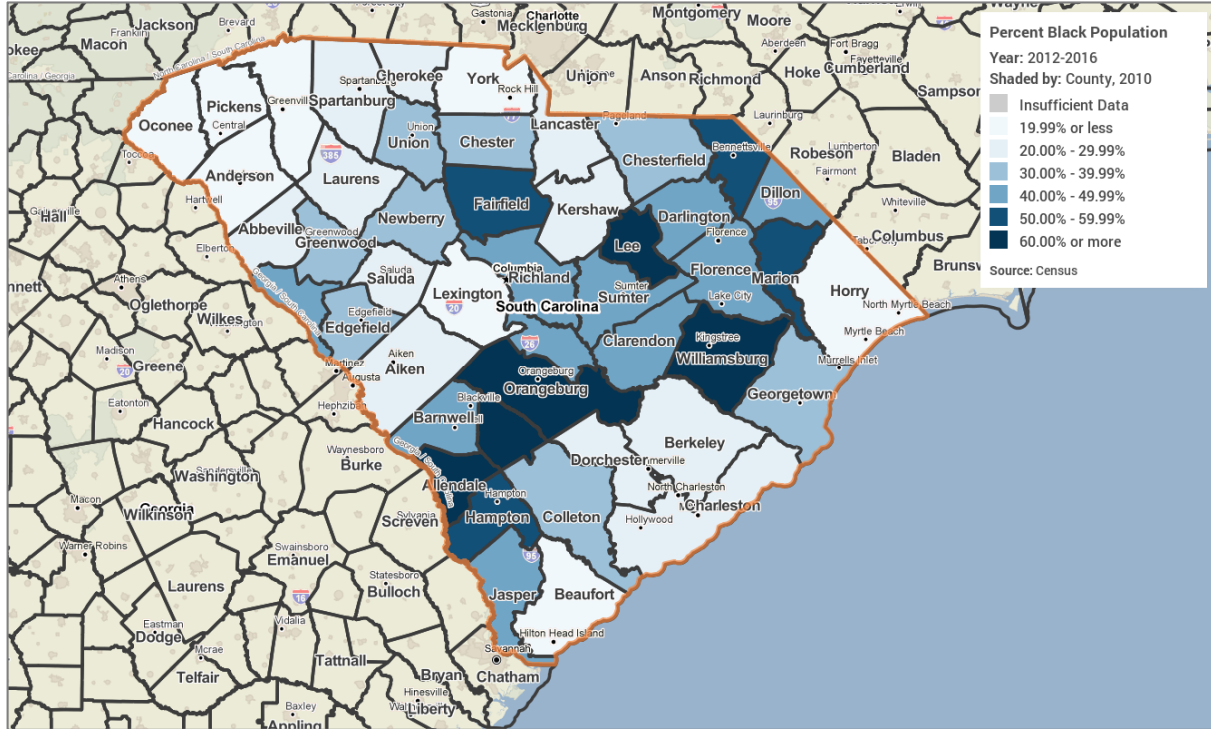


While the state mirrors the southeast region of the United States in terms of racial and ethnic composition, there are some counties that have a disproportionately large black or African American population. There are nine counties that are majority black or African American, which is approximately twice the statewide rate or higher. These counties are primarily located in the coastal plains area of the state that is between the fast-growing coastal tracts and state capital.



## PART II — STATE PROFILE

### African American Population by County in South Carolina (African American Population as a Percent of Total Population)



Source: 2012-2016 American Community Survey 5-Year Estimates via PolicyMap

While the racial demographics of the state have remained relatively stable in the last few decades, the ethnic demographics have started to shift. In 2000, there were 95,076 residents in the state who identified as Hispanic or Latino, making up 2.4 percent of the population. By 2016, the number of Hispanic residents nearly tripled to 258,361, or 5.3 percent of the population. The growth of the Hispanic population is not unique to South Carolina. In fact, South Carolina has a relatively small Hispanic population when compared to the nation and some other states in the southeast.

### Hispanic Population by State and Nation

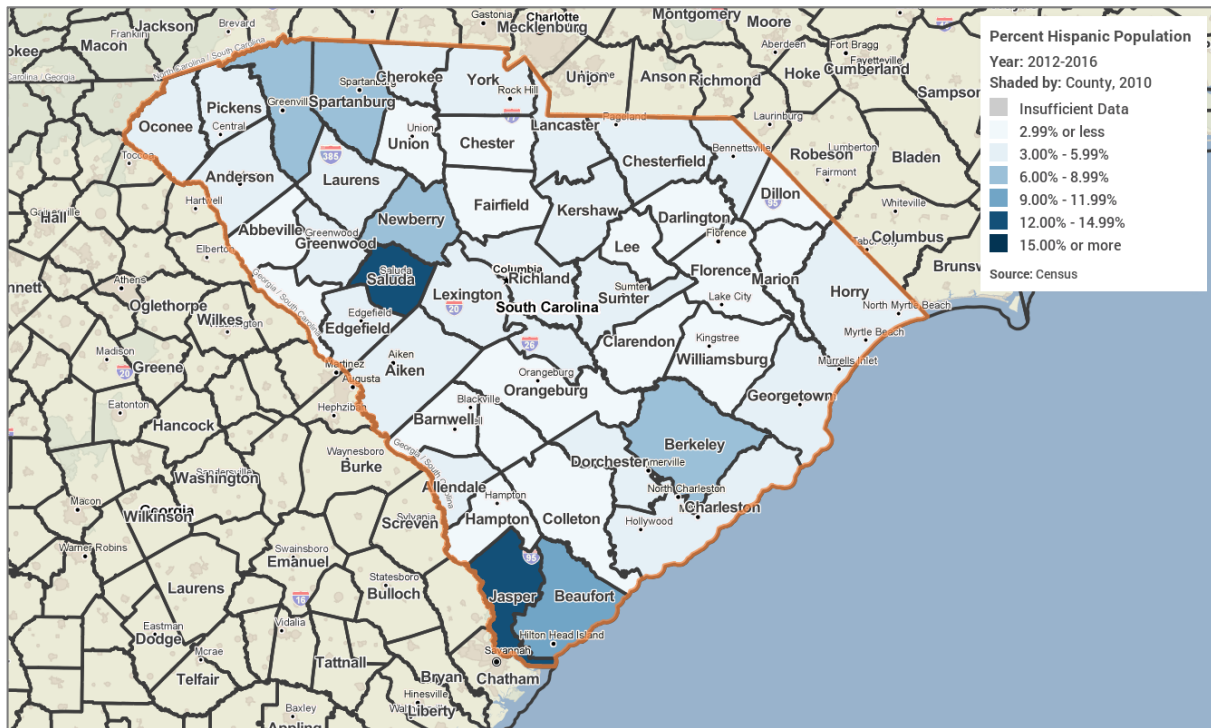
Geographic Area	2016 Hispanic Population	% of Total Population
United States	55,199,107	17.3%
Alabama	193,503	4.0%
Florida	4,806,854	24.1%
Georgia	926,990	9.2%
Mississippi	86,704	2.9%
North Carolina	884,763	8.9%
South Carolina	258,361	5.3%
Tennessee	327,345	5.0%

Source: American Community Survey 5-Year Estimates (2012-2016)

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The Hispanic or Latino population is also more concentrated and faster-growing in certain areas of the state. In Saluda County, nearly 15 percent of the population is Hispanic or Latino, which is nearly triple the statewide rate of 5.3 percent. Jasper County and Beaufort County also have a Hispanic population greater than 10 percent with 13.4 percent and 11.3 percent, respectively.

**Hispanic Population by County in South Carolina**  
**(Hispanic Population as a Percent of Total Population)**



Source: 2012-2016 American Community Survey 5-Year Estimates via PolicyMap

## AGE

A resident's age has a significant impact on the types of services, housing, and other programs that they need. Young adults who are just starting out in their careers and relationships have different needs than middle age residents with school-age children. Similarly, as children go to college and resident retire the needs of the resident changes again. Overall, if a community has an imbalance between the working age and retired population problems can develop. Older residents tend to have greater need for public services that are provided by taxes collected from the working age population. If the tax bases decreases while the demand for services increases, then serious budget issues can develop.

The following table identifies the change in population size and age group as a percent of the population between 2000 and 2016. The fastest growing demographic in South Carolina are those approaching retirement and young seniors. The approaching retirement group has grown from 635,454 to 970,384, an increase of over 50 percent. This is in sharp contrast to the middle adult demographic which shrank slightly

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from 912,902 to 911,513 since 2000. In 2000, only 27.9 percent of the population was approaching retirement or in retirement but by 2016 that demographic increased to 35.9 percent. The three youngest age groups had the slowest growth in the state. As South Carolina continues to attract retirees from the northern states and as the in-state population approaches retirement it becomes increasingly important for the state to attract and retain a younger, working age population.

### South Carolina Population by Age Group and Change in Population Age Groups 2000 to 2016

Age Group	2000 Census	% of Total 2000 Population	2016 Population Estimate	% of Total 2016 Population	% Change 2000 - 2016
Children (19 and under)	1,135,778	28.3%	1,218,735	25.2%	7.3%
Young Adult (20 -34)	842,545	21.0%	972,293	20.1%	15.4%
Middle Adult (35-49)	912,902	22.8%	911,513	18.8%	-0.2%
Approaching Retirement (50-64)	635,454	15.8%	970,384	20.1%	52.7%
Young Seniors (65-74)	270,048	6.7%	466,367	9.6%	72.7%
Mature Seniors (75-84)	165,016	4.1%	214,465	4.5%	30.0%
Oldest Seniors (85 and older)	50,269	1.3%	80,848	1.7%	60.8%
Total Population	4,012,012	100.0%	4,834,605	100.0%	20.5%

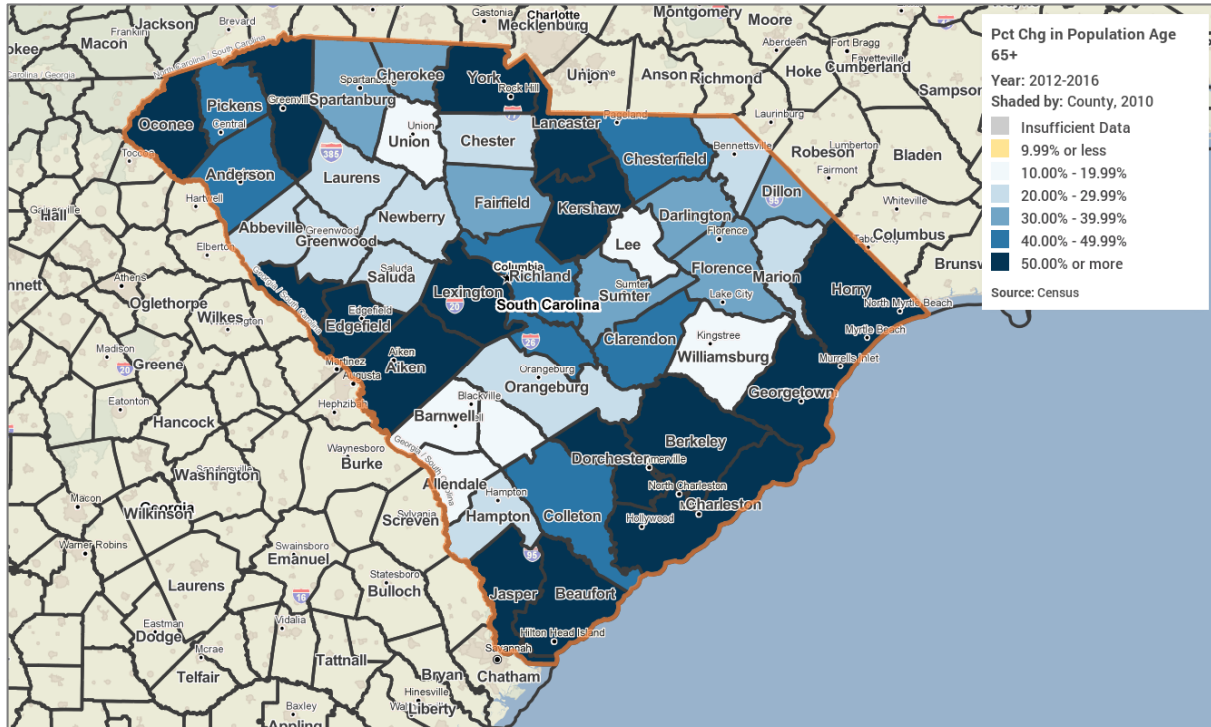
Source: US Census Bureau, 2000 Census (P012) and 2012-2016 American Community Survey 5-Year Estimates (B01001)

The US Census Bureau refers to the ratio of the number of people 65 and older to the number of traditional working age adults as the “old-age dependency ratio.” In South Carolina, the old-age dependency ratio was 20.9 in 2010 and has increased to 25.5 in 2016. This is higher than the current nationwide old-age dependency ratio of 23.2. The significance of the rapid increase in this dependency ratio is that older age adults represent a greater demand for supportive services. Of particular importance is the population age 85 and older, which often requires additional care-giving and support. In South Carolina, this population is currently 1.7 percent, which is slightly lower than the national rate of 1.9 percent, however this group is the second fastest growing age demographic in South Carolina.

In South Carolina, there are 17 counties that have an elderly growth rate of 50 percent or more. This is significantly higher than 2009 when only 4 counties had an elderly growth rate that high. Unsurprisingly, many of these counties with high growth include coastal areas and urban centers that provide the resources elderly residents desire.

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### Growth Rate of Population Age 65 and Older by County South Carolina, 2000 to 2016



Source: 2012-2016 American Community Survey 5-Year Estimates via PolicyMap

## SPECIAL POPULATIONS

### PERSONS WITH DISABILITIES

Federal laws define a person with a disability as “Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment.” HUD applies this standard to the source of a variety of impairments including, but not limited to, hearing impairments, visibility impairments, mobility impairments, alcoholism, mental illness, and HIV/AIDS.

The US Census Bureau gathers self-reported data on six different disability categories:

- **Hearing** – deafness or a serious difficulty hearing
- **Vision** – blindness or difficulty seeing even with glasses
- **Cognitive** – any physical, mental or emotional condition which results in difficulty concentrating, remembering or making decisions
- **Ambulatory** – Serious difficulty walking or climbing stairs

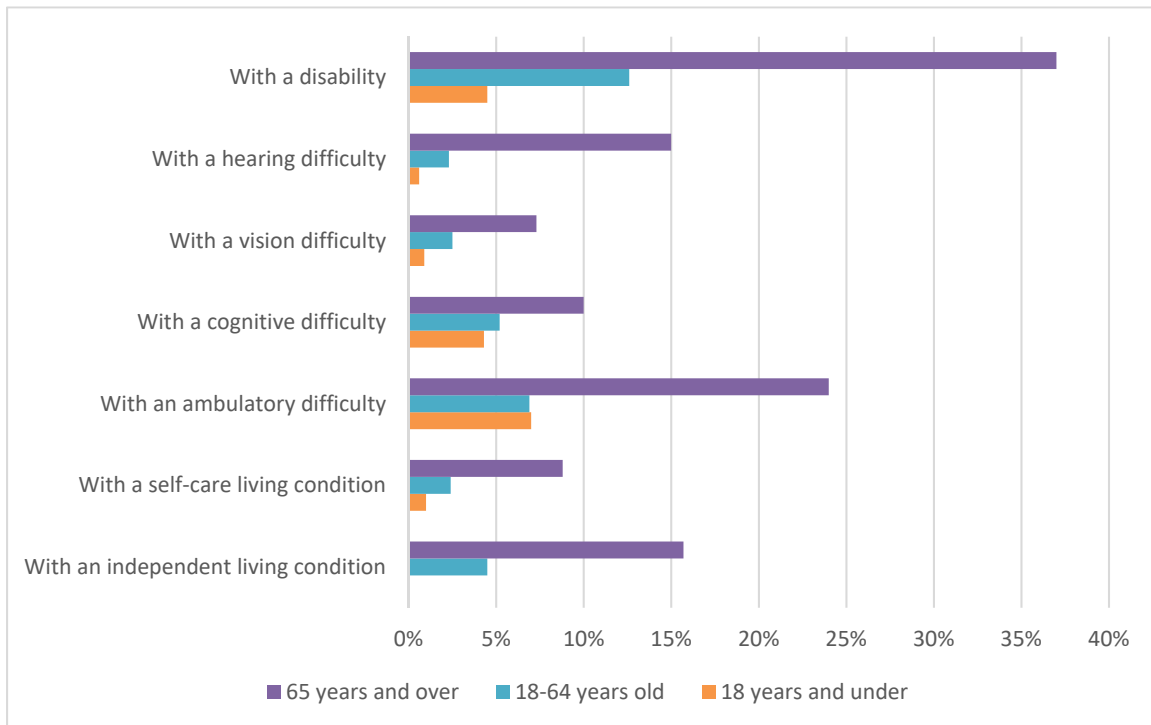


## PART II – STATE PROFILE

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- **Self-care** – Difficulty with tasks like dressing and bathing
- **Independent Living** – any physical, mental or emotional condition which results in difficulty performing errands alone, such as visiting a doctor’s office or shopping

**Prevalence of Disability by Revised Categories**  
**South Carolina, 2016**



*Source: 2012-2016 American Community Survey 5-Year Estimates (S1810)*

According to the most recent ACS 5-year estimates, 14.6 percent of South Carolina’s civilian noninstitutionalized population has a disability. This rate is higher than the national level of 12.5 percent. Elderly residents are much more likely to have a disability than younger residents. There are the 744,226 people age 65 and older, of which 37 percent had at least one disability. The most common disability is ambulatory disability and 24 percent of residents 65 and over have it. For the state’s working age group, between 18 and 64, the percentage of people having any disability is 12.6 percent, which is also higher than the national rate of 10.3 percent for this group. The chart below provides a detailed breakdown of the numbers and types of disabilities that affect each age group.

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### Disability Type and Prevalence in South Carolina, 2016

Age Group and Disability	Number	% of Total
Population under 5 years	291,481	100.0%
With a hearing difficulty	1,876	0.6%
With a vision difficulty	1,674	0.6%
Population under 18 years	1,083,006	100.0%
With a hearing difficulty	6,846	0.6%
With a vision difficulty	10,265	0.9%
With a cognitive difficulty	34,122	4.3%
With an ambulatory difficulty	5,496	0.7%
With a self-care disability	7,852	1.0%
Population 18 to 64 years	2,909,042	100.0%
With a hearing difficulty	67,567	2.3%
With a vision difficulty	73,853	2.5%
With a cognitive difficulty	150,535	5.2%
With an ambulatory difficulty	200,152	6.9%
With a self-care disability	70,953	2.4%
With an independent living difficulty	131,739	4.5%
Population 65 years and over	744,226	100.0%
With a hearing difficulty	111,686	15.0%
With a vision difficulty	53,967	7.3%
With a cognitive difficulty	74,514	10.0%
With an ambulatory difficulty	178,655	24.0%
With a self-care disability	65,445	8.8%
With an independent living difficulty	116,573	15.7%

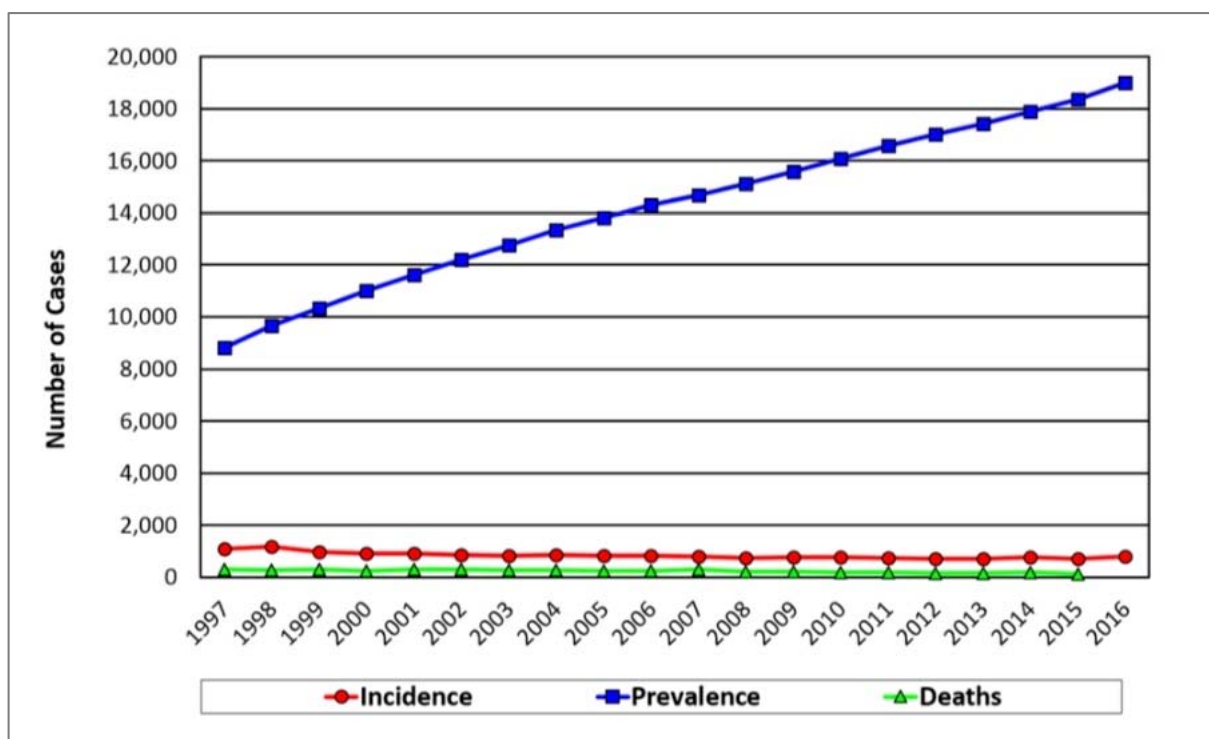
Source: 2012-2016 American Community Survey 5-Year Estimates (S1810)

## HIV/AIDS POPULATION

According to the South Carolina Department of Health and Environmental Control “2017 HIV/AIDS Summary” there were 1,505 newly diagnosed people with HIV in the 2015-2016 two-year period. This is almost identical to the 1,506 that were diagnosed in 2013-2014. At the time of this report there were 18,997 individuals in South Carolina living with HIV/AIDS.

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### HIV/AIDS Cases in South Carolina (Incidence, Prevalence & Deaths), 1997-2016



Source: South Carolina Department of Health and Environmental Control, Division of Surveillance and Technical Support Bureau of Disease Control, *An Epidemiologic Profile of HIV and AIDS in South Carolina 2017*.

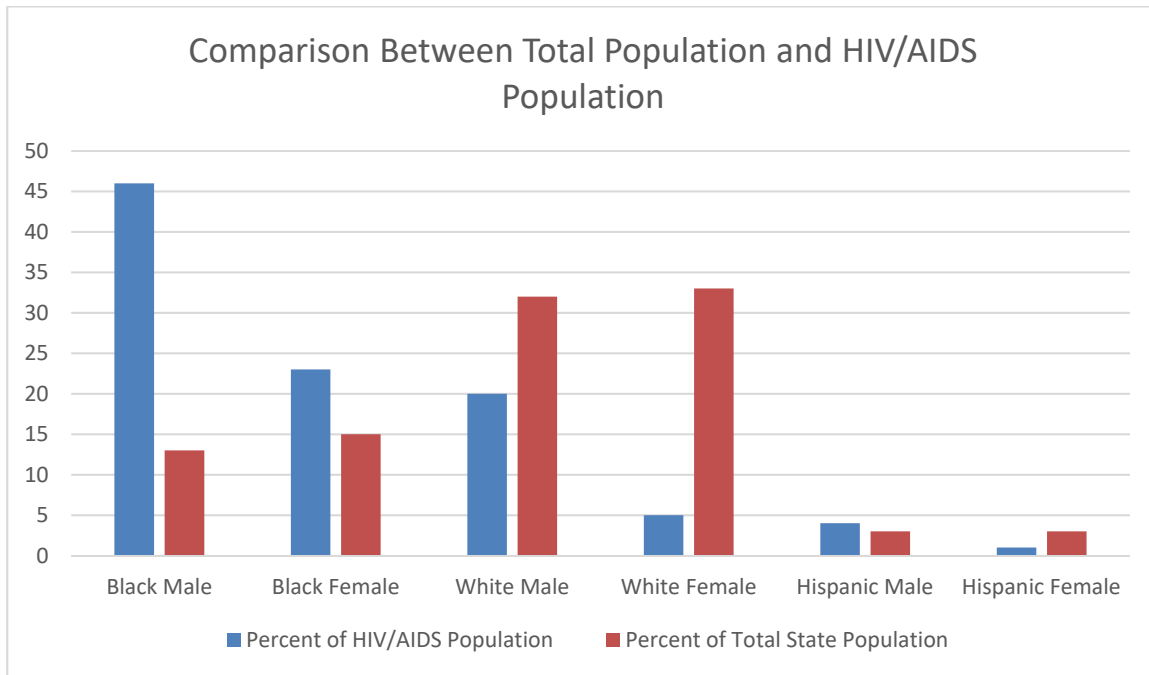
Within the total population of people living with HIV/AIDS in South Carolina, there were significant differences among race, gender and age sub-populations. African Americans in particular continue to be disproportionately impacted by the disease and represent 69 percent of all people living with HIV/AIDS, despite only making up 28 percent of the overall population. Men were much more likely than women to acquire HIV/AIDS. Seventy-one percent of South Carolinians living with HIV/AIDS were male and 79 percent of new diagnosis in 2015-2016 were male. Men who had sex with men (MSM) made up 67 percent of new diagnosis in 2015-2016. Injecting drugs only made up 4 percent of new HIV/AIDS cases.

### HIV/AIDS Male & Female Comparison in South Carolina, 2016

Sex	Total Estimated Living with HIV/AIDS, 2016		Total HIV/AIDS Diagnosis, 2015-2016	
	#	%	#	%
Male	13,500	71%	1,197	79%
Female	5,498	29%	314	21%
Total	18,998	100%	1,511	100%

Source: SCDHEC, Division of Surveillance and Technical Support Bureau of Disease Control, *An Epidemiologic Profile of HIV and AIDS in South Carolina 2017*

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Source: SCDHEC, Division of Surveillance and Technical Support Bureau of Disease Control, An Epidemiologic Profile of HIV and AIDS in South Carolina 2017

### People Living with HIV/AIDS by Region in South Carolina, 2016

Region	Living with HIV/AIDS		Total Population	
	Number	%	Number	%
Lowcountry	4,606	24%	1,118,216	23%
Midlands	6,387	34%	1,398,619	29%
Pee Dee	4,317	23%	879,366	18%
Upstate	3,606	19%	1,438,404	30%
South Carolina (state)	18,916	100%	4,834,605	100%

Source: SCDHEC, STD/HIV Division 11/17

**Lowcountry Public Health Region includes eleven counties:** Allendale, Bamberg, Beaufort, Berkeley, Calhoun, Charleston, Colleton, Dorchester, Hampton, Jasper, and Orangeburg.

**Midlands Public Health Region includes twelve counties:** Aiken, Barnwell, Chester, Edgefield, Fairfield, Kershaw, Lancaster, Lexington, Newberry, Richland, Saluda, and York.

**Pee Dee Public Health Region includes twelve counties:** Chesterfield, Clarendon, Darlington, Dillon, Florence, Georgetown, Horry, Lee, Marion, Marlboro, Sumter, and Williamsburg.

**Upstate Public Health Region includes eleven counties:** Abbeville, Anderson, Cherokee, Greenville, Greenwood, Laurens, McCormick, Oconee, Pickens, Spartanburg, and Union.



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### LIMITED ENGLISH PROFICIENCY

Between 2009 and 2016, the number of foreign-born residents of South Carolina grew from 193,981 to 230,716. This population made up 4.4 percent of the population in 2009 and 4.8 percent of the population in 2016. Residents born outside of the United States are less likely to be fluent in English, or have limited-English proficiency (LEP). There are nearly 30,000 limited English-speaking households in South Carolina and Spanish is the most common language spoken at home by these households. It is incredibly important for the state to assist residents to gain fluency in English, and this is particularly important for students who are enrolled in the South Carolina public school system.

**Limited English Speaking Households in South Carolina, 2016**

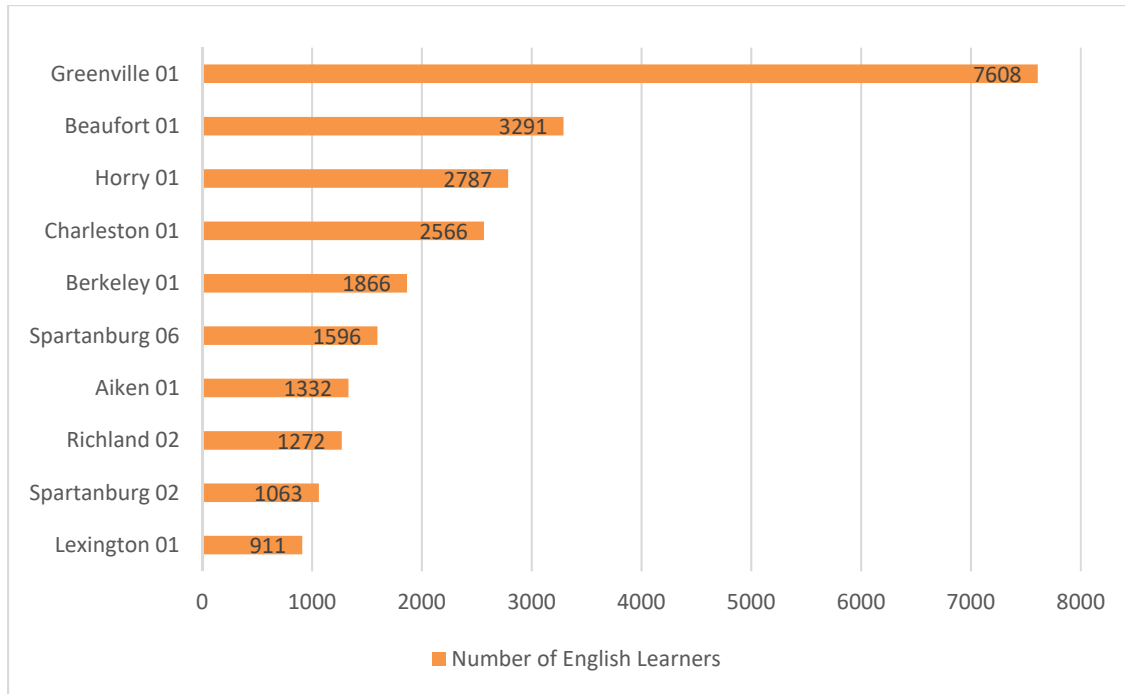
	<b>South Carolina total households</b>	<b>%</b>	<b>Limited English speaking household</b>	<b>%</b>
All households	1,839,041	(X)	28,333	1.5%
Households speaking --				
Spanish	79,077	4.3%	19,991	25.3%
Other Indo-European languages	34,036	1.9%	3,428	10.1%
Asian and Pacific Island languages	18,585	1.0%	4,184	22.5%
Other languages	5,218	0.3%	730	14.0%

*Source: 2012-2016 American Community Survey 5-Year Estimates (S1602)*

Linguistically isolated households are households where all person's age 14 and over are LEP, meaning that no one in the household can serve as a translator and help the family access community services and facilities. According to Migration Policy Institute (MPI), 1.7 percent of all households in South Carolina are linguistically isolated. This information is of particular concern in certain school districts where LEP populations are greatest, as this poses a significant barrier to education. Although somewhat dated, the information below provides insight into the geographic distribution of the state's LEP population. School districts with the highest numbers of LEP students are located in both HUD entitlement and non-entitlement areas of the state, as shown in the table below, and are reflective of LEP growth in all areas of the state.

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### South Carolina School Districts with the Largest Numbers of Title III Served English Learners, Limited English Language Proficiency (LEP) Students, 2013-2014 School Year



SOURCE: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "Local Education Agency (School District) Universe Survey", 2013-14 v.1a., (National Clearinghouse for English Language Acquisition)

## PER CAPITA INCOME

Per capita income in South Carolina has historically trailed behind the US and neighboring states. This is consistent with a workforce characterized by lower levels of educational attainment and an economy previously dependent on lower wage manufacturing employment. Economic development strategies for the state have focused on addressing these characterizations. There has been a strong move to try and diversify the economy, attract higher paying jobs and generate more local employment opportunities. There has been some success in this area but, as noted before, the working age population is aging and shrinking.

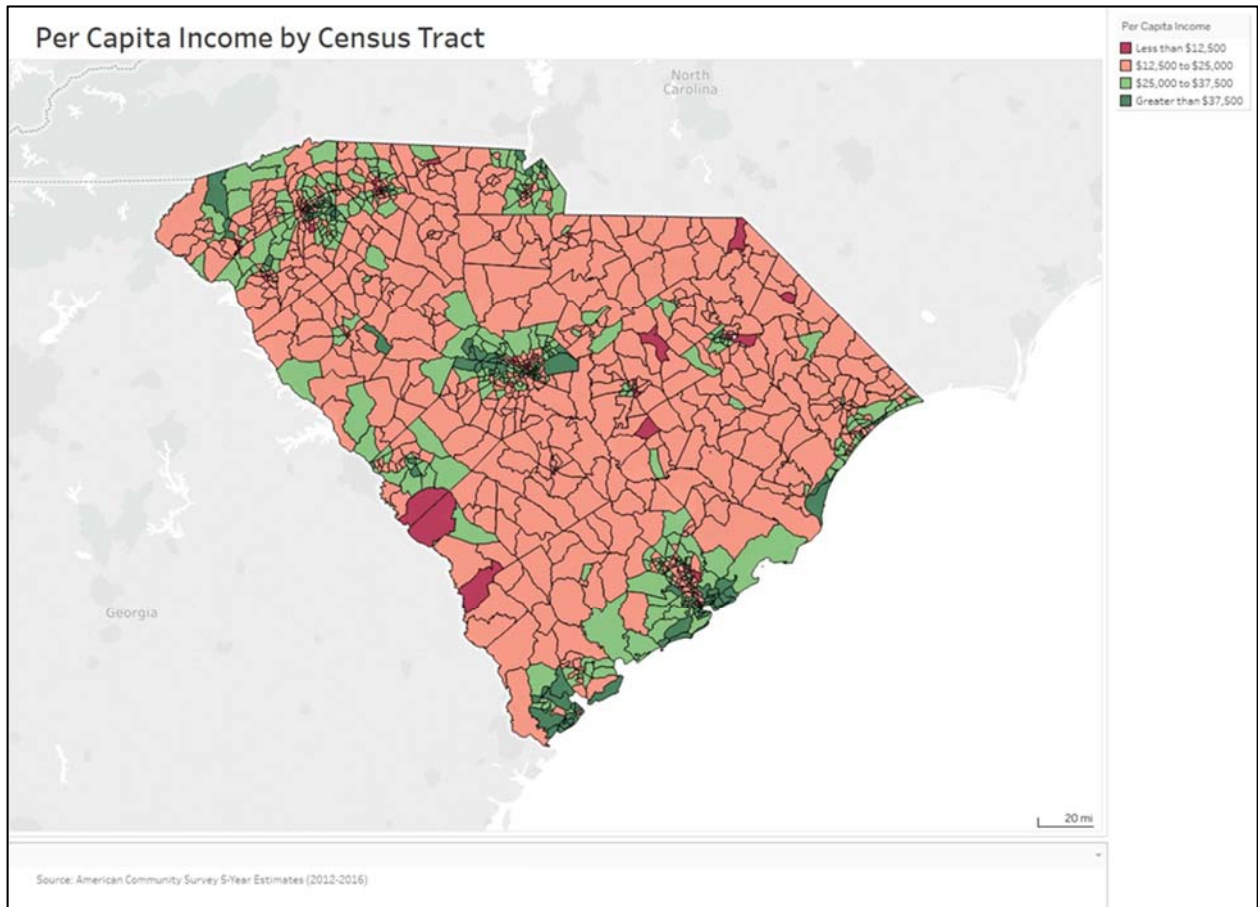
### Per Capita Income by State and Nation

Geographic Area	Per Capita Income
United States	\$29,829
Alabama	\$24,736
Florida	\$27,598
Georgia	\$26,678
Mississippi	\$21,651
North Carolina	\$26,779
South Carolina	\$25,521
Tennessee	\$26,019

Source: American Community Survey 5-Year Estimates (2012-2016)

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South Carolina is currently ranked 42<sup>nd</sup> in the nation in terms of per capita income, an improvement from 45<sup>th</sup> in 2009. The state's overall per capita income in 2016 was \$25,521. In addition to a relatively low per capita income at the state level, there is significant differences based on census tract. The highest per capita income is census tract 45019000200 located in Charleston County with a per capita income of \$142,593 while the lowest is census tract 45027960202 located in Clarendon County with a per capita income of \$1,733. As the map below shows, higher per capita incomes tend to be in coastal and urban areas while lower ones are rural. All red and pink census tracts have a per capita income below the state level while green census tracts have a per capita income greater than the state level.

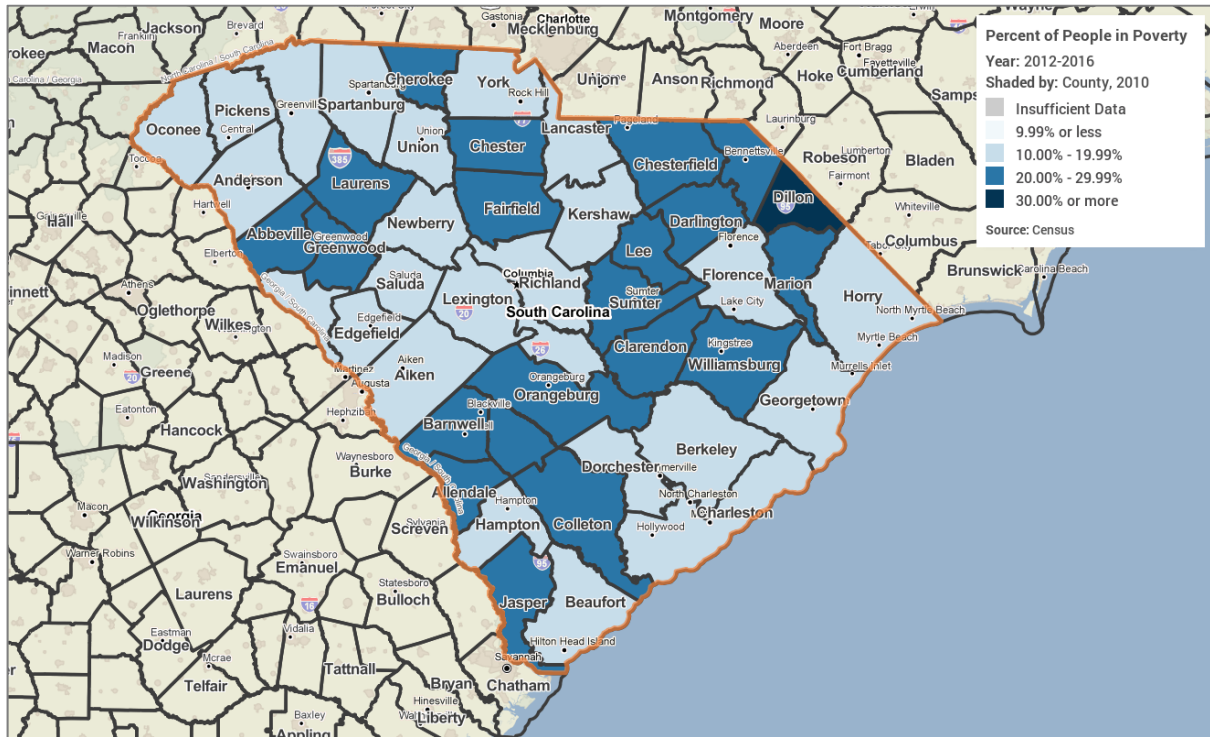


### POVERTY

In 2016, twenty-one of the state's 46 counties had poverty rates in excess of 20 percent, compared with the overall state rate of 17.2 percent. This is a considerable increase from 2009 when only 15 counties in the state had poverty rates over 20 percent. These counties are primarily rural counties and don't have strong economic centers or resources nearby to help alleviate poverty through public and private assistance.

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### Poverty Rates in South Carolina Counties



Source: 2012-2016 American Community Survey 5-Year Estimates via PolicyMap

## HOUSING PROFILE

### HOUSEHOLD CHARACTERISTICS

In South Carolina, there are currently over 1.8 million households, an increase of 300,000 since 2000. The household demographics of the state have shifted slightly since 2000. Two-thirds of the households are family households, which is a decrease from 2000 when nearly 70 percent of the households were family households. The percentage of households with children that are married has decreased while the percentage of single-parent households has risen. Additionally, the number of household with children has decreased by 10,000 since 2000, again pointing to a potential demographic problem on the horizon as the more residents retire but the working middle adult (35-49) population shrinks.

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### Households in South Carolina, 2016

	2000 Census		2012-2016 ACS Estimate	
	Number	%	Number	%
Total Households				
Family households	1,072,822	69.9%	1,220,791	66.4%
Nonfamily households	461,032	30.1%	618,250	33.6%
Total	1,533,854	100.0%	1,839,041	100.0%
Family Households with Children				
Married couples with children	333,951	67.3%	304,068	62.6%
Male householder, no wife present	30,315	6.1%	36,851	7.6%
Female householder, no husband present	131,010	26.5%	144,710	29.8%
Total Family Households with Children	495,276	100.0	485,629	100.0%
Family Households without Children				
Married-couples without children	449,191	77.8%	559,513	76.1%
Male headed households	32,407	5.6%	47,216	6.4%
Female headed households	95,948	16.6%	128,433	17.5%
Total Family Households without Children	577,546	100.0%	735,162	100.0%
Nonfamily Households	461,032	100.0%	618,250	100.0%

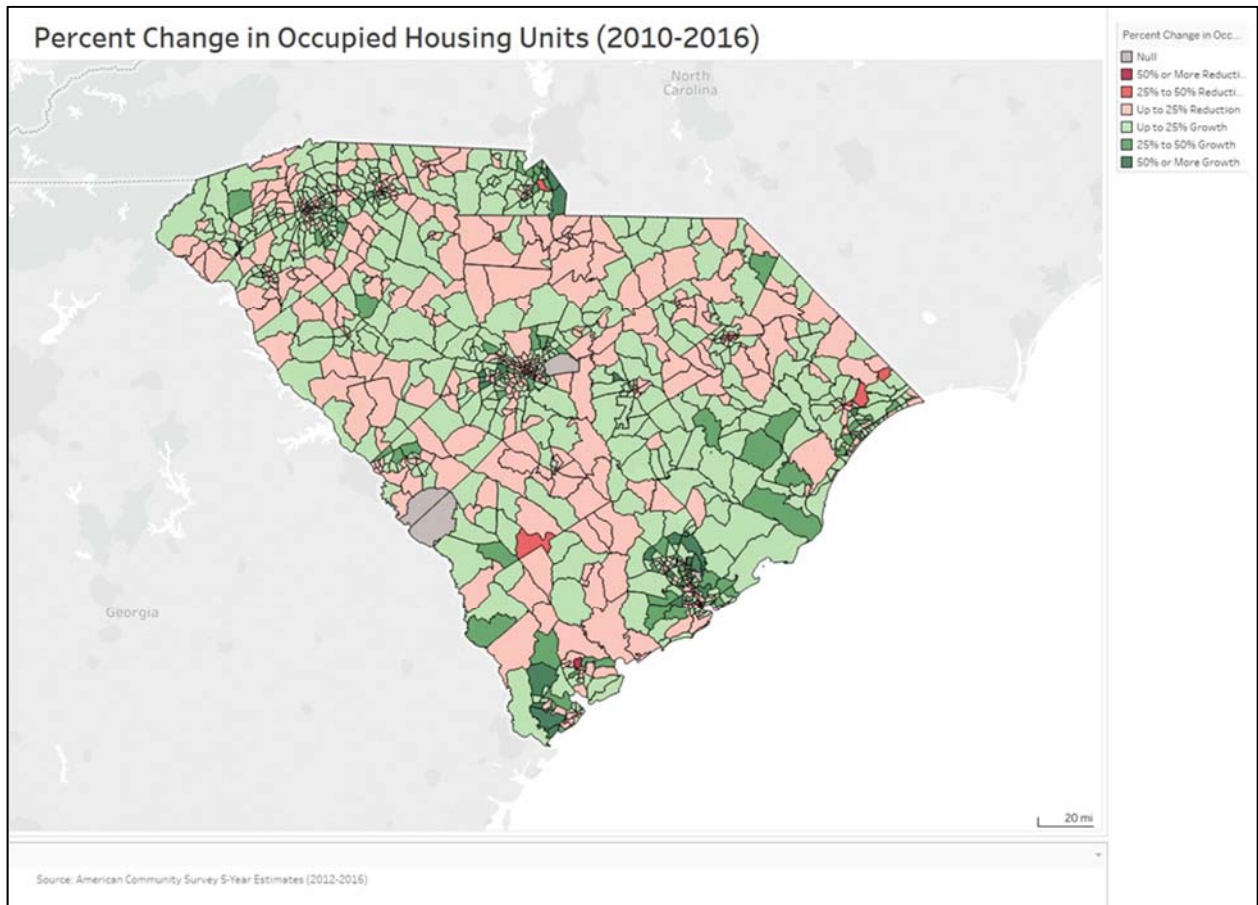
Source: US Census Bureau, 2000 Census and 2012-2016 American Community Survey 5-Year Estimates (S1101)

## HOUSING MARKET

South Carolina's population and housing growth has been largely concentrated in the urban centers and coastal regions. Between 2010 and 2016, the number of owner-occupied units increased by 3.3 percent and the number of renter occupied units increased by 11.3 percent. In total, the occupied unit growth in the South Carolina was 5.7 percent but that growth was not consistent throughout the state. The majority of the growth was near urban centers and along the coast.



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Despite the growth in the state, there are still a large number of vacant units, particularly rental units. The statewide rental vacancy rate is 10.2 percent, a reduction from 2010 when the rental vacancy rate was 12.3 percent. Homeowner vacancy is much lower at 2.1 percent, a slight reduction from 2.7 percent in 2010.

Between 2010 and 2016, the housing stock has increased by approximately 100,000 units but there is very little change in housing type. The housing stock is still primarily 1-unit, detached with mobile homes being the second most common housing type. South Carolina's housing supply is relatively new with 60.7 percent of the housing built since 1980. However, 14.5 percent (317,184 units) of the housing stock was built before 1960. The older housing stock, and particularly older rental housing, often have code and deferred maintenance issues that can impact the longevity of the housing structure which in turn affects the housing supply in terms of accessibility and affordability. Approximately 70 percent of the occupied homes are owner-occupied.

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### Households in South Carolina, 2016

	2006-2010 ACS Estimate		2012-2016 ACS Estimate	
	Number	%	Number	%
Total Housing Units	2,088,161	100.0%	2,192,041	100.0%
Occupied Housing Units	1,741,994	83.4%	1,839,041	83.9%
Vacant Housing Units	346,167	16.6%	353,000	16.1%
1-unit, detached	1,298,984	62.2%	1,372,505	62.6%
1-unit, attached	50,753	2.4%	65,507	3.0%
2 units	47,808	2.3%	47,684	2.2%
3 or 4 units	63,898	3.1%	61,423	2.8%
5 to 9 units	104,074	5.0%	99,825	4.6%
10 to 19 units	69,593	3.3%	78,056	3.6%
20 or more units	78,008	3.7%	101,629	4.6%
Mobile Home	373,534	17.9%	364,076	16.6%
Boat, RV, van, etc.	1,509	0.1%	1,336	0.1%
Built 2000 or later	374,738	17.9%	527,484	24.0%
Built 1980 to 1999	792,863	38.0%	802,846	36.7%
Built 1960 to 1979	561,869	26.9%	544,527	24.9%
Built 1940 to 1959	244,924	11.7%	220,254	10.1%
Built 1939 or earlier	113,767	5.4%	96,930	4.4%
Owner-occupied	1,217,502	69.9%	1,258,661	68.4%
Renter-occupied	524,492	30.1%	580,380	31.6%

Source: US Census Bureau, 2006-2010 and 2012-2016 American Community Survey 5-Year Estimates (DP04)

## HOUSING DEMAND

Housing demand is not a single variable that can be easily calculated based on known inputs. Not only is there a demand for a certain number of homes in a community, there is also a demand for a specific type of home that can vary significantly. Some regions have greater demand for 1-unit detached homes while other areas have a greater demand for mobile homes or large apartment complexes. Factors such as the availability and type of jobs, household income, population age, and access to transportation are just some of the factors that impact housing demand.

Local housing and labor markets are inextricably linked to one another. Industries are served by local housing markets that provide choices and opportunities for both current and future workers. The level of affordable housing demand is largely determined by job growth and retention. Employment growth will occur through the retention and expansion of existing firms and new economic growth resulting from start-ups, spin-offs, and relocations to the State of South Carolina. The affordability component of housing

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demand, however, is based on local wages and salaries that are then translated into household incomes. Therefore, the availability of an existing supply of various housing types and price levels must be maintained to address the housing demand of the variety of occupations that comprise the local industrial base.

Given the State’s projected rate of growth, the demand for housing will continue to grow over the next five years. The table below provides population growth figures for the State and each of the counties over the period 2018 to 2023. The South Carolina Revenue and Fiscal Affairs Office expects South Carolina to increase by 235,660 persons, a 4.8 percent increase. The average household size in South Carolina is 2.55 persons and the average family size is 3.13 persons. Using three persons as the norm, this population increase results in the formation of 78,553 new households over the five-year period. If the current vacancy rate remains the same then South Carolina will need to have nearly 16,000 new units constructed annually to meet this demand. The following table shows the projected growth over the period, the percent of change and the number of new households.

**Population & Households Projection by County in South Carolina, 2018-2023**

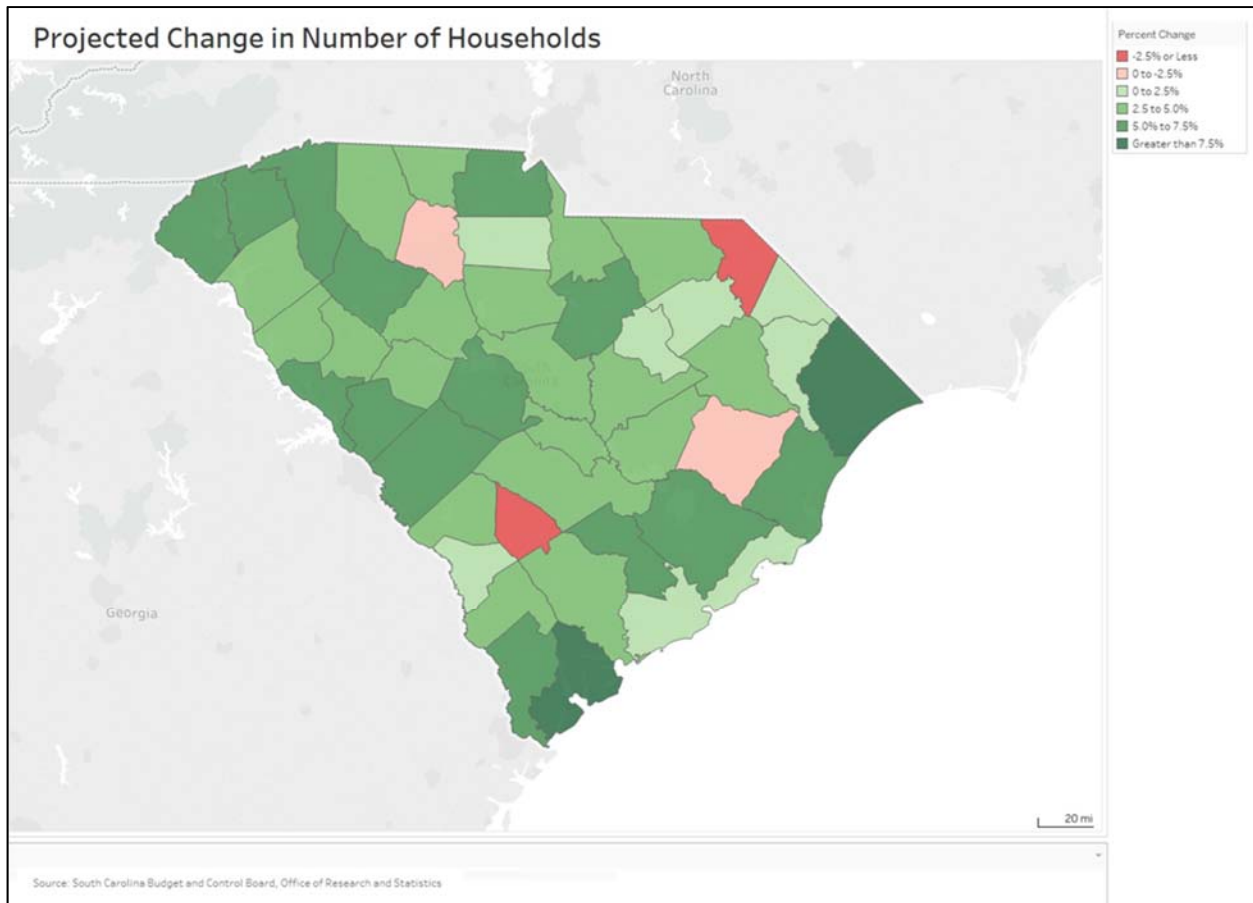
County	July 1, 2018 Projection	July 1, 2019 Projection	July 1, 2020 Projection	July 1, 2021 Projection	July 1, 2022 Projection	July 1, 2023 Projection	% Change 2018-2023	# new HHs @ 3 per HH
Abbeville	27,250	27,410	27,580	27,750	27,900	28,060	3.0%	270
Aiken	173,630	175,560	177,510	179,450	181,390	183,320	5.6%	3,230
Allendale	10,760	10,790	10,820	10,830	10,860	10,890	1.2%	43
Anderson	198,380	200,060	201,730	203,400	205,090	206,760	4.2%	2,793
Bamberg	14,620	14,540	14,470	14,390	14,310	14,230	-2.7%	-130
Barnwell	25,120	25,310	25,510	25,700	25,910	26,090	3.9%	323
Beaufort	179,390	182,290	185,220	188,130	191,040	193,960	8.1%	4,856
Berkeley	188,000	190,230	192,450	194,650	196,870	199,090	5.9%	3,693
Calhoun	16,370	16,510	16,660	16,800	16,950	17,100	4.5%	243
Charleston	362,780	364,580	366,380	368,190	369,990	371,790	2.5%	3,003
Cherokee	60,570	61,180	61,760	62,360	62,970	63,550	4.9%	993
Chester	34,300	34,480	34,620	34,790	34,950	35,120	2.4%	273
Chesterfield	45,390	45,620	45,870	46,100	46,330	46,580	2.6%	397
Clarendon	35,690	35,950	36,210	36,470	36,720	36,980	3.6%	430
Colleton	42,440	42,750	43,080	43,390	43,720	44,040	3.8%	533
Darlington	69,730	69,990	70,260	70,520	70,780	71,060	1.9%	443
Dillon	30,840	30,850	30,860	30,870	30,880	30,900	0.2%	20
Dorchester	145,320	147,300	149,300	151,280	153,270	155,250	6.8%	3,310
Edgefield	29,530	29,910	30,270	30,630	31,020	31,390	6.3%	620
Fairfield	24,900	25,050	25,190	25,340	25,480	25,630	2.9%	243
Florence	141,480	142,350	143,230	144,090	144,960	145,850	3.1%	1,457
Georgetown	68,240	68,950	69,650	70,360	71,060	71,770	5.2%	1,177
Greenville	482,940	487,910	492,890	497,850	502,820	507,800	5.2%	8,287
Greenwood	73,830	74,320	74,840	75,340	75,850	76,360	3.4%	843
Hampton	23,060	23,230	23,390	23,570	23,720	23,900	3.6%	280
Horry	306,500	311,650	316,810	321,950	327,100	332,230	8.4%	8,577
Jasper	25,490	25,810	26,130	26,440	26,770	27,100	6.3%	537
Kershaw	66,250	66,970	67,700	68,460	69,180	69,910	5.5%	1,220
Lancaster	78,550	79,020	79,480	79,960	80,420	80,890	3.0%	780
Laurens	78,590	79,390	80,220	81,030	81,870	82,670	5.2%	1,360
Lee	21,000	21,080	21,180	21,260	21,360	21,450	2.1%	150
Lexington	286,630	290,570	294,510	298,450	302,390	306,330	6.9%	6,567
McCormick	11,360	11,480	11,590	11,700	11,830	11,940	5.1%	193
Marion	34,850	34,930	35,020	35,090	35,180	35,280	1.2%	143

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County	July 1, 2018 Projection	July 1, 2019 Projection	July 1, 2020 Projection	July 1, 2021 Projection	July 1, 2022 Projection	July 1, 2023 Projection	% Change 2018-2023	# new HHs @ 3 per HH
Marlboro	27,370	27,230	27,100	26,960	26,830	26,700	-2.5%	-233
Newberry	40,400	40,650	40,900	41,150	41,410	41,660	3.1%	420
Oconee	80,530	81,420	82,300	83,180	84,080	84,970	5.5%	1,480
Orangeburg	95,410	95,900	96,400	96,900	97,390	97,890	2.6%	827
Pickens	132,860	134,390	135,920	137,450	138,980	140,510	5.8%	2,550
Richland	390,050	392,980	395,920	398,860	401,800	404,730	3.8%	4,893
Saluda	20,210	20,330	20,470	20,600	20,730	20,870	3.3%	220
Spartanburg	304,880	307,540	310,220	312,890	315,550	318,230	4.4%	4,450
Sumter	112,150	112,890	113,630	114,380	115,140	115,860	3.3%	1,237
Union	27,280	27,240	27,190	27,150	27,110	27,080	-0.7%	-67
Williamsburg	35,160	35,130	35,100	35,080	35,050	35,040	-0.3%	-40
York	246,090	249,480	252,860	256,230	259,630	263,020	6.7%	5,643
<b>South Carolina</b>	<b>4,926,170</b>	<b>4,973,200</b>	<b>5,020,400</b>	<b>5,067,420</b>	<b>5,114,640</b>	<b>5,161,830</b>	<b>4.8%</b>	<b>78,553</b>

Source: South Carolina Revenue and Fiscal Affairs Office

Much of this growth is expected along the coast, and in and around the existing urban centers. Four rural counties are expected to lose population, and growth in many of the other rural counties will be modest according to these projections.



## PART II — STATE PROFILE

### HOUSING AFFORDABILITY

According to HUD's standard, a household is considered "cost burdened" if they spend 30 percent or more on housing costs. In general, a home is considered affordable if the price is three times or less than the household's gross income. Using this standard, it is clear that on average there is a significant affordable housing gap in South Carolina. The median home value is unaffordable to low-income residents.

#### Single-Family Home Affordability, South Carolina, 2016

Household Income Category	Income Range	Affordable Home Purchase	Gap/Surplus
Extremely Low Income <30 percent of median	Less than \$14,069	\$42,207	\$101,393
Very Low Income 30-50 percent of median	\$14,070-\$23,449	\$42,210-\$70,347	\$101,390-\$73,253
Other Low Income 50-80 percent of median	\$23,450-\$37,518	\$70,350-\$112,554	\$73,250-\$31,046

Source: 2012-2016 American Community Survey 5-Year Estimates (DP03, DP04)

Note: Income range was calculated by income category from the state median income of \$46,898. Gap surplus was calculated from "affordable home purchase" amount and the statewide median home value of \$143,600. Red value indicates an affordability gap.

The percentage of South Carolina's extremely low (ELI) and very low (VLI) income renter households that are cost-burdened is substantial. A rent affordability analysis based on the current \$811 median monthly gross rent estimate from the 2012-2016 ACS found significant rent affordability "gaps" at the extremely low and very low household income categories. However, rent affordability gaps also exist within the other low-income (OLI) household category as well. The percentages are particularly high for all renter households earning less than \$20,000 annually. This constitutes 160,397 renter households or 27.6 percent of the State's total renter households.

#### Rent Affordability, South Carolina, 2016

Household Income Category	Income Range	Affordable Monthly Gross Rent	Gap/Surplus
Extremely Low Income <30 percent of median	Less than \$14,069	\$352	\$459
Very Low Income 30-50 percent of median	\$14,070-\$23,449	\$352-\$586	\$459-\$225
Other Low Income 50-80 percent of median	\$23,450-\$37,518	\$586-\$938	\$225-\$127

Source: 2012-2016 American Community Survey 5-Year Estimates (DP03, DP04)

Note: Income range was calculated by income category from the state median income of \$46,898. Affordable monthly gross rent was calculated by  $\text{Income} \div 12\text{mo} \times 30\%$  of monthly income. Gap surplus was calculated from "affordable monthly gross rent" amount and the statewide median gross rent of \$811. Red value indicates an affordability gap.



## PART II — STATE PROFILE

South Carolina's housing costs have increased significantly from 2010 to 2016. Currently, 30.6 percent of the State's households are now paying in excess of 30 percent of their incomes on housing costs. Owner and renter households earning less than \$20,000 annually are particularly "cost-burdened." Over 65 percent of owner households (105,009 households) and 90 percent of renter households (144,396 households) earning less than \$20,000 are cost-burdened.

**Housing Costs as Percentage of Household Income  
State of South Carolina, 2008**

	Total Households	Owner-Occupied Households	Renter-Occupied Households
<b>TOTAL</b>	1,839,041	1,258,661	580,380
<b>Less than \$20,000:</b>	320,648	160,251	160,397
Less than 20 percent	32,015	28,205	3,810
20 to 29 percent	39,228	27,037	12,191
30 percent or more	249,405	105,009	144,396
Percent cost-burdened	77.8%	65.5%	90.0%
<b>\$20,000 to \$34,999:</b>	310,037	188,531	121,506
Less than 20 percent	90,401	81,953	8,448
20 to 29 percent	63,671	33,315	30,356
30 percent or more	155,965	73,263	82,702
Percent cost-burdened	50.3%	38.9%	68.1%
<b>\$35,000 to \$49,999:</b>	262,931	180,304	82,627
Less than 20 percent	108,327	90,083	18,244
20 to 29 percent	83,553	43,599	39,954
30 percent or more	71,051	46,622	24,429
Percent cost-burdened	27.0%	25.9%	29.6%
<b>\$50,000 to \$74,999:</b>	328,549	248,128	80,421
Less than 20 percent	192,049	148,510	43,539
20 to 29 percent	96,108	66,924	29,184
30 percent or more	40,392	32,694	7,698
Percent cost-burdened	12.3%	13.2%	9.6%
<b>\$75,000 or more:</b>	532,590	465,371	67,219
Less than 20 percent	436,592	380,300	56,292
20 to 29 percent	76,213	66,886	9,327
30 percent or more	19,785	18,185	1,600
Percent cost-burdened	3.7%	3.9%	2.4%

Source: 2012-2016 American Community Survey 5-Year Estimates (B25106)

## PART II — STATE PROFILE

### HOUSING NEEDS

Between 2008 and 2014, the Median Household Income (MHI) in South Carolina increased from \$44,326 to \$45,033. During this same time period, the percentage of the state population that is considered low income (0-80 percent of MHI) remained relatively stable. In 2014, 42 percent of the population was low income, which is slightly higher than in 2008 when the low-income group made up 41 percent of the population. This means 745,630 households are considered low-income.

#### Summary of South Carolina Households by Income Category State MHI in 2014 = \$45,033 (2010-2014 ACS)

Income Distribution Overview	Estimated Number of Households	Estimated % of Total Households
Household Income <= 30% HAMFI	227,890	13%
Household Income >30% to <=50% HAMFI	214,305	12%
Household Income >50% to <=80% HAMFI	303,435	17%
Household Income >80% to <=100% HAMFI	175,490	10%
Household Income >100% HAMFI	874,590	48%
Total	1,795,715	100%

Source: 2010-2014 CHAS

Housing needs by tenure refers to the needs by homeowners and renters, by HUD income category. These income categories are defined as extremely low (0-30% of AMI), low (30-50% AMI), moderate (50-80% AMI) and middle income (80-120% AMI) families. For the purposes of this analysis, the first three groups, with incomes ranging from 0 to 80% AMI, are considered to be “low to moderate income” (LMI).

#### Housing Needs, Cost Burden by Tenure, South Carolina, 2014

Income by Cost Burden (Renters only)	Total	Cost burden > 30%	% Cost burden > 30%	Cost burden > 50%	% Cost burden > 50%
Household Income <= 30% HAMFI	137,735	97,200	71%	83,930	61%
Household Income >30% to <=50% HAMFI	101,445	76,305	75%	35,615	35%
Household Income >50% to <=80% HAMFI	118,585	59,230	50%	9,015	8%
Household Income >80% to <=100% HAMFI	56,260	11,915	21%	1,100	2%
Household Income >100% HAMFI	149,530	6,955	5%	800	<1%
Total	563,560	251,605	45%	130,460	23%

## PART II — STATE PROFILE

Income by Cost Burden (Owners only)	Total	Cost burden > 30%	% Cost burden > 30%	Cost burden > 50%	% Cost burden > 50%
Household Income <= 30% HAMFI	90,155	61,615	68%	46,840	52%
Household Income >30% to <=50% HAMFI	112,860	58,700	52%	31,340	28%
Household Income >50% to <=80% HAMFI	184,850	70,865	38%	23,545	13%
Household Income >80% to <=100% HAMFI	119,230	31,630	27%	6,225	5%
Household Income >100% HAMFI	725,060	60,130	1%	8,965	1%
Total	1,232,155	282,940	23%	116,915	9%

Source: 2010-2014 CHAS

### EXTREMELY LOW-INCOME HOUSEHOLDS

Extremely low-income (ELI) households (<30 percent of median household income) comprise of 227,890 households or 12.7 percent of the State's total households. This income group has limited options in the current homebuyer and renter markets. Households earning less than \$14,069 annually have "affordability gaps" of \$101,393 and greater for home purchase based on the current median single-family home price and \$459 and greater based on the current gross monthly median rent. ELI renter households without public subsidy are generally cost-burdened.

### VERY LOW-INCOME HOUSEHOLDS

Very low-income (VLI) households (30-50 percent of median household income) comprise of 214,305 households or 11.9 percent of the State's total households. Households earning \$14,070 - \$23,449 annually have "affordability gaps" of \$73,253 - \$101,930 for home purchase based on the current median single-family home price and \$225 - \$459 based on the current monthly gross median rent. VLI renter households without public subsidy are generally cost-burdened.

### OTHER LOW-INCOME HOUSEHOLDS

Other low-income (OLI) households (51-80 percent of median household income) comprise of 303,435 households or 16.9 percent of the State's total households. Households earning \$23,499 - \$37,518 annually have "affordability gaps" of \$31,046 - \$73,250 for home purchase based on the current median single-family home price and \$225 and less based on the current monthly gross median rent. OLI renter households earning less than \$25,000 annually and without public subsidy are generally cost-burdened.

## PART II – STATE PROFILE

### DISPROPORTIONATE HOUSING NEEDS

Within the above income and other need categories, it is also important to identify any particular race or ethnic categories which demonstrate disproportionately high needs. HUD defines disproportionate need as existing when “the percentage of persons in a category of need who are members of a particular race or ethnic group is at least 10 percentage points higher than the percentage of persons in the category as a whole.”

HUD identifies four housing problems that can lead to a disproportionate housing need. The housing problems assessed are:

1. Housing Cost Burden – Households paying greater than 30% of their income to housing costs
2. Overcrowding – More than one person per room
3. Substandard Housing (Plumbing) – Lacking complete plumbing facilities
4. Substandard Housing (Kitchen) – Lacking complete kitchen facilities

The following table displays the demographics for residents of South Carolina with housing problems based on race or ethnicity and household size. The statewide rate of facing a housing problem is 31.6 percent and two groups are shown facing disproportionate housing need. Black, non-Hispanic and Hispanic households both experience housing problems at a disproportionately high rate, 42 percent and 45.9 percent, respectively.

#### Disproportionate Housing Needs in South Carolina

Race/Ethnicity	# with problems	# of households	% with problems
White, Non-Hispanic	324,385	1,214,485	26.7%
Black, Non-Hispanic	195,098	464,221	42.0%
Hispanic	27,763	60,446	45.9%
Asian or Pacific Islander, Non-Hispanic	7,062	19,945	35.4%
Native American, Non-Hispanic	2,097	5,517	38.0%
Other, Non-Hispanic	6,046	15,725	38.4%
Total	562,476	1,780,319	31.6%
Household Type and Size	# with problems	# of households	% with problems
Family households, <5 people	275,150	1,062,765	25.9%
Family households, 5+ people	55,483	136,237	40.7%
Non-family households	231,968	581,383	39.9%

Source: 2010-2014 CHAS

## PART II — STATE PROFILE

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### SPECIAL NEEDS HOUSING

There are several groups of persons who have special housing needs due to various characteristics and conditions:

- Elderly and extra-elderly (frail elderly) adults
- Persons with a developmental, physical or mental disability
- Persons with HIV/AIDS

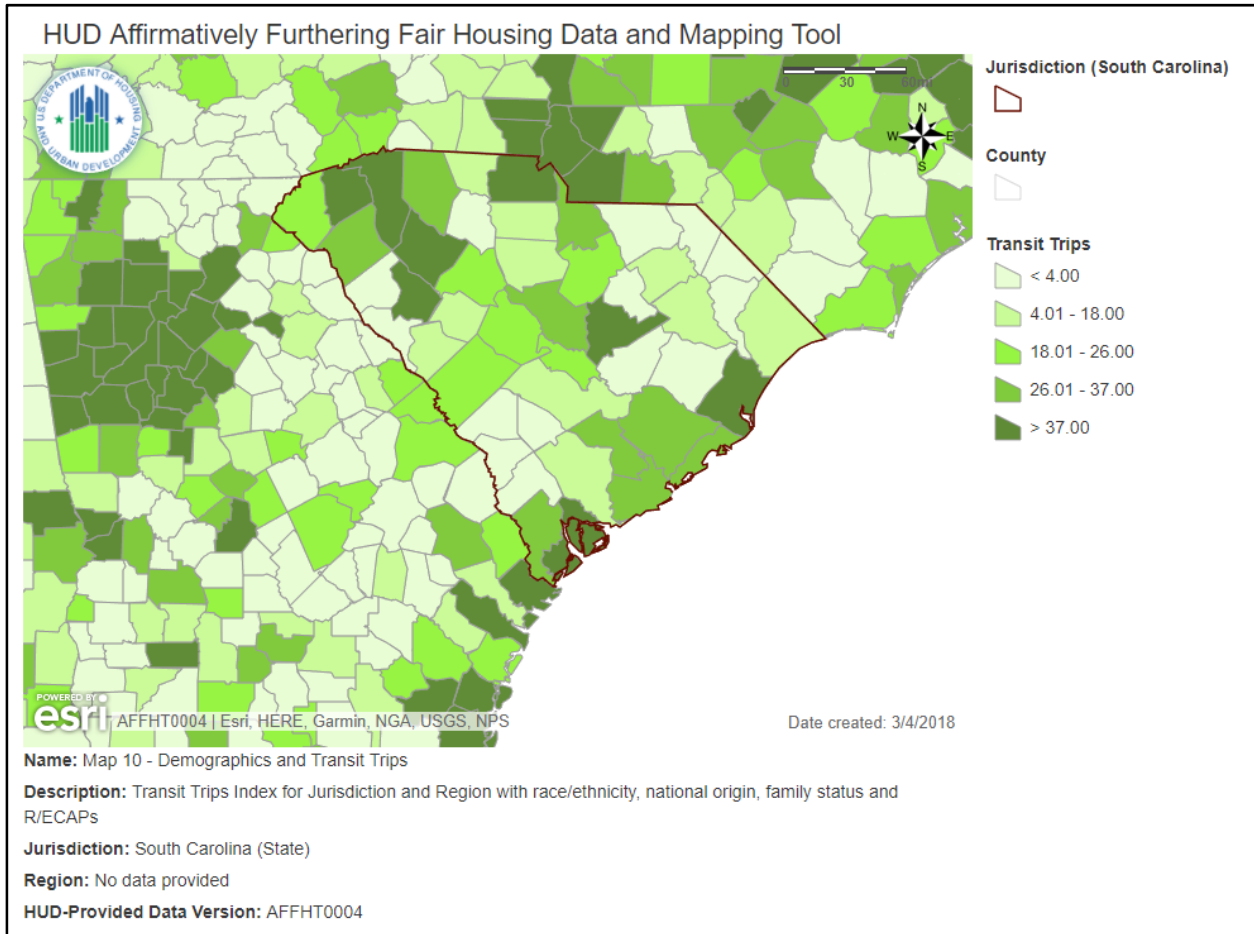
### TRANSPORTATION

An important aspect of housing need and supply is access to transportation. Within South Carolina, access to transportation varies widely depending on location. HUD provides two appendices related to transportation to evaluate the needs of the state. The first, the Transit Trips Index, is an estimate of how available affordable public transportation is. Values range from 0 to 100 with higher index scores meaning it is more likely that residents utilize public transportation and it controls for income. A high index value can be interpreted as better access to public transportation.

A significant number of counties have a Transit Trip Index score of 18 or less. In total, 25 counties have scores this low. These counties are primarily rural counties. Public transportation that services an entire county is rare in South Carolina which encourages greater reliance on urban centers.



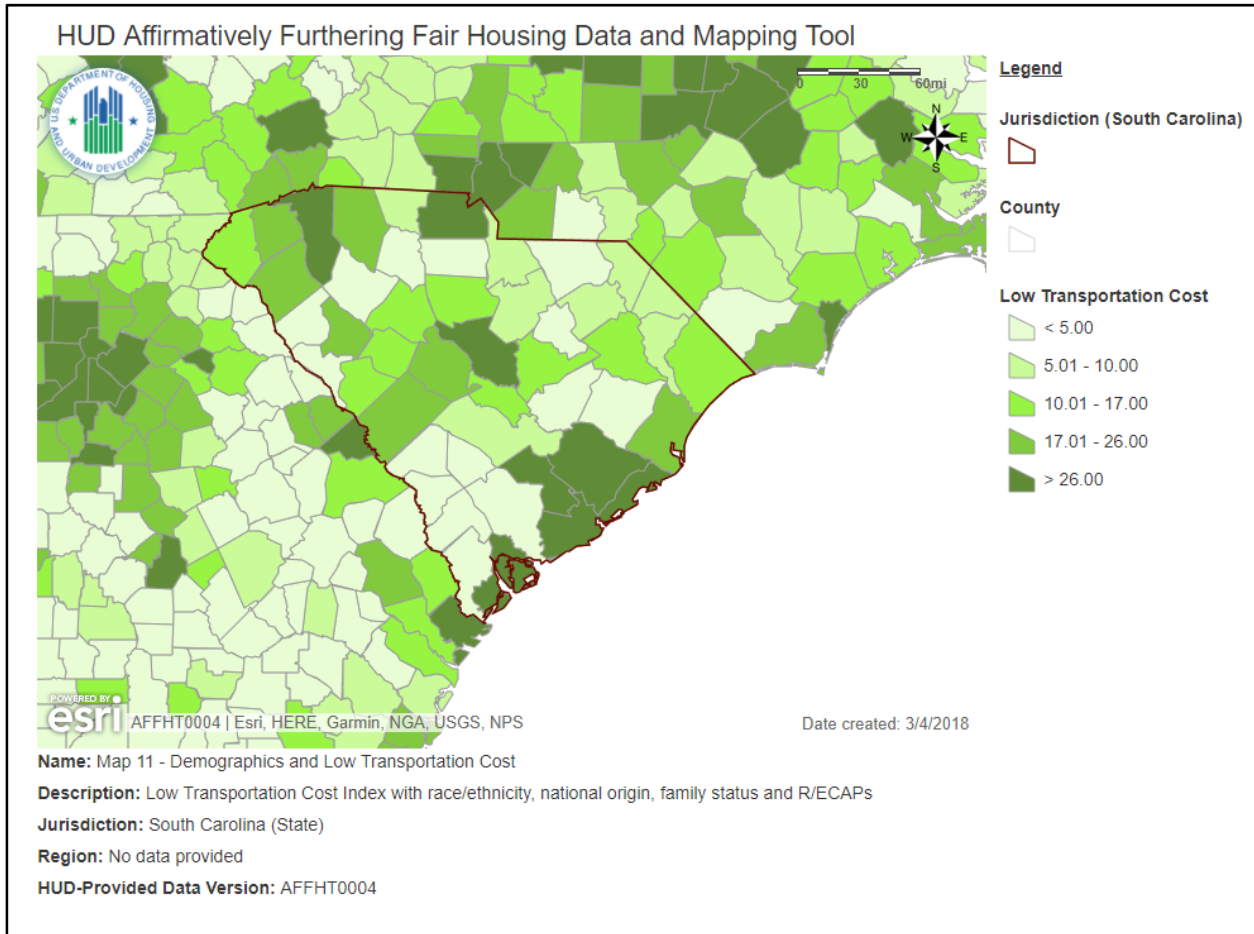
## PART II — STATE PROFILE



The second HUD provided index is the Low Transportation Cost Index, which provides a score based on the transportation costs as a percent of household income in a census tract. Values range from 0 to 100 with a higher index score meaning a lower cost of transportation in that neighborhood. The reasons for high transportation costs are varied and may include access to public transportation, density of homes and services, and jobs in the neighborhood or surrounding communities.

This second index shows some of the same residential patterns as the previous index. One noted difference is the considerable influence that Charleston appears to play on this index score. That urban center appears to increase this index score for neighboring counties in a way that other urban centers in South Carolina do not.

## PART II — STATE PROFILE



Urban centers have a strong impact on access to public transportation and transportation costs. Additional analysis is available for four areas: the City of Charleston, the City of Spartanburg, the City of Columbia, and Horry County. As the above maps show, these areas generally have relatively high scores in one or both of these indexes. One small exception is Horry County which does not have strong transportation scores despite the presence of the Myrtle Beach metropolitan area that includes 465,391 people and one of the projected fastest growing populations in the state.

### Workers & Non-Personal Motor Vehicles, South Carolina MSAs

	Total Workers	# Non-Personal Motor Vehicle	% Non-Personal Motor Vehicle
Charleston County	188,784	24,996	13.2%
Horry County	131,140	9,378	7.2%
Richland County	193,925	27,682	14.3%
Spartanburg County	127,878	6,726	5.3%

Source: 2012-2016 American Community Survey 5-Year Estimates

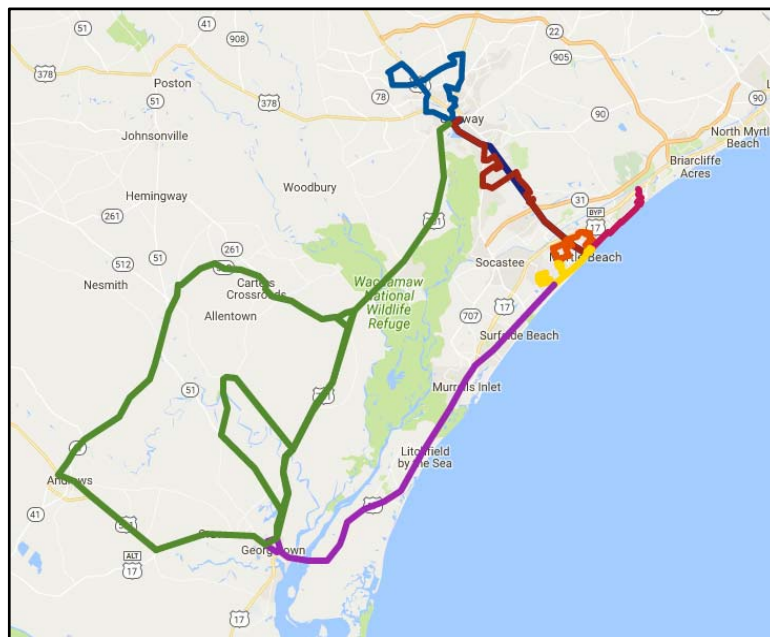
## PART II — STATE PROFILE

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### *Horry County*

Public transportation in Horry County is provided by the Waccamaw Regional Transportation Authority. The routes primarily serve the population within and between Myrtle Beach, Conway, and Georgetown. While the bus routes cover a wide geographic area between the urban centers, the bus routes have limited operating times that may not match up with the commuting needs of the population. This is particularly true for low-income households who are more likely to work primarily to serve the tourist industry and may not have traditional work hours. There are also very limited transportation options for commuters who cannot afford to live in Myrtle Beach or Conway and must commute from more rural areas.

*Map: Horry County and Georgetown County Bus Routes*



Source: Waccamaw Regional Transportation Authority

### *City of Charleston*

Public transportation in Charleston is overseen by the Charleston Area Regional Transportation Authority (CARTA). CARTA is the responsible agency for mass transit in the cities of Charleston and North Charleston, as well as an express shuttle and bus service that reaches out to Charleston's suburbs. Over 18 percent of the city's population does not commute using a personal motorized vehicle, instead public transportation, walking, and bicycling are common.

### *City of Spartanburg*

The lack of accessible and reliable transportation is a major barrier in Spartanburg, particularly for low-income residents and special needs populations. Nearly 27 percent of renters in the city do not have access

## PART II — STATE PROFILE

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to a personal vehicle. This greatly impacts a resident's ability to commute to and from work, particularly if a robust public transportation system is not available.

### *City of Columbia*

Public transportation in Columbia is relatively robust and includes mass transit run by the Central Midlands Regional Transit Authority (CMRTA), as well as Amtrak passenger service and long-range bus services. Both Richland and Lexington County are interested in working with CMRTA to expand service and increase transportation options for households throughout the counties. Improvements could still be made with the addition of regional rail service that would improve the ability of low-income households to utilize this service.

## PART III – FAIR HOUSING COORDINATION AND RESOURCES

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This section describes the various fair housing related entities in South Carolina, the roles each play in terms of outreach, and the various resources available to the state and other fair housing providers.

### STATE AGENCIES INVOLVED IN FAIR HOUSING

The primary state agency in South Carolina that focuses on fair housing is the South Carolina Human Affairs Commission. The Department of Consumer Affairs also plays an important role in regulating mortgage brokers, managing the more rigid requirements for licensing and reporting under the SC Mortgage Lending Act.

Beyond these agencies specifically tasked with Fair Housing related activities, the federal Fair Housing Act coupled with the state law extend the obligation to affirmatively further fair housing to all housing and housing related activities in the state, and there are numerous public agencies and commissions involved in housing. These include the state's Consolidated Plan partner agencies: the South Carolina Department of Commerce, which administers the CDBG Program, the State Housing Finance and Development Authority (SC Housing), which administers the HOME Program and National Housing Trust Fund, the Office of Economic Opportunity (OEO), which administers the Emergency Solutions Grant Program, and the Department of Health and Environmental Control (DHEC), which administers the Housing Opportunities for Persons with AIDS or HOPWA Program. However, a wide variety of other state agencies are involved in housing. These include the SCHAC, the Governor's Office Division on Aging and the Departments of Disabilities and Special Needs (DDSN), Labor, Licensing and Regulations (LLR), Mental Health (DMH), Insurance (DOI) and Consumer Affairs (DCA). Also involved in housing are the State Housing Trust Fund Advisory Committee, Affordable Housing Coalition of South Carolina, South Carolina Interagency Council on Homelessness, South Carolina Loan Fund, formerly known as the Lowcountry Housing Trust, and a number of regional HOME Consortiums.

### **SC HUMAN AFFAIRS COMMISSION**

The South Carolina Fair Housing Law was enacted in 1989 and gave the jurisdiction to investigate fair housing complaints in the state to the South Carolina Human Affairs Commission (SCHAC). The mission of the SCHAC, however, is focused on all types of unlawful discrimination in, particularly in employment on the basis of race, color, national origin, religion, sex, age and disability; in housing on the basis of race, color, national origin, religion, sex, familial status and disability; and in public accommodations on the basis of race, color, national origin and religion. The primary activities of SCHAC include investigating and attempting to resolve charges of discrimination under the South Carolina Human Affairs Law and the Equal Enjoyment and Privileges to Public Accommodations Act, monitoring employment practices and affirmative action efforts of state government agencies and providing training and technical assistance to employers and others seeking to comply with these two laws. SCHAC also investigates all complaints under the South Carolina Fair Housing Law. This broader mission, and in particular the agency's investigatory and enforcement role, fully engages the SCHAC. It is also the agency designated by HUD to enforce the South Carolina Fair Housing Law.

## **PART III – FAIR HOUSING COORDINATION & RESOURCES**

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### **SC DEPARTMENT OF CONSUMER AFFAIRS**

The South Carolina Department of Consumer Affairs, or SCDCA, is the agency responsible for enforcing the State's laws against predatory lending, including practices such as flipping loans, excessive pre-payment penalties, balloon payments, and other abusive loan practices.

The SCDCA utilizes workshops, speeches, and media presentations to provide consumer education assistance to a wide cross-section of South Carolina. Educational programs are directed towards students and teachers K-12 and college levels as well as health institutions, churches, educational programs, senior citizens groups, etc.

### **OTHER STATE AGENCIES**

In addition to the South Carolina Human Affairs Commission and the South Carolina Department of Consumer Affairs, a number of other State agencies are involved in housing and deal with fair housing issues. These include:

#### **SC DEPARTMENT OF COMMERCE**

Housed within the South Carolina Department of Commerce, the Grants Administration Division administers community and economic development grant programs for local governments throughout the State. Grants Administration develops methods and selection criteria for the distribution of the State's annual allocation of CDBG funds to local governments in non-entitlement metropolitan (suburban) and nonmetropolitan (rural) areas of South Carolina. It is also responsible for coordinating the development of the Consolidated Plan with other State agencies. Another division within the Department of Commerce that addresses community/economic development includes the Division of Community and Rural Planning and Development. The Department of Commerce improves communities by helping them locate new and expanding industry and creating employment opportunities for local residents, including low and moderate-income persons.

#### **OFFICE OF ECONOMIC OPPORTUNITY**

The Office of Economic Opportunity, or OEO is responsible for administering the Emergency Solutions Grants Program (ESG). OEO also administers the Community Services Block Grant (CSBG) Program and Low Income Home Energy Assistance Program (LIHEAP) utilizing the direct service delivery capability of South Carolina's network of Community Action Agencies (CAA).

#### **SC STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY (SC HOUSING)**

SC Housing was created in 1971 and has the power to investigate housing conditions, acquire, own, and lease property, construct, rehabilitate and operate housing developments, and aid in planning and constructing housing for low income persons. The Authority is a public body and an independent agency of State Government. For more than thirty-five years, the Authority has been helping lower income families, the elderly, persons with disabilities, and others who are frequently underserved find quality, safe, and affordable housing. Its major programs include:



## **PART III — FAIR HOUSING COORDINATION & RESOURCES**

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- Home Investment Partnerships Program (HOME),
- South Carolina Housing Trust Fund (HTF)
- National Housing Trust Fund (NHTF),
- Section 8 Rental Assistance Programs (8 Rural Counties),
- Contract Administration Rental Assistance Programs,
- Mortgage Revenue Bond (MRB) Program (Homeownership),
- Low Income Housing Tax Credit (LIHTC) Program-(IRS), and
- Multi-Family Bond Finance Program (Rental Housing Development).

### **SC DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL**

The South Carolina Department of Health and Environmental Control, or DHEC, provides a range of personal health, environmental safety and assessment services. DHEC also regulates public utilities to identify areas with serious water/ sewer health hazards, contaminated wells, and helps determine which public systems serve low and moderate-income populations.

DHEC has a number of departments, which are grouped under two major services divisions - Environmental Quality Control and Health Services. DHEC's services most closely linked to the housing and human service needs of low-income individuals and families are its Lead Based Paint screening and treatment services, water and sewer testing and the programs and services provided by the STD/HIV Division. Although the STD/HIV Division provides services to persons with HIV/AIDS, one of their major concerns is the promotion of health through prevention programs. DHEC also provides information and referral services related to child immunization, disease surveillance, and environmental toxins.

DHEC's STD/HIV Division administers the following major programs:

- HOPWA,
- Ryan White Care Act, Title II, and
- Publication of the South Carolina HIV/AIDS Surveillance Report.

### **SC LIEUTENANT GOVERNOR'S OFFICE ON AGING**

The South Carolina Lieutenant Governor's Office on Aging administers federal funds received through the federal Older Americans Act. The Office works with a network of regional and local organizations to develop and manage programs and services to improve the quality of life of South Carolina's older citizens, and to help them remain independent in their homes and communities. The Office aids older adults who have the greatest social, economic and health needs, and rural and low-income minority elders. The Office on Aging has primary responsibility for planning and research related to basic human needs of the elderly in South Carolina.

## **PART III – FAIR HOUSING COORDINATION & RESOURCES**

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### **SC DEPARTMENT OF SOCIAL SERVICES**

The South Carolina Department of Social Services, or DSS, provides services to low income South Carolinians, both children and adults, who are in need of protection. DSS is an agency that serves its clients in a wide array of programs. The programs include Family Independence, food stamps, child support, child and adult protective services, adoption, foster care and other out of home services. The goal of DSS is to ensure the health and safety of children and adults who cannot protect themselves, and to assist those in need of food assistance and temporary financial assistance while transitioning into employment.

### **SC DEPARTMENT OF MENTAL HEALTH**

The South Carolina Department of Mental Health, or DMH, is the State agency responsible for serving the needs of low-income persons with psychiatric disabilities. In addition to supportive housing, DMH provides a variety of services for its beneficiaries including assessment and evaluation, case management, psychiatric and medical care, Medicaid, counseling and therapy, adult and child day care, family life education, residential treatment, social and recreational services, special education, transportation, and substance abuse counseling.

DMH has one full-time staff person working state-wide with local non-profits and a network of housing coordinators in each of the local community mental health centers to identify needs, to seek funding and sites, and to develop housing for persons with mental illness.

### **SC DEPARTMENT OF DISABILITIES & SPECIAL NEEDS**

The South Carolina Department of Disabilities and Special Needs, or DDSN, serves persons with mental retardation, autism, head and spinal cord injury and conditions related to each of these four disabilities. DDSN provides such services as assessment and evaluation, case management, supportive housing (boarding homes), adult and child day care, mental and dental health care services, medical equipment, physical and speech (language) therapy, nutrition services, job and skills training, occupational therapy, job development, supervised living services, Medicaid and transportation.

The Department of Disabilities and Special Needs provide supportive living services as one of many specialized services/programs. Assisting DDSN in this endeavor is a statewide network of human services providers including local Disabilities and Special Needs Boards and private non-profit organizations.

## **OTHER PUBLIC AGENCIES**

### **LOCAL MUNICIPAL AND COUNTY GOVERNMENTS**

Local governments have historically provided financial and technical resources in addressing the needs of the homeless, at-risk, and lower income households in South Carolina. Local planning efforts provide opportunities to assess needs, coordinate services, set priorities, and propose ways to address community issues such as homelessness prevention and affordable housing development.

Under Title I of the Housing and Community Development Act, local governments that are CDBG Entitlements and receive funding directly from HUD are also required to conduct Analysis and

## PART III — FAIR HOUSING COORDINATION & RESOURCES

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Impediments. The large cities that participate include: Aiken, Anderson, Charleston, Columbia, Florence, Greenville, Hilton Head Island, Rock Hill, Spartanburg, Summerville and Sumter. The six urban counties that participate include: Charleston, Greenville, Horry, Lexington, Richland and Spartanburg.

### REGIONAL COUNCILS OF GOVERNMENTS (COGs)

Regional COGs were established in 1972 by the State Legislature. COGs are non-profit cooperative (partnership) organizations of local government that serve a consortium of contiguous counties. There are ten Regional Councils of Government, each governed by a public board. For planning purposes, each of South Carolina's 46 counties is in one of these ten districts. COGs administer programs of common interest to the participating governments they represent. The programs and special initiatives of the COGs contribute to the growth and development of the towns, cities, and counties they serve. COGs administer CDBG, HOME, and other Federal housing, community and economic development programs on behalf of many local governments within their regions.

A number of regional HOME Consortia have also been formed in the state and are generally administered by the COG for the region. As part of the requirements for receipt of HOME funds, a Consolidated Plan for Housing & Community Development is required, along with in the past an Analysis of Impediments and, for new and future Consolidated Plans, an Assessment of Fair Housing. According to HUD, the FY 2017 HOME Consortia and their Participating Members include:

- Sumter County HOME Consortium (City of Sumter and Clarendon, Kershaw, Lee, & Sumter Counties)
- Horry County HOME Consortium (Towns of Atlantic Beach, Aynor, and Surfside Beach, Cities of Loris and North Myrtle Beach, and Georgetown, Horry, & Williamsburg Counties)
- Beaufort County HOME Consortium (Beaufort, Colleton, Hampton, & Jasper Counties)
- Orangeburg County HOME Consortium (City of Aiken and Aiken, Allendale, Bamberg, Barnwell, Calhoun, & Orangeburg Counties)
- Anderson County HOME Consortium (City of Anderson and Anderson County)

In addition to the HOME Consortia, several of the regional COGs undertook the development of Regional Analyses of Impediments for counties in their geographical areas. HOME Consortium Ais were assisted by funding from the State CDBG Regional Planning Commission.

### PUBLIC HOUSING AUTHORITIES (PHAs)

There are 42 local public housing authorities serving the State of South Carolina. PHAs administer the Section 8 Certificate and Voucher Programs, which provide rental assistance to low-income persons, and Public Housing statewide. These programs exist to assist the housing needs of very low and low-income households.

## **PART III — FAIR HOUSING COORDINATION & RESOURCES**

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Local housing authorities are at the forefront of local housing initiatives and provide a necessary forum for the development of solutions to affordable and supportive housing needs at the community level. Larger South Carolina PHAs (usually located in metropolitan areas) also administer other HUD rental housing development initiatives including the Comprehensive Grant Program (CGP), Comprehensive Improvement Assistance Program (CIAP), and the HOPE Program.

### **OTHER ORGANIZATIONS**

#### **NON-PROFIT ORGANIZATIONS**

##### **COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS**

Community Housing Development Organizations, or CHDOs, are special community-based non-profit organizations designated under the HOME Investment Partnerships Program (HOME). CHDOs are eligible to compete for set-aside HOME funds that can be used to finance a wide variety of affordable rental and owner housing activities. CHDOs play a critical role in developing housing and providing housing-related services at the community level. There are nine recertified CHDOs in the state as of 2017 and a roster of these organizations with contact information is located at:

<http://www.schousing.com/library/HOME/CHDOs/2018/2018%20CHDO%20LIST.pdf>

##### **ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS**

On May 30, 2000, the South Carolina legislature passed the Community Economic Development Act, which defined Community Development Corporations, or CDCs, provided for certification of CDCs by the State, and provided tax credits to those providing funds to CDCs. The role of the CDCs is to develop projects and activities to enhance community-wide economic opportunities. The activities pursued by CDCs include assisting residents to become owners and managers of small businesses, producing affordable housing, and creating a better living opportunity in the community. More about the South Carolina Association for Community and Economic Development can be found here:

[www.scaced.org](http://www.scaced.org)

##### **COMMUNITY ACTION AGENCIES**

There are 14 Community Action Agencies, or CAAs, in South Carolina serving the 46 counties. They serve socially and economically disabled individuals and families and enable them to become self sufficient by providing a range of services for persons and households needing housing and supportive services assistance. These services include assistance for weatherization, education, employment, emergencies, housing, and assistance with utility bills, food, clothing, and health care. CAAs target certain housing rehabilitation and social service resources to eligible low-income residents. South Carolina CAAs administer the Low Income Home Energy Assistance Program (LIHEAP) and Community Services Block Grant (CSBG) Program in communities across the state. CAAs play an important service delivery role, particularly in the rural communities where services and delivery agents are often scarce. The Office of Economic Opportunity Website provides a complete listing of the CAAs and the services they provide; please see:

## PART III — FAIR HOUSING COORDINATION & RESOURCES

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<http://oeo.sc.gov/help.html>

### **APPLESEED LEGAL JUSTICE CENTER**

The South Carolina Appleseed Legal Justice Center provides legal information to the general public through brochures, pamphlets, flyers, and power-point presentations. The Center has an interest in housing issues and works to ensure the enforcement of federal and state laws that can protect an individual's ability to maintain stable housing, including federal and state fair housing laws, the South Carolina Residential-Landlord Tenant Act, and the housing protections provided under the 2005 reauthorization of the Violence against Women Act.

### **SC AFFORDABLE HOUSING COALITION**

The Affordable Housing Coalition of South Carolina is an organization dedicated to the creation, preservation and improvement of affordable housing for all South Carolinians. They serve as the primary advocates for affordable housing in South Carolina, providing a forum for communication, education, and action to create and improve affordable housing for working families, special needs groups, and individuals. They represent all aspects of the affordable/workforce housing industry.

## **HOUSING MARKET ORGANIZATIONS**

### **HOMEOWNERSHIP HOUSING MARKET**

Many agencies are involved in overseeing real estate industry practices and the practices of the agents involved. A portion of this oversight involves ensuring that fair housing laws are understood and followed. The following organizations have limited oversight within the lending market, the real estate market, and some of their policies, practices, and programs are described below.

### **FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL**

The Federal Financial Institutions Examination Council (FFIEC) is a formal interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision, and to make recommendations to promote uniformity in the supervision of financial institutions. The FFIEC provides data on loan originations, loan denials, and other aspects of the home loan process, as well as preparing Community Reinvestment Act rating reports on financial institutions.

## PART III — FAIR HOUSING COORDINATION & RESOURCES

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### **NATIONAL ASSOCIATION OF REALTORS**

The National Association of Realtors (NAR) is a consortium of realtors, which represent the real estate industry at the local, state, and national level. As a trade association, members receive a range of membership benefits. However, to become a member, NAR members must subscribe to its Code of Ethics and a Model Affirmative Fair Housing Marketing Plan developed by HUD. The term “Realtor” thus identifies a licensed real estate professional who pledges to conduct business in keeping with the spirit and letter of the Code of Ethics. “Realtors” subscribe to the NAR’s Code of Ethics, which imposes obligations upon realtors regarding their active support for equal housing opportunity.

### **DIVERSITY CERTIFICATION**

The NAR has created a diversity certification, “At Home with Diversity: One America”, to be granted to licensed real estate professionals who meet eligibility requirements and complete the NAR “At Home with Diversity” course. The certification signals to customers that the real estate professional has been trained on working with the diversity of today’s real estate markets.

### **SC ASSOCIATION OF REALTORS**

The South Carolina Association of Realtors (SCAR) is a trade association of realtors statewide. As members of the Association, realtors follow a strict code of ethics. The Association offers a certificate course, “At Home with Diversity, One America,” as part of its graduate education program.

### **SC REAL ESTATE COMMISSION**

The South Carolina Real Estate Commission is the licensing authority for real estate brokers and salespersons. The Commission has adopted education requirements that include courses in ethics and fair housing. To renew a real estate license, each licensee is required to complete continuing education.

### **RENTAL HOUSING MARKET**

Many agencies oversee the apartment rental process and related practices. This oversight includes ensuring that fair housing laws are understood. The following organizations have limited oversight within the rental housing market.

### **SC APARTMENT ASSOCIATION**

The South Carolina Apartment Association (SCAA) is a state chapter of the National Apartment Association dedicated to serving the interests of Connecticut apartment owners and managers.

### **NATIONAL ASSOCIATION OF RESIDENTIAL PROPERTY MANAGERS**

NARPM is an association of real estate professionals who are experienced in managing single-family and small residential properties. NARPM promotes the standards of property management, business ethics, professionalism, and fair housing practices within the residential property management field. NARPM certifies members in the standards and practices of the residential property management industry and promotes continuing professional education. NARPM offers designations to qualified property managers and management firms, and these certifications require educational courses in fair housing practices.



## PART III — FAIR HOUSING COORDINATION & RESOURCES

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Thus, there are a number of professional organizations and government agencies that have varying degrees of supervision on matters of fair housing or which provide training on ethics and fair housing to their members.

### FAIR HOUSING RESOURCES

#### FEDERAL AND STATE RESOURCES

Funding for housing and community development programs in the state continues to be provided by both state and federal sources. State resources for affordable housing vary depending upon the specific source of revenue identified and/or the mechanics of the program. Additional and often more significant resources include federal programs that are allocated to the state. Less reliable federal resources are available on a competitive or demonstration basis. All of these resources are discussed below.

The continued availability of federal and state funding is perhaps the single most important factor affecting whether and how well the state can implement its strategies for fair housing and removal of impediments. Federal dollars, which were shrinking in prior years, are now severely threatened as the national budget shortfall worsens. The future remains uncertain, particularly as new discussions emerge over whether to increase the federal debt limit and ways to balance the federal budget.

#### STATE HOUSING RESOURCES

State resources for addressing affordable housing objectives are managed by the State Housing Finance and Development Authority (SC Housing), with the exception of the CDBG program. SC Housing also administers federal resources allocated to the state which include HOME, the Low Income Housing Tax Credit (LIHTC), the National Housing Trust Fund (NHTF), and the Section 8 Rental Assistance programs. The state Mortgage Revenue Bond and Multifamily Tax Exempt Bond Programs both derive funding from the sale of tax exempt bonds to investors and funding levels fluctuate according to economic conditions and investor demand. The South Carolina Housing Trust Fund receives a dedicated share of the state deed stamp tax, and funding for this resource is dependent on the volume of real estate transactions in the state. Funds invested during fiscal year 2015, by SC Housing programs other than HOME, are shown below.

#### **Fiscal Year 2015 Affordable Housing Investments Non-HOME SC Housing Programs**

<b>Program</b>	<b>Amount in Millions</b>
Mortgage Revenue Bond Program	\$57
South Carolina Housing Trust Fund	\$12.4
Low Income Housing Tax Credit Program	\$11.4
Multifamily Tax Exempt Bond Program	\$285.5
Section 8 Housing Choice Voucher Program & Contract Administration	\$128.0
<b>TOTAL</b>	<b>\$494.3</b>

## PART III — FAIR HOUSING COORDINATION & RESOURCES

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SC Housing resources like the Mortgage Revenue Bond Program (MRB) and Section 8 are aimed at making homeownership and rental affordable, while the State Housing Trust Fund and LIHTC Programs lower the costs of development to foster and increase the supply of affordable housing. Where these programs also allow rehabilitation, affordable housing is maintained.

The above SC Housing programs for developing housing in South Carolina are implemented by hundreds of private, non-profit and public sector housing partners. This layering of private investment capital and public funds is an important element in expanding the base of affordable housing and addressing the needs of the State's Consolidated Plan. It is also a significant source of additional leveraging.

Various other state programs continue to be utilized to help carry out affordable housing goals. The SC Human Affairs Commission (SCHAC) has funds allocated from the state budget but also receives reimbursement from HUD for Fair Housing enforcement. The Department of Consumer Affairs (DCA) operates its programs based on state budget allocations. State budgets have steadily declined as the economy has negatively impacted the state's income. Lack of adequate funding makes it difficult for HAC and DCA to carry out activities in support of fair housing. Other programs and resources include: programs for special needs housing under the Department of Mental Health (DMH); funding and programs applicable to public infrastructure and economic development administered by the Rural Infrastructure Authority; SC Department of Parks, Recreation and Tourism (PRT) transportation programs through the SC Department of Transportation (DOT); and community development programs and resources from various state agencies including the SC Departments of Health and Environmental Control (DHEC), Health and Human Services (DHHS), Parks, Recreation and Tourism (PRT) and Archives and History (DAH).

### CDBG FUNDING

CDBG is focused on projects that will benefit low to moderate income (LMI) persons, including extremely low income persons who earn 0 to 30% of the area median income, low income persons who earn 30 to 50% of the median and moderate income persons who earn 50 to 80% of the median. Typically, the majority of CDBG funded activities benefit LMI persons and meet the LMI national objective. For 2016, the State CDBG program awarded \$23.7 million, out of which 97.9% of funds awarded directly benefitted LMI communities or individuals.

To ensure funding assistance does not exclude or discriminate against minorities, all applicants requesting CDBG funds are required to provide maps showing service areas and concentrations of LMI and minority households in the community. Funding decisions are further predicated on an analysis of proposed persons or households to benefit from project activities, either directly or indirectly, and the related income and race and ethnicity categories for the proposed beneficiaries. Recipients of CDBG funds must also ensure that CDBG-funded activities are conducted in a manner which will not cause discrimination on the basis of race, color, national origin, religion, sex, disability, age or familial status.

All CDBG recipients must also comply with Section 504 accessibility requirements and prior to any funds being drawn must submit for review and approval a plan for compliance with Section 504.

## PART III — FAIR HOUSING COORDINATION & RESOURCES

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Together with Fair Housing Plans, which must also be submitted and approved before any grant funds can be drawn, the purpose is to encourage recipients to develop a comprehensive strategy for creating an environment which fosters nondiscrimination, an accessible living environment, and affirmatively furthers fair housing. Implementation of activities on either the 504 or Fair Housing Plan must occur prior to project close out.

Other requirements for CDBG grant recipients include:

- Track and report the income, race and ethnicity of all applicants for direct CDBG financial assistance, as well as the income, race and ethnicity of all actual beneficiaries of CDBG funded projects.
- Comply with Equal Opportunity laws and requirements and ensure non-discrimination in the provision of, use of or benefit from CDBG-funded housing, services, facilities and improvements, in CDBG-related employment, and in procurement related to CDBG funded activities.

### COLLABORATION AND COORDINATION

#### PUBLIC AGENCY COORDINATION

In response to the pressing issues of affordable housing, and a growing state level awareness of the need to study this problem at the state level and provide recommendations, the legislature created the Affordable Housing Study Committee in the state Lt. Governor's Office. Beginning in early 2007, seventeen key housing development partners began meetings of the Affordable Housing Study Committee located in the Lt. Governor's Office. An official taskforce was subsequently formed, as well as six working subcommittees to promote and advance affordable housing issues, encourage supporting legislation, enhance public awareness, and develop specific strategies for production and funding. An additional benefit has been to provide a venue for interaction and communication in the important area of affordable housing.

#### **Members of the Affordable Housing Study Committee**

SC Department of Commerce	SC Association of Counties
SC Housing and Finance Authority	Municipal Association of SC
SC Human Affairs Commission	SC Homebuilders Association
SC Office of US Department of Housing and Urban Development (HUD)	Affordable Housing Coalition of SC
SC Housing Authority Executive Director Association	Manufactured Housing Institute of SC
SC Office of US Department of Agriculture Rural Development	SC Association of Realtors
	SC Appleseed Legal Justice Center

Legislation creating a more permanent Housing Commission was proposed, and during the 2009 program year this new legislation was passed, creating the state Housing Commission. The Housing Commission consists of twelve members drawn from the House of Representatives and the Senate and five non-legislative members. Its purpose is to foster the availability of affordable workforce housing.

Overall, the multi-agency participation required by the Lt. Governor's Affordable Housing Study Commission, as well as the existence of the state Housing Commission, have afforded more opportunity

## PART V — PRIVATE & PUBLIC SECTOR DATA

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for coordination among public agencies involved in housing than previously existed in the state. However, there is still no required formal communication and/or coordination among the various state agencies responsible for enforcement and outreach activities related to the Fair Housing Act under South Carolina's form of government.

The HUD formula grant programs regularly collaborate with other state and federal agencies in the implementation of specific activities, often in terms of coordinating funding. Since so many projects integrate funding from other federal and state agencies, major efforts have been made to improve communication and coordination between agencies.

## PART IV – FAIR HOUSING STATUS AND ENFORCEMENT

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This section provides an overview of the institutional structure of the housing industry in governing the fair housing practices of its participants. The oversight, sources of information, and fair housing services available to residents of South Carolina are described and their roles explained.

### FAIR HOUSING ENFORCEMENT STRUCTURE

Persons who feel that their right to fair housing has been violated have a number of avenues, which they can pursue to achieve remedy. These range from complaints through Federal or State agencies to personal legal actions. This section briefly describes the more commonly used avenues and those for which data is tracked.

### U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The United States Department of Housing and Urban Development (HUD) oversees, administers, and enforces the Fair Housing Act. HUD's regional office in Atlanta, Georgia, oversees housing, community development, and fair housing enforcement in South Carolina, as well as Alabama, the Caribbean, Florida, Georgia, Kentucky, Mississippi, North Carolina and Tennessee. The Office of Fair Housing and Equal Opportunity (FHEO), within HUD's Atlanta office, enforces the federal Fair Housing Act and other civil rights laws that prohibit discrimination in housing, mortgage lending and other related transactions in South Carolina, and in South Carolina, operates in coordination with HUD South Carolina Field Office FHEO staff. HUD also provides education and outreach, monitors agencies that receive HUD funding for compliance with civil rights laws, and works with state and local agencies under the Fair Housing Assistance Program and Fair Housing Initiative Program.

### HUD COMPLAINT PROCESS

According to the HUD website, any person who feels their housing rights have been violated may submit a complaint to HUD via phone, mail, or the Internet. A complaint can be submitted to the national HUD office at:

Office of Fair Housing and Equal Opportunity  
Department of Housing and Urban Development  
Room 5204  
451 Seventh St. SW  
Washington, DC 20410-2000  
(202) 708-1112  
1-800-669-9777

<http://www.hud.gov/offices/fheo/online-complaint>

## PART IV – FAIR HOUSING STATUS & ENFORCEMENT

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In South Carolina, the contact information for the regional HUD office in Atlanta is:

Atlanta Regional Office of FHEO  
U.S. Department of Housing and Urban Development  
Five Points Plaza  
40 Marietta Street, 16th Floor  
Atlanta, Georgia 30303-2806  
(404) 331-5140  
1-800-440-8091

However, as described below, the South Carolina Human Affairs Commission is the agency designated by HUD to receive and investigate fair housing complaints in the State. No local or county entities have received the “substantially equivalent status” necessary to receive and investigate complaints.

HUD administers the Fair Housing Initiative Program, through which organizations can undertake a range of fair housing activities. A Fair Housing Initiative Program (FHIP) participant may be a government agency, a private non-profit or a for-profit organization. FHIPS are funded through a competitive grant program that provides funds to organizations to carry out projects and activities designed to enforce and enhance compliance with fair housing laws. Eligible activities include education and outreach to the public and the housing industry on fair housing rights and responsibilities, as well as enforcement activities in response to fair housing complaints, including testing and litigation.

In addition to general fair housing discrimination complaints, HUD accepts specific complaints that violate Section 504 of the Rehabilitation Act of 1973, which prohibits programs or organizations that receive federal funds from discriminating against persons with disabilities. In relation to housing, this means that any housing program that accepts federal monies must promote equal access of units, regardless of disability status. Both mental and physical handicap are included in Section 504. An example of a Section 504 violation is a public housing manager who demands a higher housing deposit to a person in a wheelchair because of the anticipated damage that a wheelchair may cause. This violates Section 504 in that a person cannot be held to different standards or liabilities due to disability. Complaints that are in violation of Section 504 are filed and processed in the same manner as general fair housing complaints.

### **SOUTH CAROLINA HUMAN AFFAIRS COMMISSION**

The South Carolina Human Affairs Commission (SCHAC) is the agency designated by HUD to enforce the South Carolina Fair Housing Law. The agency mission is to educate the public and enforce the laws that prohibit discrimination in housing, employment, and public accommodations. Through enforcement activities, the agency is directly involved in complaint processing, investigations, and settlement. The agency has also assisted in the establishment of local councils to encourage local resolution of housing problems and to foster better community relations.

A person who feels that they have been discriminated against may contact the SCHAC to register that complaint within 180 days of the alleged discrimination. The complaint will be investigated and, if deemed a violation, a complaint form will be filed. Though every effort is made to mediate the complaint, an investigation will be completed, and a determination as to whether there are reasonable grounds to believe



## PART IV – FAIR HOUSING STATUS & ENFORCEMENT

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a violation has occurred will be made. If there has been no settlement, and there are reasonable grounds, one of several enforcement options may be chosen. These include civil action, an administrative hearing by a panel of SCHAC members, or the complainant may sue the respondent in State court.

### FAIR HOUSING COMPLAINT DATA

#### HUD OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY

Nationally, approximately 8,000 cases were filed with HUD’s Office of Fair Housing and Equal Opportunity each year between 2010 and 2016. In the six Southeast states (Alabama, Florida, Georgia, North Carolina, South Carolina and Virginia), cases filed have consistently been about 1,000 per year, with a general downward trend, though there were some upticks. This downward trend can be seen in the national data as well. Nationally, there has been a decline in the total number of cases filed, from 10,326 in 2010 to 8,441 in 2016.

#### Fair Housing Cases Filed 2010-2016

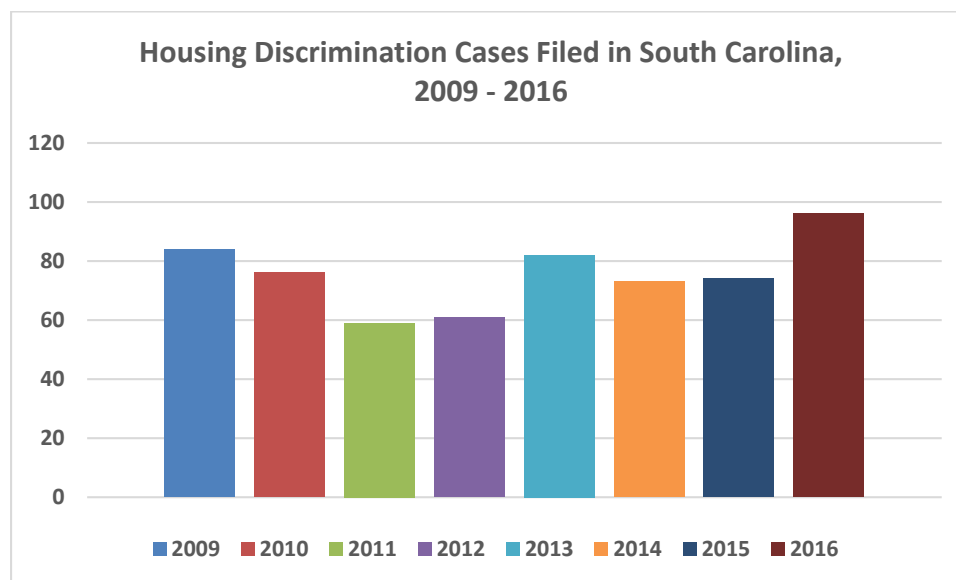
Year	United States		Southeast States (FL, GA, NC, SC and VA)		South Carolina	
	Number of Cases Filed	% Change	Number of Cases Filed	% Change	Number of Cases Filed	% Change
2010	10,326	N/A	1,454	N/A	76	N/A
2011	9,013	-12.72%	974	-33.01%	59	-22.37%
2012	8,534	-5.31%	910	-6.57%	61	3.39%
2013	8,230	-3.56%	942	3.52%	82	34.43%
2014	8,882	7.92%	909	-3.50%	73	-10.98%
2015	8,206	-7.61%	1,004	10.45%	74	1.37%
2016	8,441	2.86%	1,085	8.07%	96	29.73%
Total	61,632	N/A	7,278	N/A	521	N/A

*Source: US Department of Housing & Urban Development, Office of Fair Housing & Equal Opportunity, Fair Housing Cases Filed through 2016*

As shown above and in the chart below, the number of cases in South Carolina alone has varied each year, ranging from a low of 59 in 2011 to a high of 96 in 2016.

## PART IV – FAIR HOUSING STATUS & ENFORCEMENT

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*Source: US Department of Housing & Urban Development, Office of Fair Housing & Equal Opportunity, Fair Housing Cases Filed through 2016*

Data is also available regarding the basis of fair housing complaints filed with HUD FHEO. Nationally, the majority of cases filed in 2016 cited either race (26%) or disability (59%). This is a sharp increase in disability cases from the cases filed in 2009, which cited race as the basis of the complaint 25% of the time and disability only 35% of the time. In 2016, 2,168 filed cases were based on race compared with 4,961 based on disability. Cases based on familial status are also decreasing overall with some up ticks. Familial status was cited 14% of the time or in 1,845 cases in 2009 compared to 10% and 854 cases in 2016. In 2013 and 2014, however, familial status cases spiked briefly. Cases based on national origin represented 10% or 1,282 cases in 2009 and increased just slightly by 2016 to 11% and 935 cases. Cases based on gender/sex have remained fairly steady at 10%. Cases based on retaliation have increased slightly from 7% in 2009 to 9% in 2016. Color and religion account for a fairly small number of cases nationwide, generally less than 200 each per year.

Similar to the national trend, in South Carolina, disability has also become the most cited cause of discrimination with race being the second most cited cause. The majority of cases filed with HUD FHEO each year between 2010 and 2016 cited disability with the exception of two years- 2012 and 2015. Even in those cases, race and disability were nearly tied. In 2012, one more case cited race than cited disability. In 2015, two more cases cited race than cited disability. In 2016, disability cases nearly doubled in South Carolina from the numbers filed in 2015. The state's fair housing surveys support race and disability as the most common fair housing discrimination concerns. By comparison, cases based on race have dropped from 37.4% of cases in 2010 to about 26% in 2016. The percentage of cases where general/sexual orientation, national origin and religion were the basis for the complaint has generally decreased since 2009 with a few upticks for National Origin in 2013 and 2014.

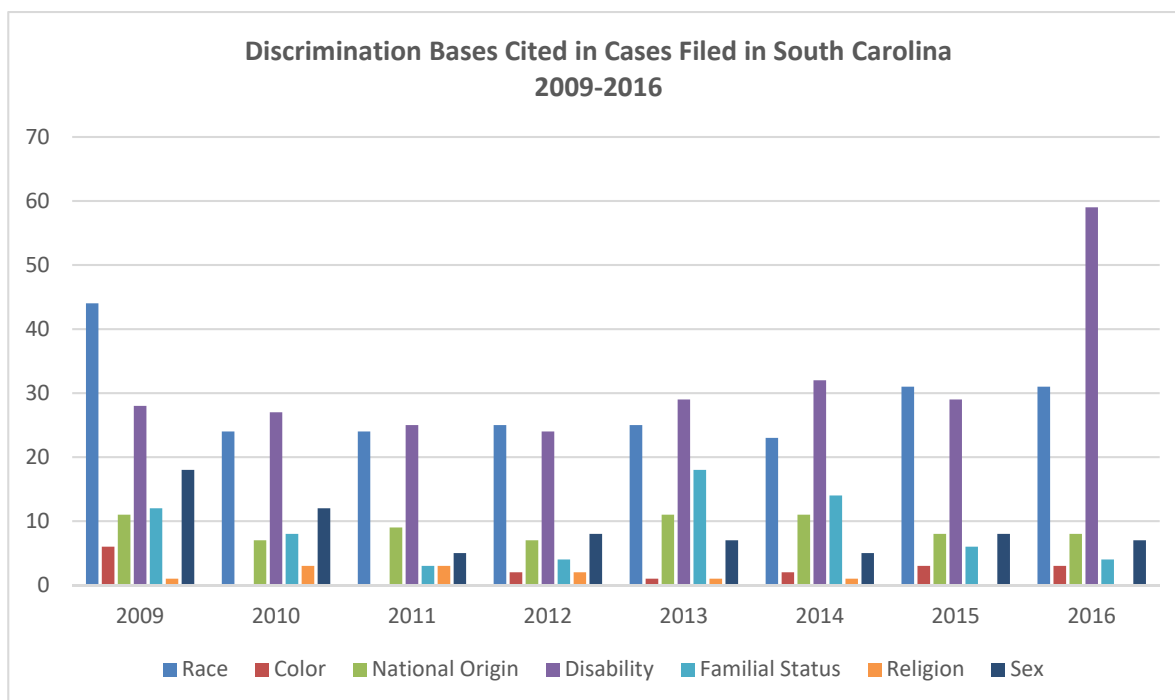
## PART IV – FAIR HOUSING STATUS & ENFORCEMENT

This data perhaps indicates that efforts at increasing public awareness are having an effect, but that the public is still unaware of the protections offered by fair housing laws against such actions as refusing to make accommodations for people with disabilities or unwillingness to rent to families with children or single females.

**Basis for Fair Housing Cases Filed  
South Carolina, 2009 - 2016**

Basis for Complaint	2016 (Jan – Oct)	2015	2014	2013	2012	2011	2010	2009
Race	31	31	23	25	25	24	34	44
Color	3	3	2	1	2	0	0	6
Disability	59	29	32	29	24	25	27	28
Gender/Sexual Orientation	7	8	5	7	8	5	12	18
National Origin	8	8	11	11	7	9	7	11
Familial Status	4	6	14	18	4	3	8	12
Religion	0	0	1	1	2	3	3	1
Retaliation for Fair Housing Complaint	18	9	12	18	3	1	7	4

Source: US Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, Fair Housing Cases Filed through 2016



Source: US Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, Fair Housing Cases Filed through 2016

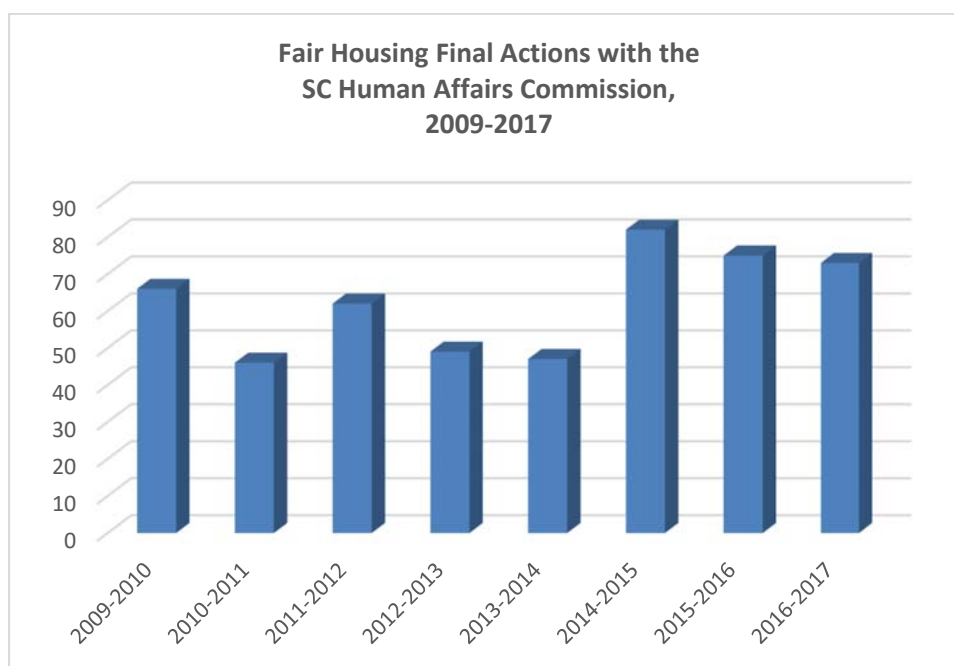
## PART IV – FAIR HOUSING STATUS & ENFORCEMENT

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The apparent prevalence of discrimination based on race, disability, and familial status was borne out by respondents to the state's 2018 fair housing survey, many of whom identified discrimination against these protected classes as continuing impediments to fair housing in the state. If, as the 2018 survey indicates, high percentages of residents are not aware of the Fair Housing Act and/or are not aware that SCHAC (or HUD) investigates complaints, these figures could be understated. Regardless, this data indicates that violations of fair housing law continue to result in complaints filed, and the underlying cause may be continued lack of knowledge about the Fair Housing Act and the accessibility requirements under the ADA.

### SC HUMAN AFFAIRS COMMISSION

The SC Human Affairs Commission (SCHAC) provides data about Fair Housing complaints filed in their annual Accountability Reports to the SC State Legislature. These reports indicated 73 final housing discrimination actions in the 2016-2017 fiscal year. The number of final actions have been generally higher over the past three years after SCHAC instituted improvements following critiques from HUD in the 2014-2015 year regarding the low number of final actions in fair housing discrimination. SCHAC entered into a Memorandum of Understanding with HUD during the 2015-2016 year. The chart below provides final action data since 2009 based on SCHAC Accountability Reports.



*Source: SC Human Affairs Commission Annual Accountability Reports, FY 2009 - 2017*

Note that the data represents SCHAC final actions, which indicate the outcomes and various actions that were taken as a result of complaints filed. Total complaints may be higher as, in any year, there are a number of cases that are dismissed for lack of jurisdiction, as well as cases where no cause was found, the complainant could not be located or failed to cooperate, or the complaint was withdrawn by the complainant before or after resolution. Most remaining cases are conciliated though occasionally litigation is required.

## PART IV – FAIR HOUSING STATUS & ENFORCEMENT

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### US DEPARTMENT OF JUSTICE LEGAL ACTIONS

The U.S. Department of Justice (DOJ) enacts lawsuits on behalf of individuals based on referrals from HUD. Under the Fair Housing Act, the DOJ may file lawsuits in the following instances:

- Where there is reason to believe that a person or entity is engaged in what is termed a “pattern or practice” of discrimination or where a denial of rights to a group of people raises an issue of general public importance;
- Where force or threat of force is used to deny or interfere with fair housing rights;
- Where people who believe that they have been victims of an illegal housing practice file a complaint with HUD or file their own lawsuit in federal or state court.

A review of the Department of Justice, Office of Civil Rights, and Website did not reveal any fair housing cases filed in South Carolina.

## PART V – PRIVATE AND PUBLIC SECTOR DATA

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### ANALYSIS OF PRIVATE SECTOR LENDING DATA

The Federal Government has enacted a number of laws aimed at promoting fair lending practices, with new legislation originally stemming from concerns about sub-prime lending as early as the 1970's and most recently as a result of the mortgage foreclosure crisis of the last decade. Federal legislation includes:

- In 1968, the Fair Housing Act itself which prohibits discrimination against any of the protected classes in making loans to buy, build or repair a dwelling.
- In 1974, the Equal Credit Opportunity Act which prohibits discrimination in lending based on race, color, religion, sex, marital status, age, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act.
- In 1977, the Community Reinvestment Act (CRA) which requires each federal financial supervisory agency to encourage financial institutions to help meet the credit needs of their entire community, including low and moderate income neighborhoods.
- In 1975, the Home Mortgage Disclosure Act which, as later amended, requires financial institutions to public disclose the race, sex, ethnicity and household income of mortgage applicants by the census tract in which the loan is proposed, as well as the outcome of the loan application. The most recent changes also require a disclosure of the “rate spread” on approved loans and reasons for denial of loan applications.
- In 1994, the Home Ownership and Equity Protection Act which addressed certain deceptive and unfair practices in home equity lending by amending the Truth in Lending Act (TILA). Notably, HOEPA established requirements for loans with high rates and/or high fees, required additional disclosures on the part of the lender in addition to those required by TILA, and prohibited practices like balloon payments, negative amortization and prepayment penalties.
- In 2008, the Secure and Fair Enforcement for Mortgage Licensing Act (the SAFE Act), which required various federal agencies including the Board of Governors of the Federal Reserve Board, the Federal Deposit Insurance Corporation and others to jointly develop a federal registration system, which has become known as the Nationwide Mortgage Licensing System and Registry for the “Federal Registry,” for individual employees of regulated institutions engaged in mortgage loan origination.
- In 2010, Wall Street Reform and Consumer Financial Protection Act of 2010, which transferred authority to develop and maintain the Federal Registry created by the SAFE Act to the Consumer Financial Protection Bureau, or CFPB.



## PART V — PRIVATE & PUBLIC SECTOR DATA

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The history above reflects the increasing attention being focused at the federal level on private sector lending, and the importance of fairness in related transactions. The Home Mortgage Disclosure Act (HMDA) and the Home Ownership and Equity Protection Act (HOEPA), in particular, are pertinent to this Analysis of Impediments to Fair Housing. Originally, HMDA was enacted to determine whether financial institutions were meeting the housing credit needs of their communities and to assist in attracting private capital to areas where it was needed. In the 1990's, HMDA data became available at the aggregate national and state level, and it included additional data such as race, ethnicity and gender. This enabled HMDA to be used for a third purpose: to perform fair lending analyses and identify disparities in lending patterns. Changes have continually been made to HMDA reporting requirements, with fairly significant changes in 2002 (effective in 2004) that required lenders to collect and report pricing data on higher priced loans and whether the loan was a HOEPA loan. HOEPA loans are defined as:

- First-lien loans (or the original mortgage on the property) where the annual percentage rate exceeds the rate on Treasury securities of comparable terms by more than 8 percentage points;
- Second-lien loans or second mortgages where annual percentage rate exceeds the rate on Treasury securities of comparable terms by more than 10 percentage points; or
- Loans where the total fees and points paid by the consumer at or before closing exceed the greater of a set amount adjusted annually or 8% of the total loan amount.

Detailed HMDA data is currently made available each year by the Federal Financial Institutions Examination Council (FFIEC), and this provides the public with loan data that can be used to evaluate private sector lending activity. HMDA originally applied only to depository institutions, but over the years the law has been expanded to include other types of institutions, including savings and loan corporations, mortgage banking subsidiaries of bank holding companies, savings and loan holding companies, and most recently to independent mortgage lenders. Depository lenders with assets above a certain level and a home or branch office in a Metropolitan Statistical Area (MSA) are subject to HMDA requirements. Certain exemptions apply based on activity during the prior calendar year, for example if a depository institution meeting the foregoing criteria did not make any first-lien home purchase loans or refinancing of such loans, or if during the year it was not federally insured or regulated or have at least one mortgage loan that was federally insured, guaranteed, or supplemented or intended for sale to Fannie Mae or Freddie Mac. Non-depository institutions are subject to HMDA if they are for-profit and meet other calendar year activity tests. The Federal Reserve establishes the thresholds for HMDA coverage each December, and for 2017, these thresholds were:

- Depository Institutions – Total assets of more than \$45 million.
- Non-depository Institutions - At least one of the following: a) Home purchase loan originations, including refinancing of such, equal to at least \$25 million or 10% of total loan originations, b) total assets equal to at least \$10 million or at least 100 home purchase loan originations including refinancing, or c) a home or branch office in an MSA or activity involving property located in an MSA and totaling at least 5 applications for, originations of, or secondary purchases of home purchase loans.

## PART V — PRIVATE & PUBLIC SECTOR DATA

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Lenders meeting these requirements must submit detailed information on the disposition of home loans, including publicly disclosing the race, ethnicity, and sex of mortgage applicants, along with loan application amounts, household income and census tract in which the home is located, and information concerning actions related to the loan application.

HMDA data is consequently the most comprehensive collection of information regarding home purchase loan originations, home remodel or home improvement loan originations, and refinancing activity, and it can provide a fairly detailed picture of lending activity throughout each state, in each Metropolitan and Micropolitan Statistical Area of each state, and in non-MSA areas of each state, down to the census tract level. The analysis presented in this section is therefore based on HMDA data. It should be noted, however, that there is still not enough data to conclude definite redlining or discrimination practices. HMDA data lack detailed information on loan terms and borrower credit history, creditworthiness, etc., and while lenders may specify multiple reasons for denial, these fields are not required. Detailed HMDA data is also “raw,” meaning that it may contain entry errors or incomplete information. federal and state efforts, the economic downturn has not abated and foreclosure and unemployment pose an ongoing challenge in South Carolina.

### LENDING PRACTICES

Statewide lending practices were analyzed using data gathered from lending institutions in compliance with the Home Mortgage Disclosure Act (HMDA). The HMDA was enacted by Congress in 1975 and is implemented by the Federal Reserve Board as Regulation C. The intent of the Act is to provide the public with information related to financial institution lending practices and to aid public officials in targeting public capital investments to attract additional private sector investments.

Since enactment of the HMDA in 1975, lending institutions have been required to collect and publicly disclose data regarding applicants including: location of the loan (by Census tract, County, and MSA); income, race and gender of the borrower; the number and dollar amount of each loan; property type; loan type; loan purpose; whether the property is owner-occupied; action taken for each application; and, if the application was denied, the reason(s) for denial. Property types examined include one-to-four family units, manufactured housing and multi-family developments.

HMDA data is a useful tool in accessing lending practices and trends within a jurisdiction. While many financial institutions are required to report loan activities, it is important to note that not all institutions are required to participate. Depository lending institutions – banks, credit unions, and savings associations – must file under HMDA if they hold assets exceeding the coverage threshold set annually by the Federal Reserve Board, have a home or branch office in one or more metropolitan statistical areas (MSA), or originated at least one home purchase or refinancing loan on a one-to-four family dwelling in the preceding calendar year. Such institutions must also file if they meet any one of the following three conditions: status as a federally insured or regulated institution; originator of a mortgage loan that is insured, guaranteed, or supplemented by a federal agency; or originator of a loan intended for sale to Fannie Mae or Freddie Mac. For-profit, non-depository institutions (such as mortgage companies) must file HMDA data if: their value of home purchase or refinancing loans exceeds 10 percent of their total loan originations or equals or exceeds \$25 million; they either maintain a home or branch office in one or more MSAs or in a given year execute five or more home purchase, home refinancing, or home improvement loan applications, originations, or loan purchases for properties located in MSAs; or they

## PART V — PRIVATE & PUBLIC SECTOR DATA

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hold assets exceeding \$10 million or have executed more than 100 home purchase or refinancing loan originations in the preceding calendar year.

It is recommended that the analysis of HMDA data be tempered by the knowledge that no one characteristic can be considered in isolation, but must be considered in light of other factors. For instance, while it is possible to develop conclusions simply based on race data, it is more accurate when all possible factors are considered, particularly in relation to loan denials and loan pricing. According to the FFIEC, “with few exceptions, controlling for borrower-related factors reduces the differences among racial and ethnic groups.” Borrower-related factors include income, loan amount, lender, and other relevant information included in the HMDA data. Further, the FFIEC cautions that the information in the HMDA data, even when controlled for borrower-related factors and the lender, “is insufficient to account fully for racial or ethnic differences in the incidence of higher-priced lending.” The FFIEC suggests that a more thorough analysis of the differences may require additional details from sources other than HMDA about factors including the specific credit circumstances of each borrower, the specific loan products that they are seeking, and the business practices of the institutions that they approach for credit.

The following analysis is provided for the State of South Carolina, summarizing 2016 HMDA data (the most recent year for which data are available), and data between 2007 and 2016 where applicable. Where specific details are included in the HMDA records, a summary is provided below for loan denials including information regarding the purpose of the loan application, race of the applicant and the primary reason for denial. For the purposes of analysis, this report will focus only on the information available and will not make assumptions regarding data that is not available or was not provided as part of the mortgage application or in the HMDA reporting process.

### 2016 STATE OVERVIEW

In 2016, there were approximately 237,000 applications within South Carolina for home loans to purchase, refinance or make home improvements for a single family home - not including manufactured homes. Of those applications, over 126,000 or 53 percent were approved and originated. This represents an increase of over 16,000 originations from 2015 and a percentage increase of approximately 15 percent, consistent with the national increase of 15 percent. Of the remaining 111,000 applications, approximately 41,000 or 17 percent of all applications were denied. The top two application denial reasons within the State were credit history (30 percent) and debt-to-income ratio (23 percent), representing over half of the State’s total denials. Lack of collateral and incomplete applications represented 16 and 13 percent of denials respectively. It is important to note that financial institutions are not required to report reasons for loan denials, although many do so voluntarily. Also, while many loan applications are denied for more than one reason, HMDA data reflects only the primary reason for the denial of each loan. The balance of the approximately 70,400 applications, that were not originated or denied, were closed for one reason or another including a) the loan was approved but not accepted by the borrower, b) the application was closed because of incomplete information or inactivity by the borrower or c) in many instances the application may have been withdrawn by the applicant.

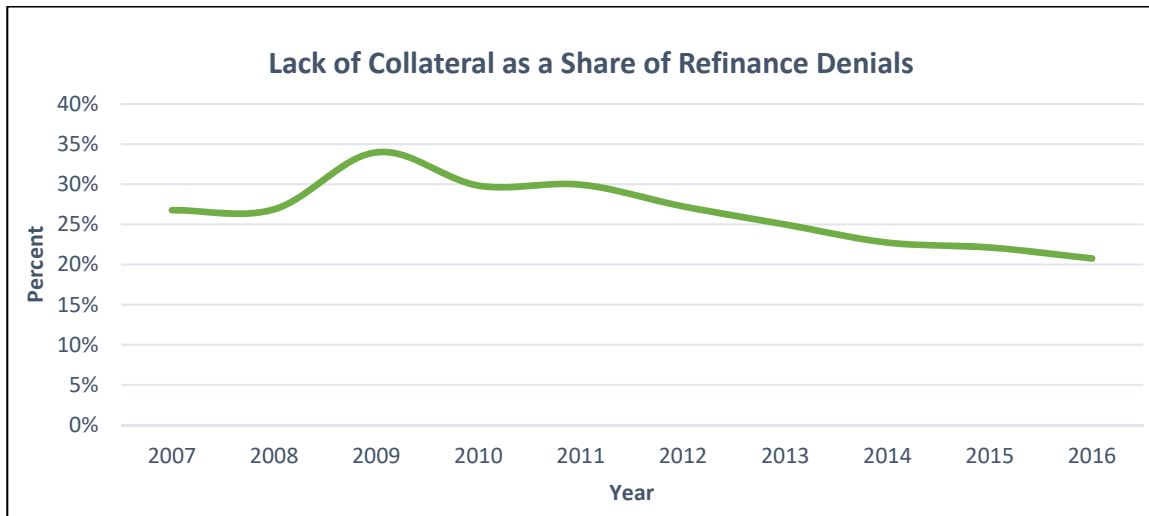
## PART V — PRIVATE & PUBLIC SECTOR DATA

### Disposition of Application by Loan Type and Purpose, 2016 Single Family Homes (excluding manufactured homes)

	Loan Type	Home Purchase	Refinance	Home Improvement
Total Applications	Conventional	69,155	67,091	11,736
	FHA	28,529	16,004	476
	VA	16,280	20,282	537
	FSA/RHS	7225	161	1
Loans Originated	Conventional	45,403	32,881	5463
	FHA	15,097	5542	157
	VA	9,307	8,790	270
	FSA/RHS	3431	43	0
Loans Approved but Not Accepted	Conventional	1,792	2,101	291
	FHA	654	826	9
	VA	307	744	12
	FSA/RHS	131	8	0
Applications Denied	Conventional	6,001	16,440	5012
	FHA	2,697	4363	124
	VA	1,379	3,815	99
	FSA/RHS	686	34	1
Applications Withdrawn	Conventional	6,398	7,989	596
	FHA	1,968	1918	72
	VA	1,299	2,895	88
	FSA/RHS	384	36	0
Files Closed for Incompleteness	Conventional	1,094	2,978	244
	FHA	381	1,626	50
	VA	200	2,120	39
	FSA/RHS	92	16	0

**Source: 2016 HMDA**

A further examination of the 40,651 denials within South Carolina during 2016 indicates that approximately 61 percent were for applicants seeking to refinance existing mortgages for owner-occupied, primary residences. The number one reason for denial of refinance applications was credit history (23 percent of refi. denials), followed by lack of collateral (21 percent of refi. denials). Typically, homeowners, seeking to refinance their existing home mortgage are able to use their home as collateral. When the denial reason given for a refinance is a lack of collateral, this would indicate the home is worth less than the existing mortgage and, therefore, refinancing is not an option – these homes are commonly referred to as “under-water” or the borrowers are “upside-down” in their mortgage. Shown below, the percentage of refinance denials given for the reason of lack of collateral has trended downward since the peak of the housing crisis, suggesting that the number of “under-water” homes in South Carolina has declined since 2009.

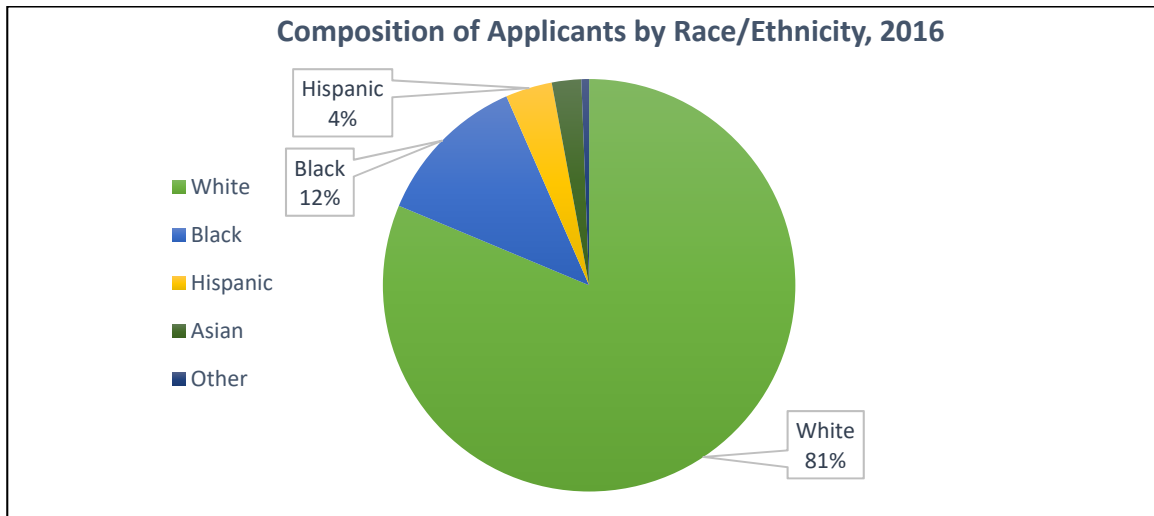


### HOME PURCHASE LENDING IN SOUTH CAROLINA

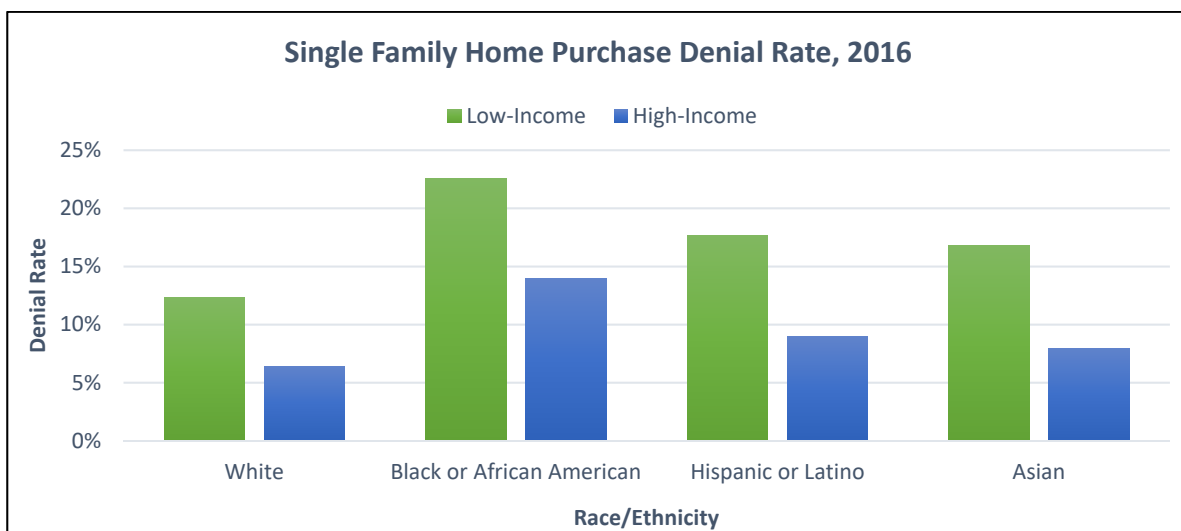
Of the home purchase loans for single family homes that were originated in 2016, (73,238 loans originated) approximately 62 percent of these originations were provided by conventional lenders, slightly higher than the national conventional home purchase share of 61 percent. The remaining 38 percent of home purchase loans in South Carolina were provided by federally-backed sources including the Federal Housing Administration, the Farm Service Agency, and the Department of Veterans Affairs. The FHA, FSA, and VA lenders had application/approval ratios of 46 percent, 47 percent, and 50 percent respectively. Conventional lenders, by contrast, originated home purchase loans at a higher 57 percent of all applications.

The percentage of loan application denials for traditional home purchase loans for one-to-four family housing in South Carolina varies by race/ethnic groups. It should be noted that the majority of applicants in 2016 were non-Hispanic Whites (81 percent), followed by Black applicants at 12 percent. Hispanic, Asian, and Other applicants represented 3.7, 2.3, and 0.6 percent of the 2016 total respectively. In 2016, Whites were least likely to be denied for conventional single family home purchases, being denied at a rate of 8 percent. Hispanics were denied at a rate of 14 percent, while Black applicants faced a higher conventional home purchase denial rate of 24 percent.

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Additionally, a closer look at home purchase denial rates by race/ethnicity and income group within South Carolina, shown below, demonstrates that High Income Blacks (having greater than 120 of Area Median Income) were more likely to be denied for a single family home purchase, at 14 percent, than Low Income Whites (having less than 80 percent of Area Media Income), at 12 percent. Additionally, Low Income Blacks were the group with the highest home purchase denial rate at 23 percent, nearly double the rate of Low Income Whites. High Income Whites were denied at a rate of 6 percent, the lowest of all groups examined. Further, White applicants demonstrated the lowest disparity in denial rates between low- and high-income applicants, at 6 percent, while the gap between low- and high-income applicants for the other three groups was approximately 9 percent.

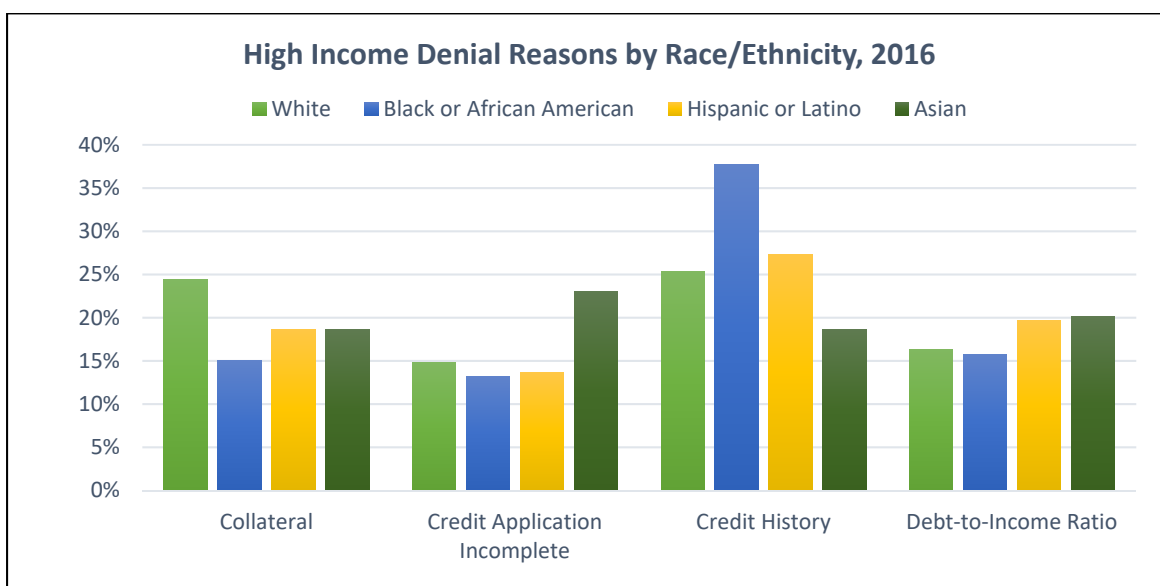




### APPLICATION DENIAL REASONS BY INCOME GROUP

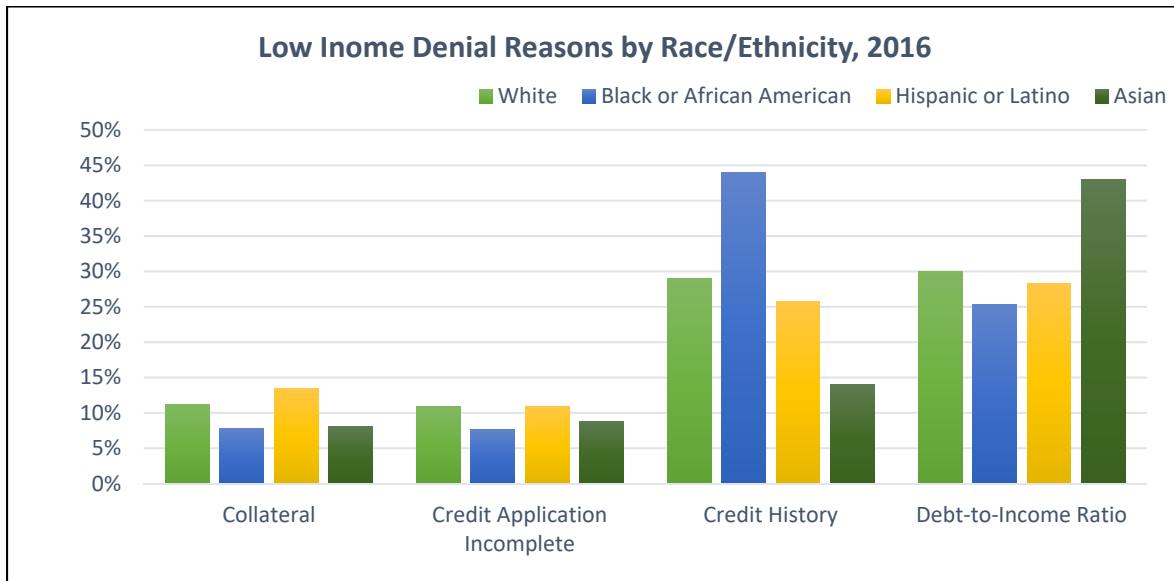
The below charts compare denial reasons among White, Black, Hispanic, and Asian applicants in South Carolina for 2016 by income group.

As of 2016, the leading denial reason for High Income White, Black, and Hispanic applicants was credit history. For Black applicants, this represented approximately 38 percent of all denials, more than double any other denial reason. By contrast, denial reasons for High Income applicants in other groups were more evenly distributed.



For Low Income denials, debt-to-income ratio was the top reason for all groups except Black applicants, where credit history was the top reason for Black applicants in 2016, similar to High Income Black denials. All Low Income groups were denied for debt-to-income ratio at a higher rate than their High Income counterparts, and in the case of Asians and Whites, the difference relative to High Income applicants was nearly double. Additionally, Low Income applicants in all groups were less likely to be denied due to lack of collateral or an incomplete application relative to High Income applicants.

## PART V — PRIVATE & PUBLIC SECTOR DATA

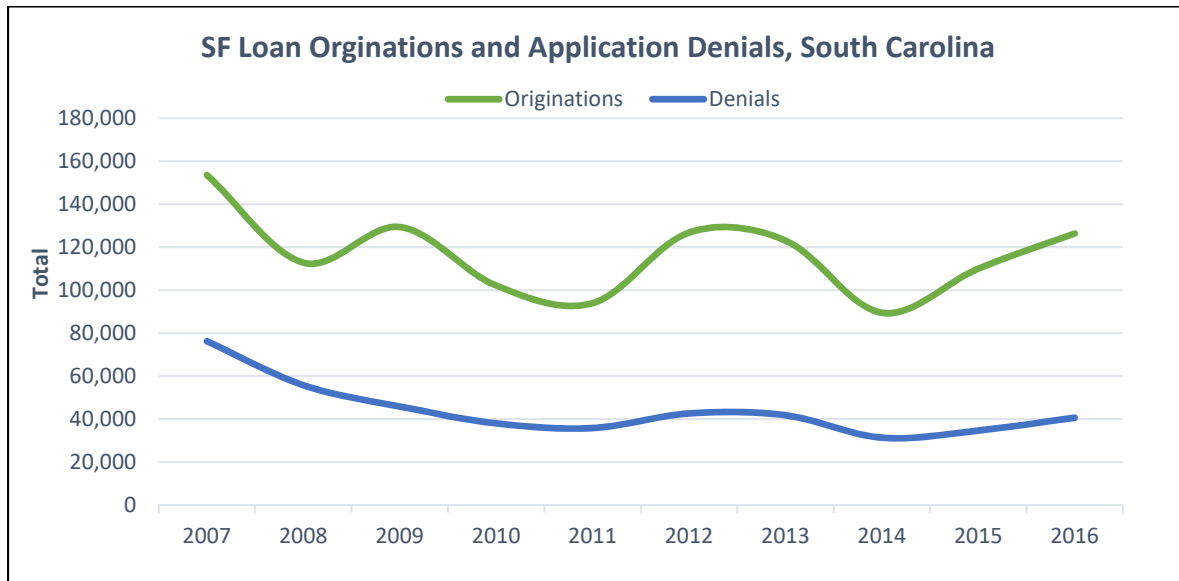


### SOUTH CAROLINA'S SINGLE FAMILY LENDING MARKET, 2007-2016

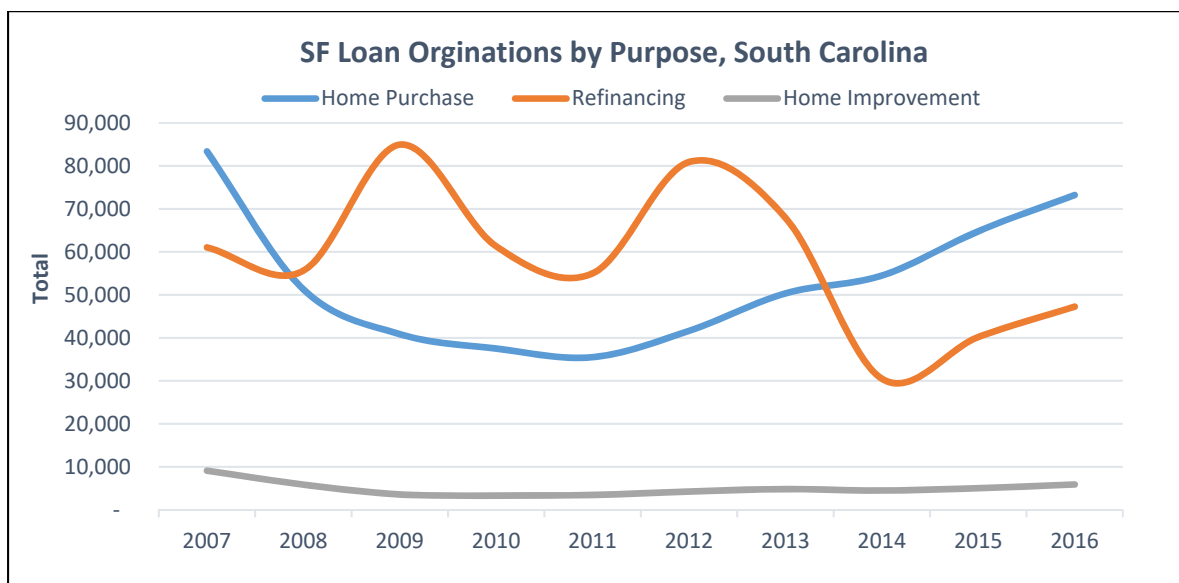
The following section will examine HMDA data over the time period 2007-2016, for the State of South Carolina.

Highlighted below, the number of single family loan originations in South Carolina followed a dynamic trajectory between 2007 and 2016. At the onset of the housing crisis, originations declined between 2007 and 2008, followed by an increase between 2008 and 2009, in contrast to many other locations. Subsequently, originations trended downward between 2009 and 2011, followed by an increase between 2011 and 2012. Loan originations then fell by 27 percent between 2013 and 2014, though grew steadily between 2014 and 2016. As of 2016, total originations in South Carolina are about 82 percent of the level prior to the housing crisis. In contrast to originations, however, the number of application denials within South Carolina demonstrated less extreme changes between 2007 and 2016, though fell dramatically between 2007 and 2011. As of the most recent data year, denials are 47 percent below the level experienced in 2007 but 7 percent higher than 2010 levels. Similarly, the share of denials as a percent of total originations and total denials has declined markedly since the housing bust, from 33 percent in 2007 to approximately 24 percent as of 2016.

## PART V – PRIVATE & PUBLIC SECTOR DATA

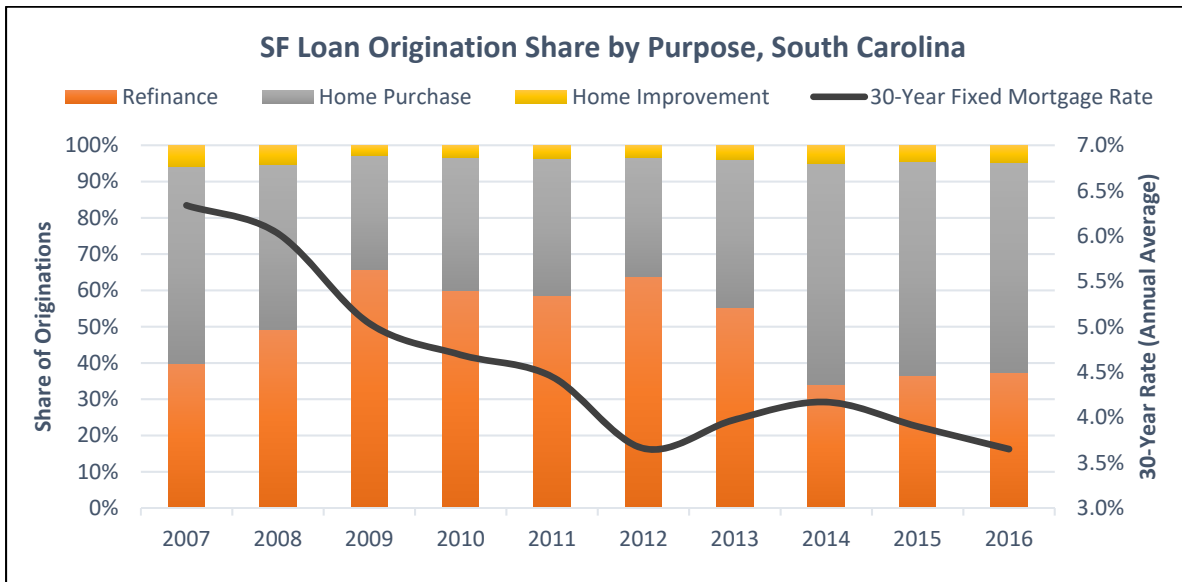


Shown below, much of the year-to-year fluctuations in total originations that occurred between 2007 and 2016 were the result of refinancing originations. Home purchases represented the top loan purpose by total originations in 2007, though refinancing became the dominant loan purpose between 2009 and 2013, as interest rates were broadly falling, discussed further below. In 2016, home purchases comprised 59 percent of the State's total originations. The consistent growth of home purchase originations since 2011 (69 percent growth rate between 2011 and 2016 and 16 percent growth in the most recent year), reflects a steady and recovering demand for housing within the State.



## PART V — PRIVATE & PUBLIC SECTOR DATA

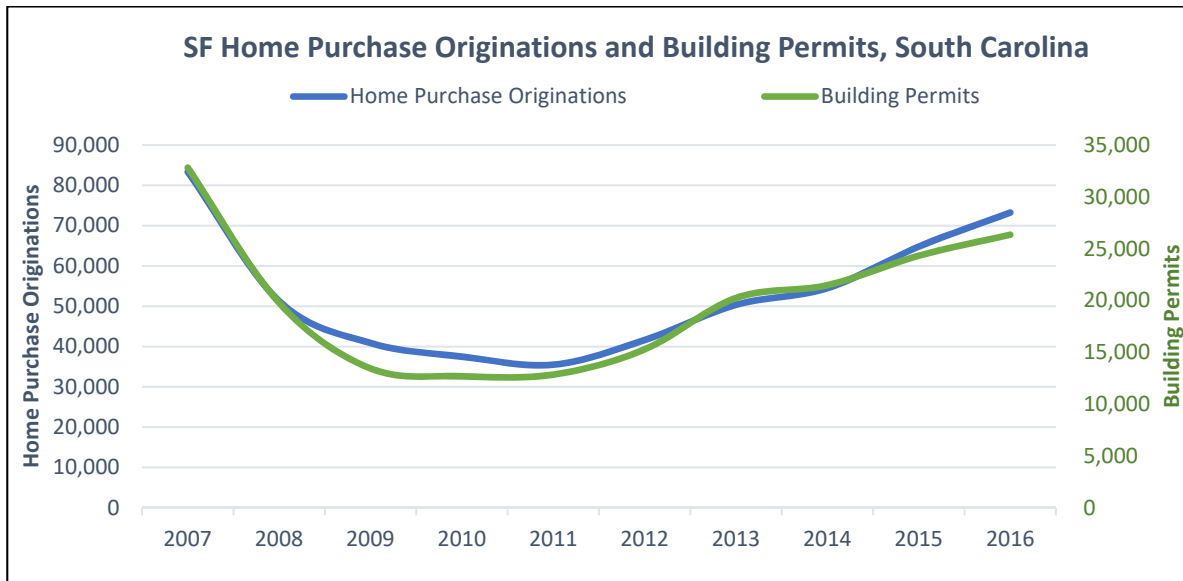
The share of refinance originations appears to move generally with the 30-year fixed rate mortgage average, shown below. In 2012, for example, when the average 30-year fixed rate mortgage was at its lowest level of all the years examined, refinance originations in South Carolina reached the highest level in both absolute number and percentage terms since the depths of the housing crisis in 2009. Similarly, when interest rates rose between 2012 and 2014, the share of refinance originations fell from 63 percent to 34 percent. The decrease in the annual average of the 30-year fixed mortgage rate between 2014 and 2016 is consistent with South Carolina's 55 percent growth in the number of refinance loan originations over the same time period.



Source: HMDA, Federal Reserve Bank of St. Louis

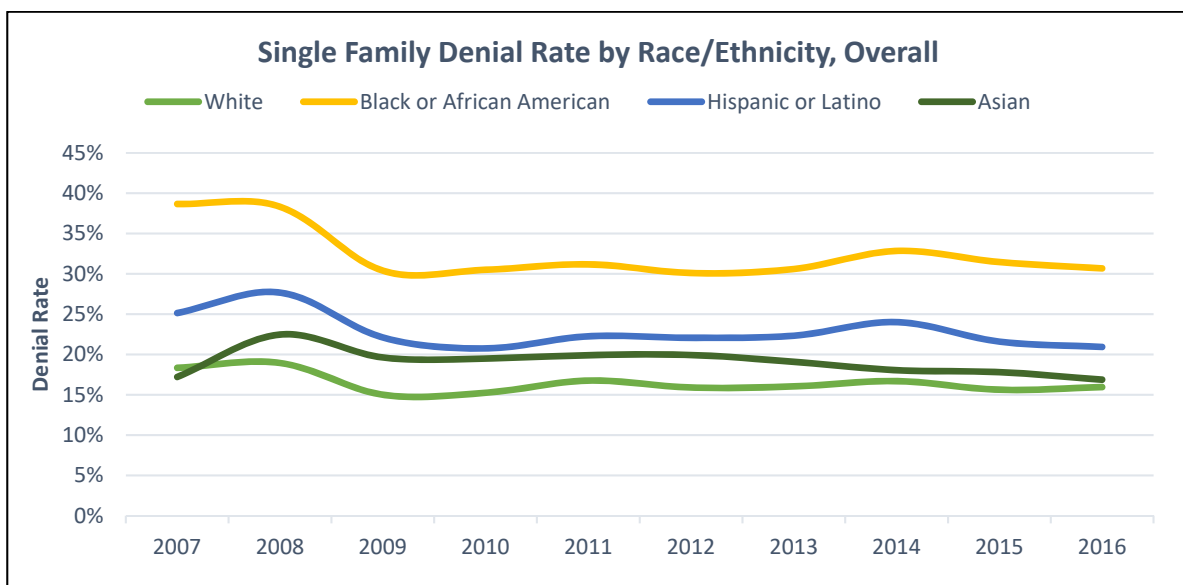
For home purchase loans, the movement of originations can often track trends in the number of single family building permits issued, as shown below. Both trends are indicative of steady and consistent growth in housing demand within the State.

## PART V — PRIVATE & PUBLIC SECTOR DATA



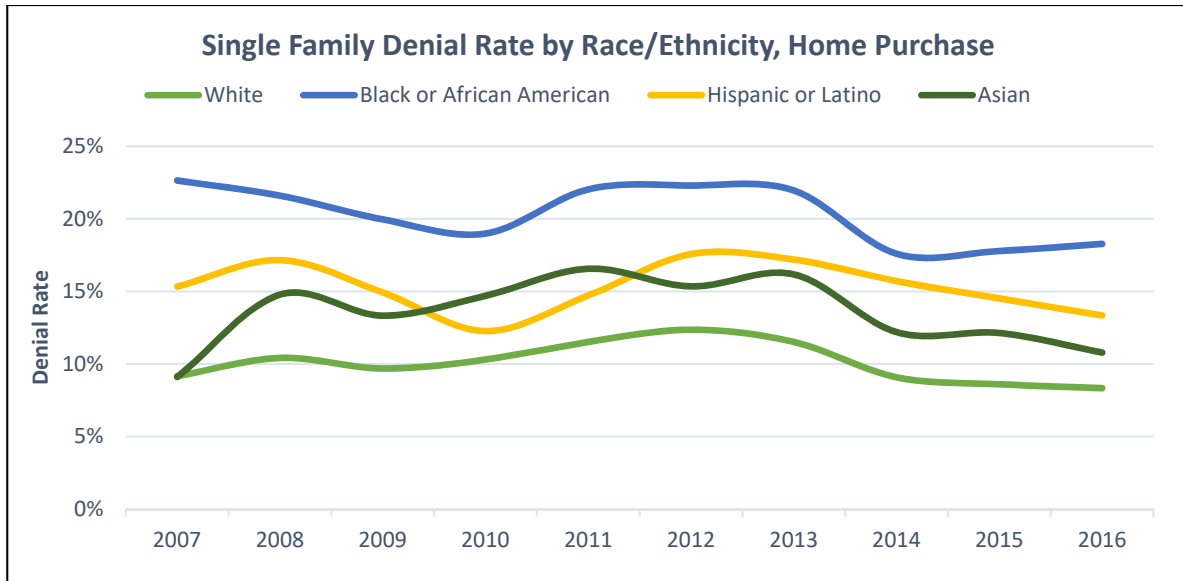
### INCOME, RACE, AND SINGLE FAMILY LOAN DENIALS IN SOUTH CAROLINA

Denial rates for single family loans in South Carolina over time vary by race and ethnicity. The charts below show that between 2007 and 2015, White and Asian applicants were less likely to be denied relative to Hispanic and particularly Black applicants for all years examined. The overall denial rate for Black applicants has fallen during the analysis period, from 39 percent to 31 percent, though the overall disparity between Black and White applicants remains, with Black applicants nearly 1.9 times as likely to be denied than White applicants as of 2016, down from 2.1 times as likely in 2007.

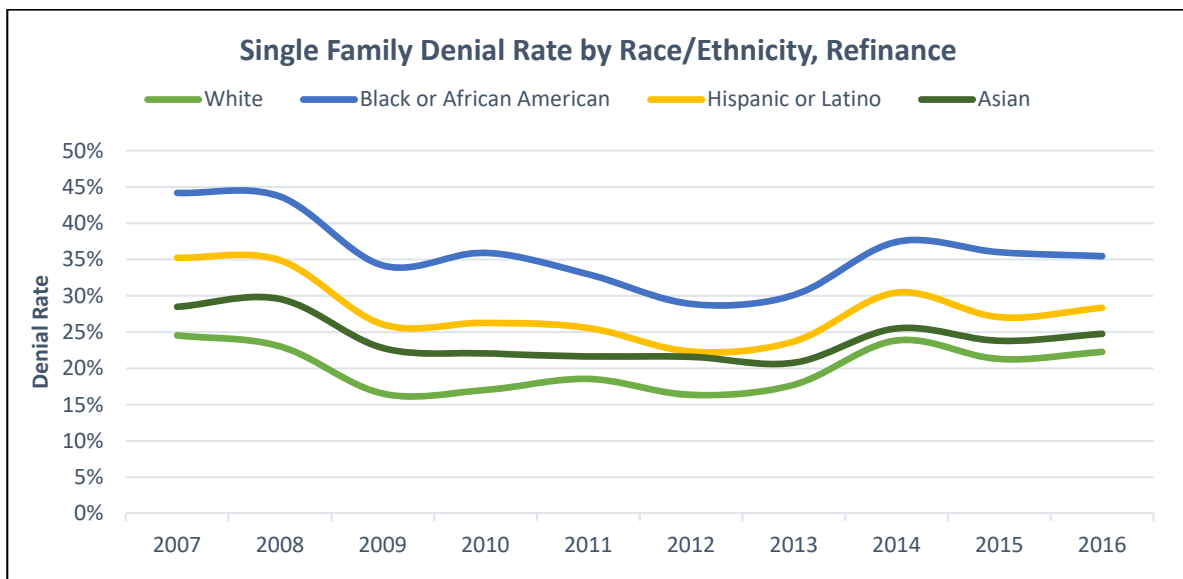


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Home purchase applications exhibit lower denial rates for all applicant groups relative to overall denial rates. However, relative to other loan purposes, home purchase denial rates exhibit more variability among race/ethnicity groups, though Blacks were the most likely to be denied for every year examined, consistent with the overall denial rate. As of the most recent data year, all race/ethnicity groups except for Hispanics have lower home purchase denial rates relative to 2010.

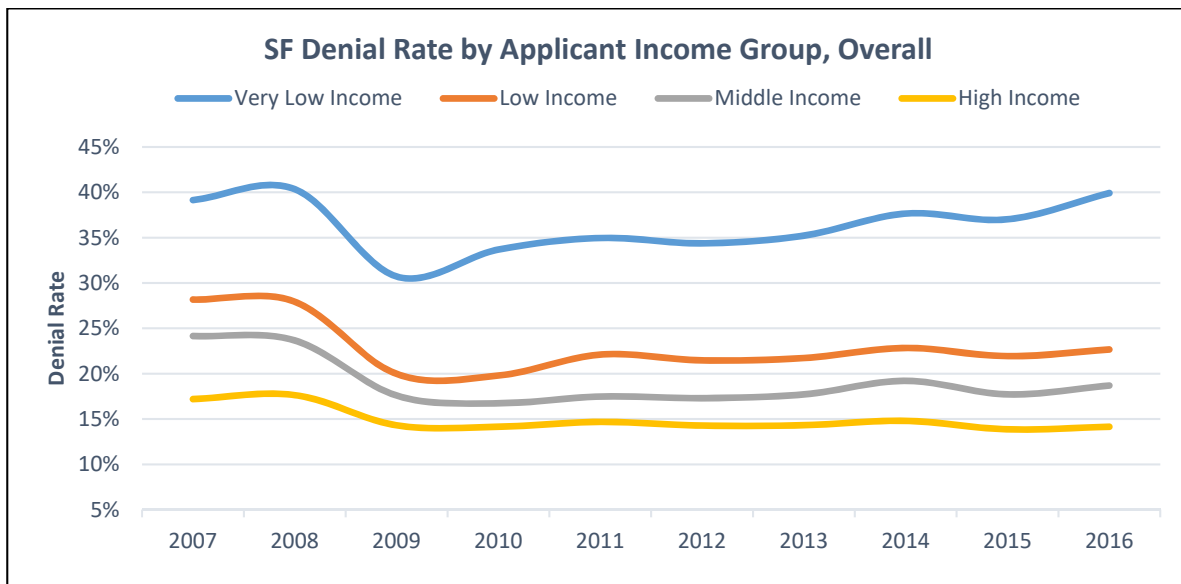


Similar to the overall denial rate as well as the denial rate for home purchases, Blacks were the group with the highest denial rate for a refinance application in all study years while Whites, with the exception of 2007, were the lowest.



## PART V — PRIVATE & PUBLIC SECTOR DATA

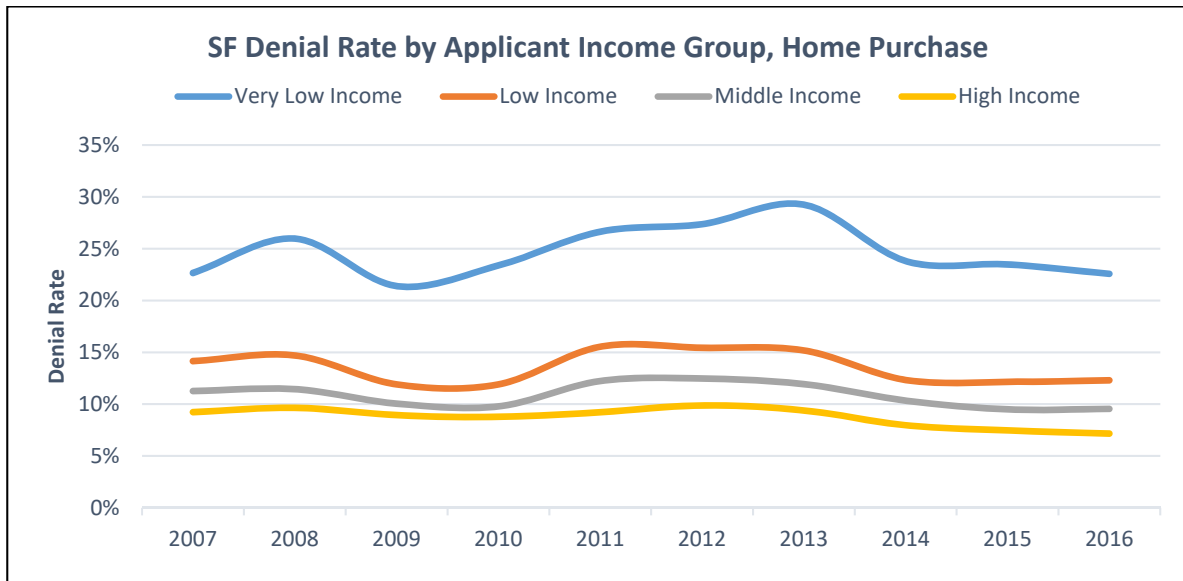
A view of single family denial rates by applicant income group within South Carolina, highlighted below, shows the expected outcome of higher income groups experiencing lower denial rates than lower income groups. However, Very Low Income applicants (50 percent or less of Area Median Income) have remained well above other income groups, with increasing divergence since 2009. High Income (greater than 120 percent of Area Median Income) and Middle Income (80 to 120 percent of Area Median Income) applicants were consistently the lowest and second-lowest denied groups respectively, with Low Income (between 50 percent and 80 percent of Area Median Income) applicants above the other two during every year examined. The single family denial rate declined for all groups except Very Low Income between 2007 and 2016.



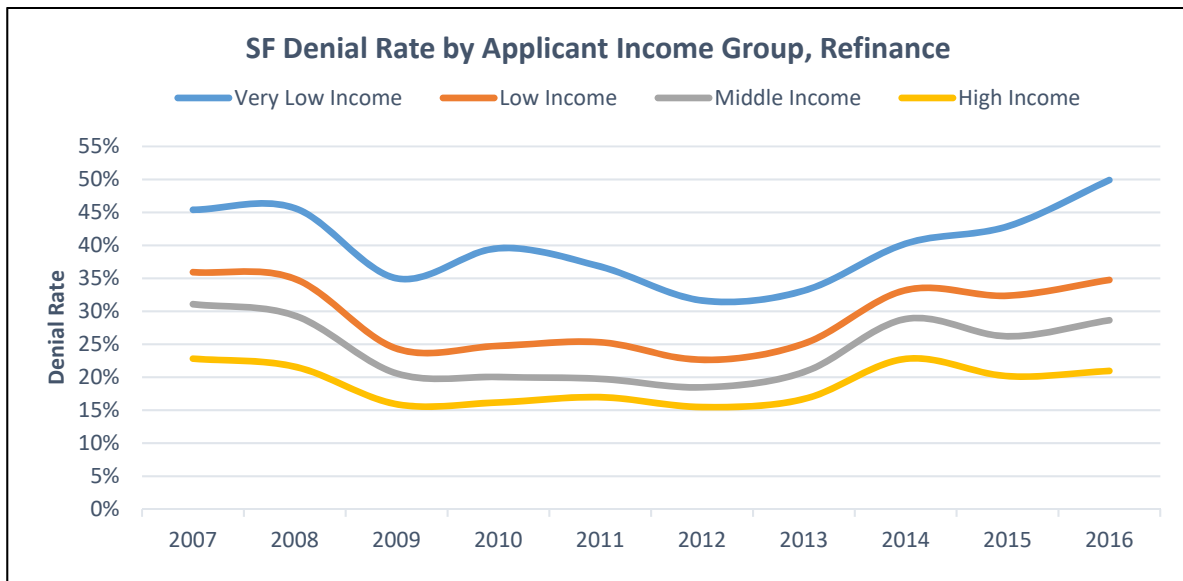
Similar to overall denial rates by income group, home purchase applications were denied at a much higher rate for Very Low Income applicants between 2007 and 2016 while Low, Middle, and High Income applicants have remained closer to each other. Between 2015 and 2016, home purchase denial rates were stable, with all income groups experiencing a change of less than one percent. As of the most recent data year, Very Low Applicants are over 3 times as likely to be denied for a home purchase relative to High Income applicants.



## PART V – PRIVATE & PUBLIC SECTOR DATA

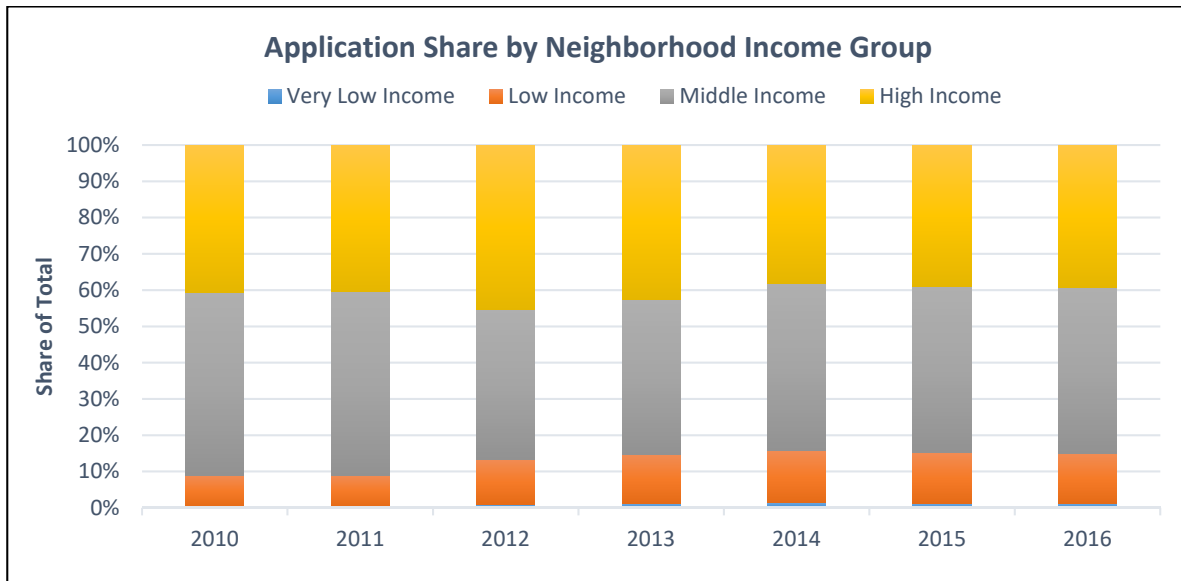


For all income groups, denial rates for refinance applications were higher than overall denial rates as well as those for home purchases as of 2016. Additionally, the refinance denial rate for all income groups has increase since 2012.

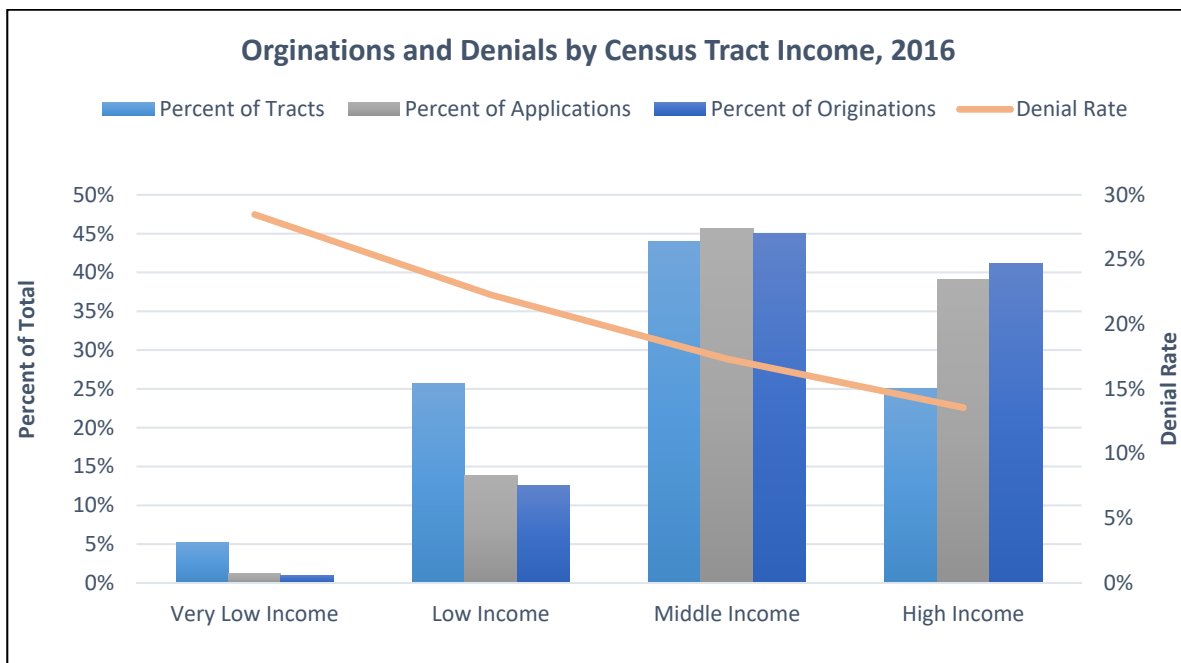


As a percentage of total applications within South Carolina, the distribution among neighborhoods by income group (defined as median income of property's Census tract) shows that for every year examined, Middle and High Income neighborhoods represented the vast majority of applicants.

## PART V – PRIVATE & PUBLIC SECTOR DATA



Within South Carolina, Very Low Income and Low Income neighborhoods represent 31 percent of the State's total neighborhoods, although they are represented by approximately 14 percent of total originations and 15 percent of total applications as of 2016, shown below. This suggests that Low and Very Low Income neighborhoods within South Carolina are less likely to participate in the single family lending market relative to other neighborhoods. By contrast, loan applications and originations within South Carolina are disproportionately likely to occur for properties in High and Middle Income neighborhoods. For example, High Income neighborhoods represent 25 percent of the State total, though they accounted for 39 percent of applications and 41 percent of all single family loans originations throughout the State in 2016.

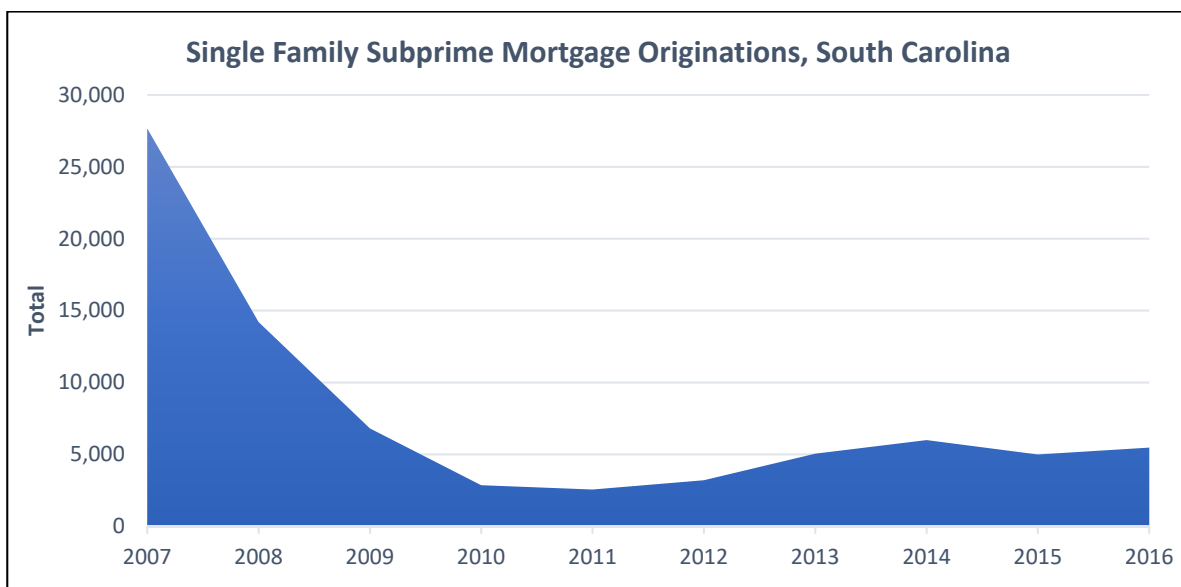


### THE SUBPRIME MARKET

Illustrated below, the subprime mortgage market in South Carolina declined significantly between 2007 and 2010, though increased slightly between 2011 and 2014, before stabilizing to about 5,000 per year (approximately 20 percent of the 2007 total). Subprime loans are defined as those with an annual percentage rate that exceeds the average prime offer rate by at least 1.5 percent.

The total number of subprime loan originations decreased by approximately 80 percent on net between 2007 and 2016, while prime originations decreased by 4 percent during the same time period. Since 2010, however, the number of subprime loan originations has grown by 92 percent, compared to 22 percent growth for prime originations.

As a percent of South Carolina's total, subprime originations declined from 18 percent to 4 percent between 2007 and 2016.

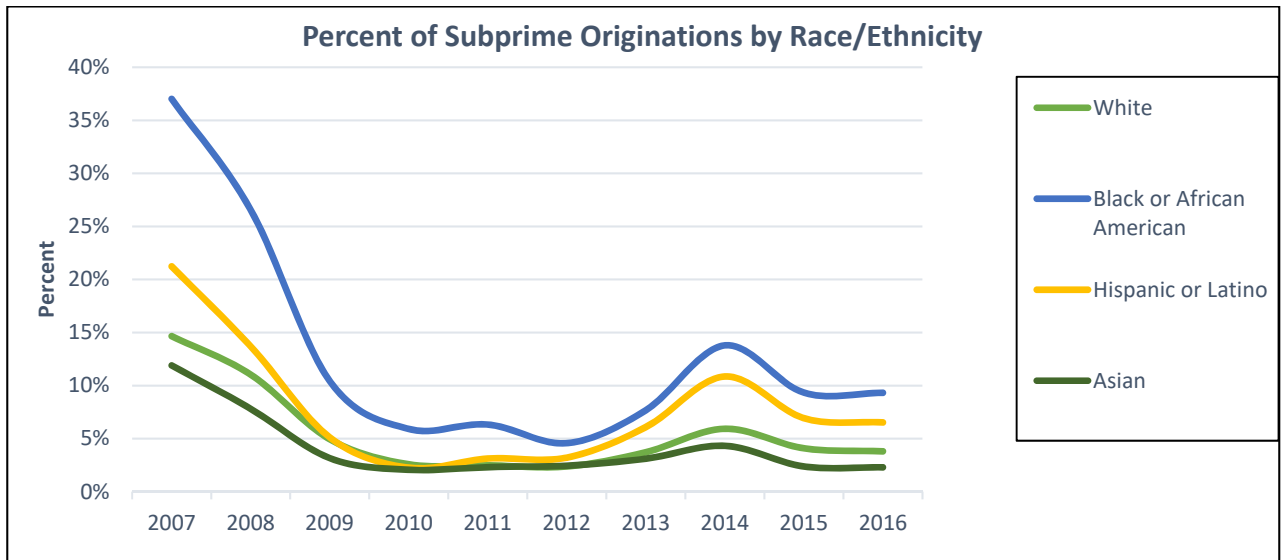


Looking at the share of subprime loans as a percentage of total originations by race/ethnicity reveals that Black loan recipients were approximately 2.5 times as likely to be subprime relative to White loan recipients in 2007. This trend is consistent with the broader national pattern of minorities being disproportionately subjected to predatory subprime lending leading up to the housing crash, as outlined in a post-crisis report by the US Department of Housing and Urban Development. The full report is available at:

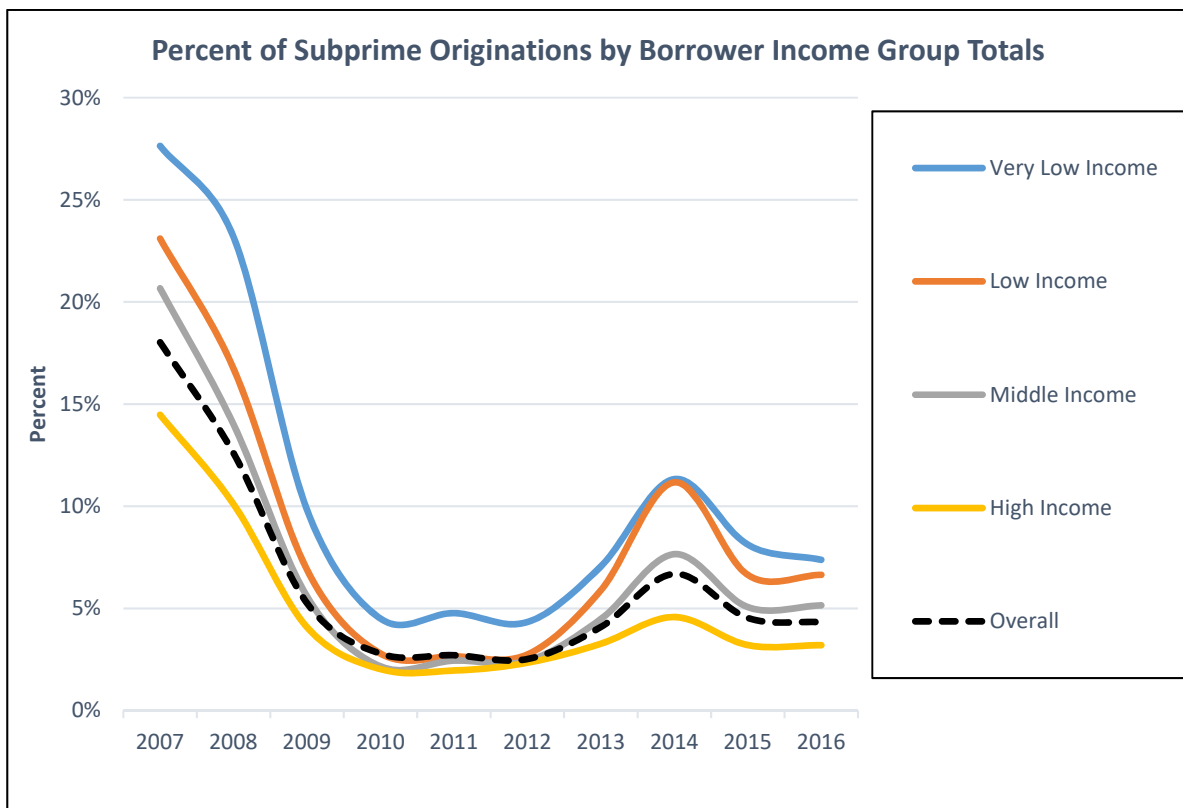
[https://www.huduser.gov/portal/publications/foreclosure\\_09.pdf](https://www.huduser.gov/portal/publications/foreclosure_09.pdf)

The period between 2007 and 2010 saw the subprime share for Black borrowers decline substantially, falling from 37 percent to 6 percent. Relative to the pre-crisis share of subprime originations, White and Black originations are both at approximately 25 percent of the 2007 share, while Hispanic and Asian subprime originations are at 31 percent and 19 percent of the 2007 share respectively.

## PART V – PRIVATE & PUBLIC SECTOR DATA



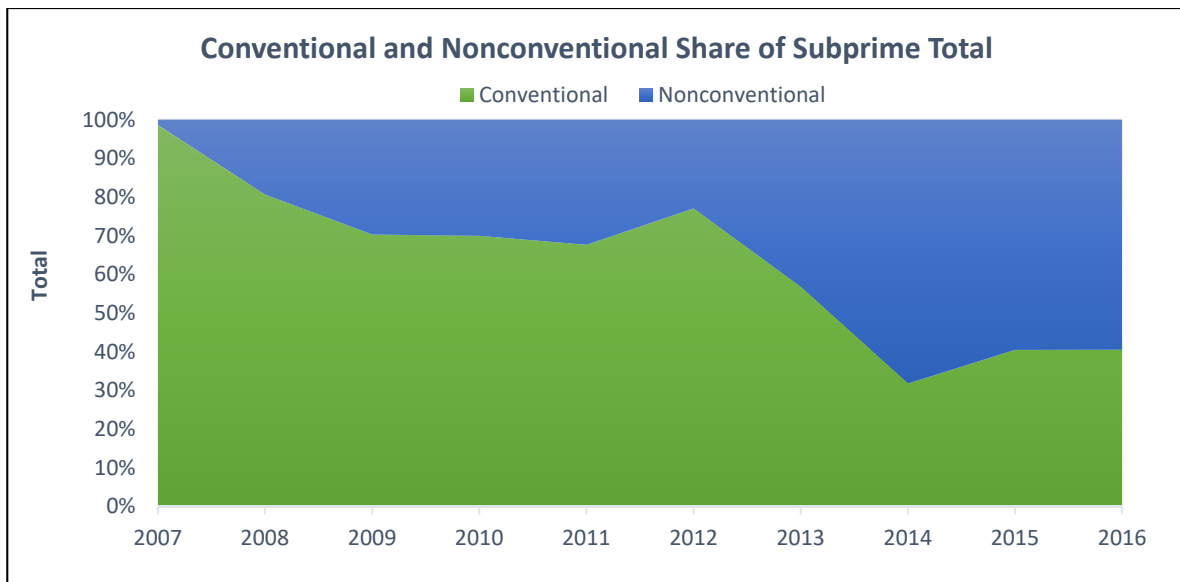
A view of subprime originations by income group totals shows a sharp decline between 2007 and 2010 among all groups, with overall increases from 2012 to 2014. Between 2014 and 2016, however, subprime shares for all income groups decreased, with changes most pronounced in the Low and Very Low Income borrower groups.



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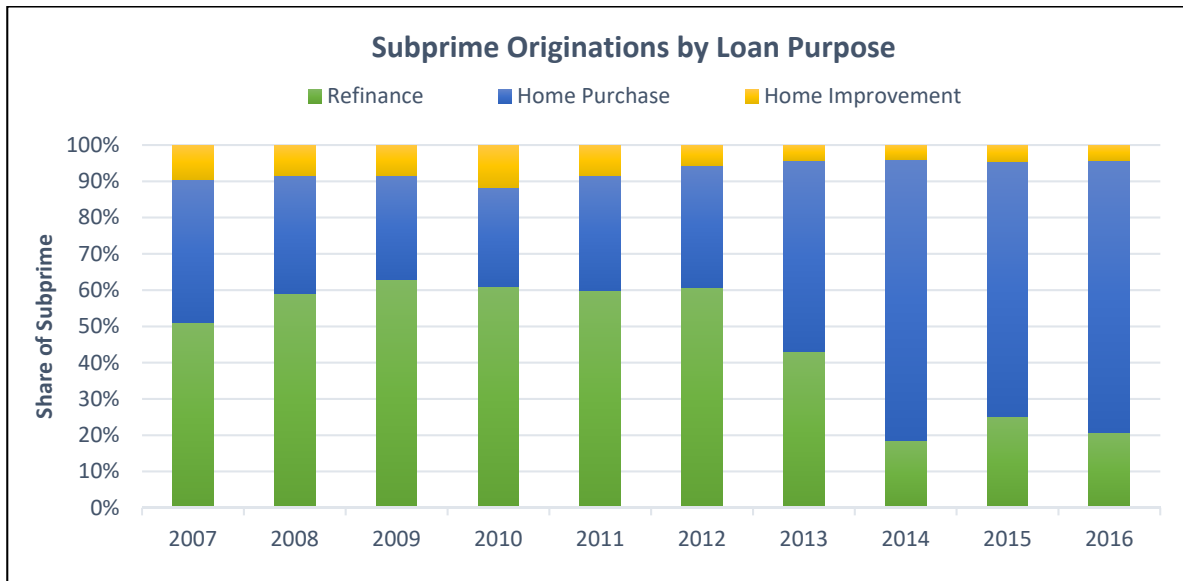
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Consistent with broader national trends, the composition of subprime loans within South Carolina has shifted from conventional loans to government-insured nonconventional loans in recent years. In 2007, over 98 percent of subprime loans within the State were originated by conventional lenders. As of 2016, that percentage is 40 percent, up from a low of 32 percent in 2014. Of the nonconventional subprime loans originated in South Carolina, the overwhelming majority are insured by the Federal Housing Administration (over 95 percent in 2016). By contrast, the FHA's share of nonconventional prime loans is 45 percent, slightly lower than the Department of Veterans Affairs at 46 percent.

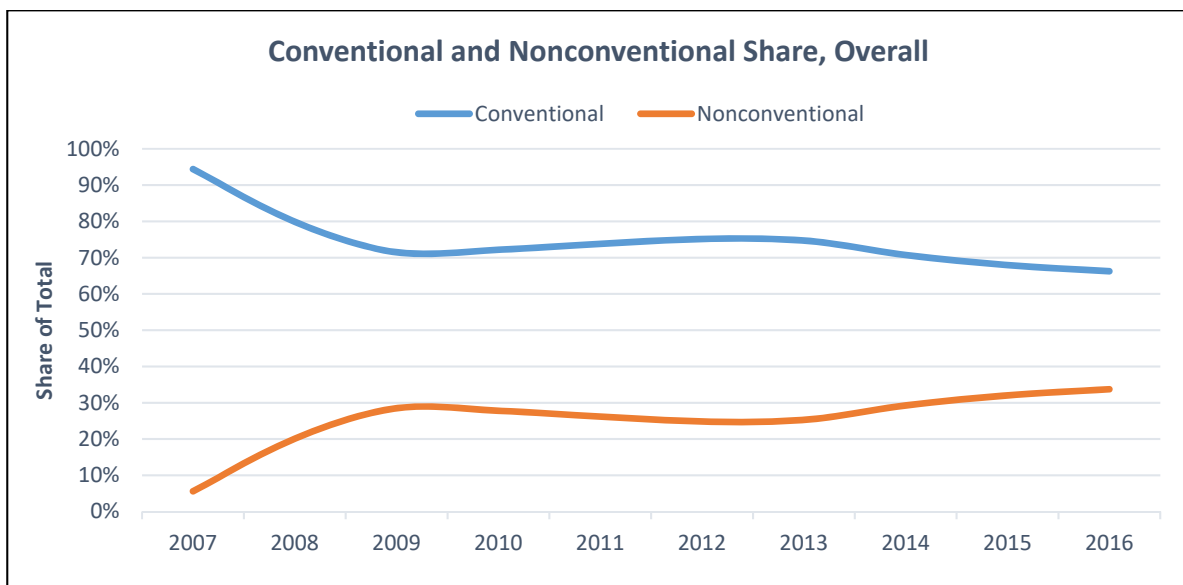


As a percentage of all subprime loan originations within South Carolina, home purchases represented 75 percent in 2016, up from 39 percent in 2007 and a low of 27 percent in 2010, though down from a peak of approximately 77 percent in 2014.

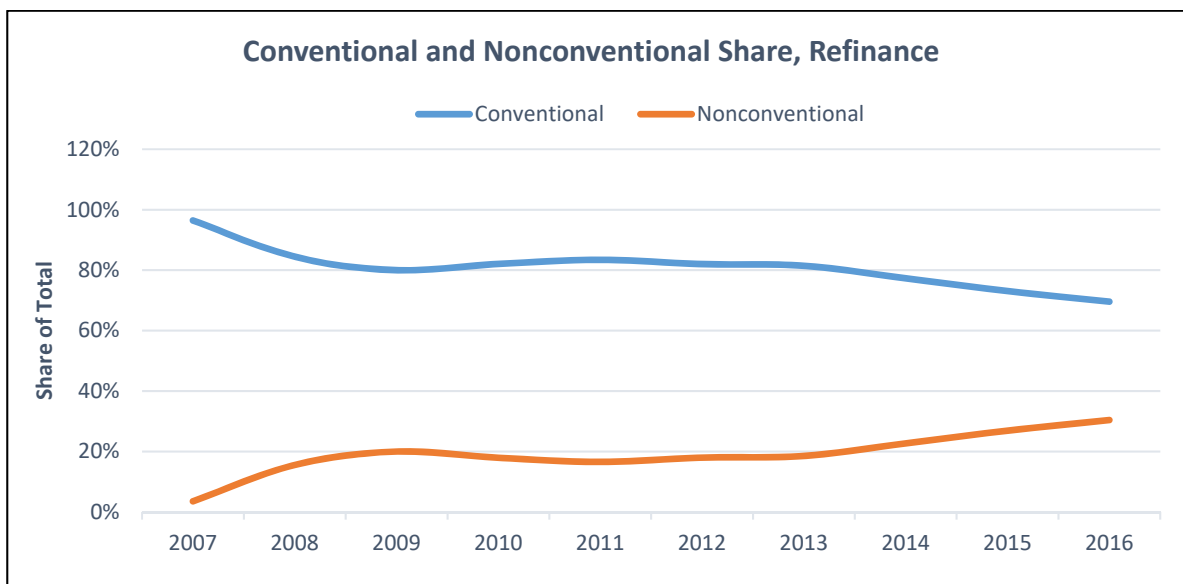
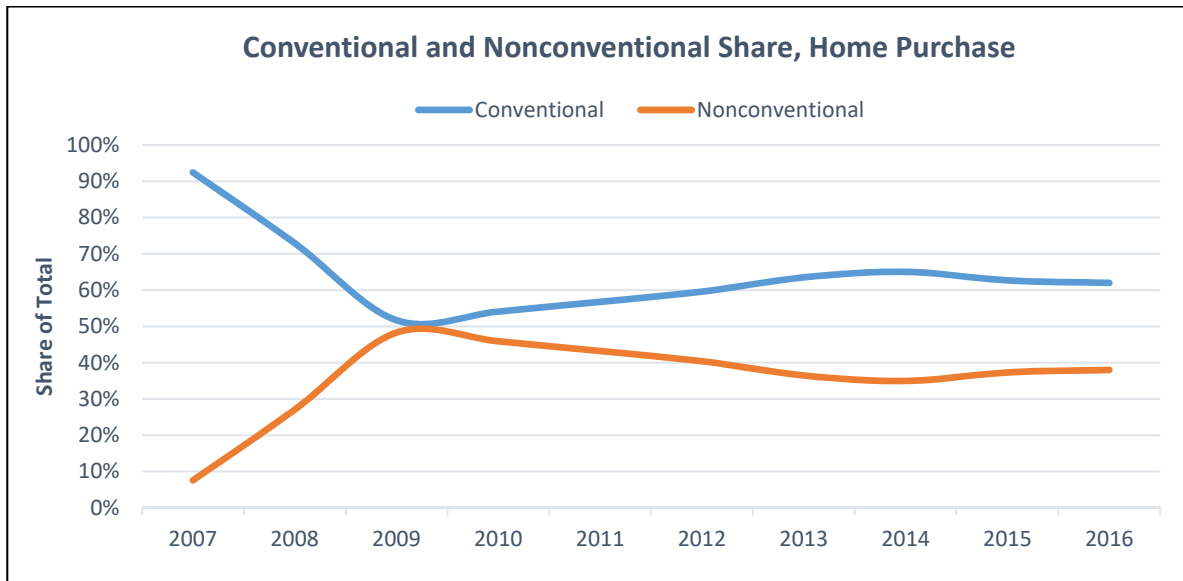
## PART V — PRIVATE & PUBLIC SECTOR DATA



Though subprime loans within South Carolina are mostly nonconventional, 66 percent of all single family originations in 2016 were from conventional lenders. The highest share of nonconventional originations for any loan purpose was for home purchase loans in 2009 at 48 percent, at the peak of the housing crisis. The share of conventional lending in South Carolina has stabilized to around 70 percent since 2009, though has trended mildly downward since 2013.



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### REGIONAL VARIATION IN SOUTH CAROLINA

Within South Carolina, there is considerable intra-State variation in home mortgage lending outcomes by metropolitan region and county.

For example, as shown below, the Charleston and Charlotte MSAs (metropolitan statistical areas) exhibit the lowest denial rates in the State at approximately 15 percent, while the Florence and Sumter metros have denial rates that exceed 20 percent, as of 2016. Most of the State's metros hover around South Carolina's overall denial rate of 17 percent.



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### Average Denial Rates by MSA

Metropolitan Statistical Area	Denial Rate
Charleston, North Charleston	14.5%
Charlotte, Concord, Gastonia	15.2%
Greenville, Anderson, Mauldin	16.1%
Augusta, Richmond County	16.3%
Hilton Head Island, Bluffton, Beaufort	16.6%
Myrtle Beach, Conway, North Myrtle Beach	17.5%
Columbia	17.7%
Spartanburg	18.1%
Florence	21.9%
Sumter	26.5%

In addition to denial rates, average originated loan values vary among metros within the State. Of South Carolina's metropolitan regions, Hilton Head, Charleston, and Charlotte are characterized by the highest average loan values as of 2016, being the only three metros with averages above \$200,000. The Florence, Spartanburg, and Sumter metros contain the lowest average loan values in the State, with all three also having the highest denial rates as previously shown above. Further, the average loan value decreased in Florence and Sumter between 2015 and 2016.

### Average Loan Values by MSA

Metropolitan Statistical Area	2015	2016	Change
Hilton Head Island, Bluffton, Beaufort	\$252,234	\$270,004	7.0%
Charleston, North Charleston	\$248,586	\$250,061	0.6%
Charlotte, Concord, Gastonia	\$203,969	\$204,376	0.2%
Greenville, Anderson, Mauldin	\$179,638	\$177,864	-1.0%
Columbia	\$173,196	\$173,757	0.3%
Myrtle Beach, Conway, North Myrtle Beach	\$167,857	\$171,021	1.9%
Augusta, Richmond County	\$157,951	\$159,646	1.1%
Spartanburg	\$147,531	\$149,808	1.5%
Florence	\$148,526	\$138,780	-6.6%
Sumter	\$138,150	\$135,974	-1.6%

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Relative to Area Median Income, the average originated loan value in the Hilton Head metropolitan region is the highest in the State with a ratio of over 4, up 15 percent from 2015. The Greenville, Charlotte, Myrtle Beach, and Charleston metros all have average loan value to AMI ratios above 3 as of 2015, suggesting that these markets likely consist of higher income borrowers relative to other areas within the State.

**Average Loan Value to AMI Ratio**

<b>Metropolitan Statistical Area</b>	<b>2015</b>	<b>2016</b>	<b>Change</b>
Hilton Head Island, Bluffton, Beaufort	3.76	4.31	14.7%
Charleston, North Charleston	3.95	3.67	-7.2%
Myrtle Beach, Conway, North Myrtle Beach	3.14	3.23	2.8%
Charlotte, Concord, Gastonia	3.09	3.19	3.2%
Greenville, Anderson, Mauldin	3.23	3.04	-6.0%
Spartanburg	2.69	2.88	7.1%
Florence	2.98	2.87	-3.8%
Columbia	2.68	2.76	3.1%
Augusta, Richmond County	2.66	2.73	2.6%
Sumter	2.85	2.65	-7.0%

### LENDING ANALYSIS CONCLUSION

There is much variation within the State, mortgage lending activity in South Carolina is consistent with many of the broader trends that have occurred in the wake of the housing bust, Great Recession, and subsequent economic recovery.

Further, South Carolina exhibits relatively strong mortgage market fundamentals. Home purchase originations have increased every year since 2011, suggesting signs of growing housing demand and a housing market recovery. Additionally, the share of refinance application denied for lack of collateral, suggesting an “under-water” home, has declined since the peak of the housing crisis.

The State has also been subject to cyclical trends that reflect broader economic conditions in recent years, including changes in mortgage rates that influence the prevalence of refinance originations. The subprime market remains well below its peak prior to the housing bust and government-insured mortgages have increased, consistent with tighter credit conditions and a more active regulatory environment in the wake of the housing crash.

Some trends, however, have continued despite business cycle fluctuations, such as higher denial rates for Black and Hispanic applicants relative to White applicants, in addition to higher denial rates for lower income applicants and neighborhoods.

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### CRA RATING

The Community Reinvestment Act (CRA) is intended to encourage regulated financial institutions to help meet the credit needs of entire communities, including low and moderate-income neighborhoods. CRA ratings are provided for the main or regional headquarters of the financial institution. Depending on the type of institution and total assets, a lender may be examined by different agencies for its CRA performance. Databases maintained by the Federal Reserve Board (FRB), Federal Financial Institutions Examination Council (FFIEC), Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC) were researched for the performance of the top financial institutions issuing home loans.

The table below shows the rating received by financial institutions active in South Carolina. Only one lending institution examined received an Outstanding rating. Most received satisfactory and one received a Needs to Improve rating.

**FFIEC Interagency Community Reinvestment Act (CRA) Ratings  
South Carolina, 2017**

Institution Name	State	Supervising Agency	Year Rated	Rating
Abbeville First Bank, SSB	SC	FDIC	2017	Satisfactory
Arthur State Bank	SC	FDIC	2017	Satisfactory
Atlantic Community Bank	SC	FDIC	2017	Satisfactory
Blue Ridge Bank	SC	FDIC	2017	Satisfactory
First National Bank of South Carolina	SC	OCC	2017	Satisfactory
Coastal States Bank	SC	FDIC	2017	Satisfactory
Cornerstone National Bank	SC	OCC	2017	Satisfactory
Countybank	SC	FDIC	2017	Satisfactory
Farmers and Merchants Bank of South Carolina	SC	FDIC	2017	Satisfactory
First Community Bank	SC	FDIC	2017	Satisfactory
First Palmetto Bank	SC	FDIC	2017	Satisfactory
First Piedmont FS & LA Of Gaffney	SC	OCC	2017	Satisfactory
South State Bank	SC	FDIC	2017	Satisfactory
Suntrust Bank.	GA	FRB	2007	Satisfactory
Bank of America, N.A.	NC	OCC	2011	Satisfactory
JPMorgan Chase Bank, N.A.	OH	OCC	2010	Satisfactory
Wells Fargo	SD	OCC	2012	Needs to Improve
Wachovia Bank N.A.	NC	OCC	2006	Outstanding
First Citizens (SC)	SC	FDIC	2011	Outstanding
CapitalBank	SC	FRB	2009	Satisfactory
Carolina Bank & Trust	SC	FDIC	2004	Satisfactory
TD Bank, NA	DE	OCC	2013	Satisfactory
Enterprise Bank of South Carolina	SC	FDIC	2016	Satisfactory
The Bank of South Carolina	SC	FDIC	2017	Satisfactory

Source: Federal Financial Institutions Examination Council's (FFIEC)

### MARKET CONDITIONS AND FINANCING

Economic conditions and housing market conditions are undergoing tremendous change. Although the pace of foreclosures has begun to slow nationally as well as regionally in South Carolina, the overall number of properties undergoing or at risk of foreclosure remains high. In terms of foreclosures, RealtyTrac ranks South Carolina 5<sup>th</sup> in the nation, with a foreclosure rate as of March 2018 of 1 in every 1,356 housing units. South Carolina is faring somewhat worse than the nation on average, since the national average of 1 in 2,149 units. This translates into lost home equity, increased demand for affordable rental housing and a persistent need for tools to help existing homeowners maintain or regain affordable housing.

### PRE-HOUSING COUNSELING

The lack of pre-housing counseling is a primary concern, as indicated by the extent of mortgage foreclosures in this state. The State Housing Finance and Development Authority (SC Housing), the state agency responsible for administering the HOME Program in South Carolina, requires housing counseling as part of any project involving down payment or closing cost assistance, new housing construction or housing rehabilitation and will continue to provide this counseling.

SC Housing has also made high-cost home loan housing counseling available through its website, [www.schousing.com](http://www.schousing.com). In fact, first-time homebuyers participating in SC Housing programs, where the homebuyer's loan is determined to be a high cost loan, are required to participate in free counseling as to the advisability of the loan transaction and the appropriateness of the loan for the borrower. Counseling must be provided by a SC Housing-approved housing counselor and covers the items outlined below.

#### *Borrower's Individual Circumstances*

- Purpose of loan
- Borrower's credit history
- History of repeated financing
- Amount of equity in home
- Borrower's ability to repay
- Did the borrower shop or compare rates and terms with other lenders?
- Right to cancel within three days in refinancing transactions

#### *Loan Terms*

- Amount of Loan
- Interest rate/Annual Percentage Rate (APR)
- Whether the loan contains a fixed or variable rate
- Duration of the loan
- Monthly payment amount
- Whether the loan is for real estate, or for manufactured housing

#### *Loan Fees*

- Loan origination fee

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- Discount points
- Commitment fee
- Broker compensation (including the yield spread premium)
- Loan application fee
- Other lender fees

HUD approved housing counselors are also located throughout the state and these have been important providers of assistance to homeowners threatened by or undergoing foreclosure.

SC Housing also annually holds an Affordable Housing Forum at which housing consumer education sessions are typically featured. SC Housing will continue to host this forum, thereby helping to achieve the Commission on Minority Affairs' goal of facilitating homeownership workshops and distributing information on housing and homeownership programs.

Another important player in the arena of housing counseling is the SC Department of Consumer Affairs (DCA) which has stepped up its consumer education efforts with respect to all types of lending and mortgage lending in particular.

A series of free public workshops on credit counseling and repair and identity theft provided at SCDCA satellite locations around the state.

### OTHER FAIR HOUSING CONCERNS

#### **PUBLIC SURVEY DATA AND TRENDS**

The State conducted a fair housing survey for local governments, stakeholders, and residents as part of this survey. The survey was available online and in paper format. The resident survey was provided in English and Spanish. In total, 149 responses were received including 20 from local jurisdictions, 62 from stakeholders, and 67 from residents. The results of the survey were used to inform and corroborate the data analysis discussed throughout this report. Some highlights from the report follow.

#### **CITIZEN AWARENESS**

- About 1/3 of resident survey respondents said they were not familiar with fair housing laws and about half said they did not know their rights.
- Eighty percent of resident survey respondents have never attended fair housing training. Sixty-nine percent of the resident survey respondents do not know about opportunities to receive fair housing education.

#### **PROTECTED CLASSES**

- For residents respondents, familial status and race were the top reasons cited for discrimination they witnessed, followed by disability.

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- For jurisdiction and stakeholder respondents, race, income, and disability were noted as the most common bases of discrimination complaints received. Jurisdiction respondents also cited familial status as a basis they see in discrimination complaints.

### PUBLIC SECTOR

- On the jurisdiction and stakeholder surveys, ignorance of the law by local officials and a lack of knowledgeable assistance at the local level were rated as the top impediments to fair housing in the area of government actions with over 60% of respondents rated it as either a very severe or severe impediment.
- The lack of comprehensive fair housing planning was seen as a very severe (32 percent) and severe impediment (24 percent) to fair housing by stakeholder respondents.
- Development standards, building codes, or permits inhibiting the development of affordable housing was seen as a very severe (19 percent) and severe (38 percent) impediment to fair housing by stakeholder respondents.

### AFFORDABLE HOUSING BARRIERS

- High cost of housing was cited as the top barrier to fair housing choice in the resident survey by 71 percent of resident survey respondents. More than 75 percent of the resident respondents said they spend greater than 30 percent of their income on housing. About 39 percent of respondents said they have difficulty paying their rent or mortgage.
- Lack of availability of subsidies for affordable housing, high land costs, and a lack of developer capacity were the top economic barriers to fair housing cited by respondents in both the jurisdiction and stakeholder surveys. Stakeholders cited the most barriers to fair housing in the rental market.
- Fifty-two percent of resident respondents, 42 percent of jurisdiction respondents, and 52 percent of stakeholder respondents cited that a lack of transportation imposes additional restrictions on where an individual or family with low-moderate income may live and this is a very severe impediment to fair housing choice.

### LIMITED ENGLISH PROFICIENCY

As noted in Part II – State Profile, Limited English Language Proficiency, or LEP, is an emerging public policy and fair housing issue in South Carolina. Available data indicate a growing population that has a limited ability to speak and understand English, which can limit awareness of or access to government services and housing. At the public policy level, this not only may mean provision of translation at local needs assessment and annual action plan hearings, but may also create a need for materials like fair housing notices to be available in Spanish as well as English. Maintaining services for school-aged children is of particular concern, particularly in the Greenville area. Please refer to Part II for data on the LEP population in this state.

### BARRIERS TO AFFORDABLE HOUSING

This section describes the factors, including governmental policies and actions that may constrain the construction or improvement of affordable housing. These factors include market conditions, poor credit issues, the availability and price of land, construction costs, the availability and cost of financing, and the regulations governing development and construction. The private sector provides housing through the development and construction of housing in a range of types, sizes, and costs, seeking to meet the local or area market demand. The public sector seeks to provide housing through a range of programs that are intended to assist developers in producing housing, both rental and for purchase that is affordable to persons and households in lower income ranges. At the same time, the public sector affects the housing market through policies such as zoning, building codes, provision of infrastructure, development regulations, and development fees and exactions.

Other issues that affect the affordability of housing include costs such as water and sewer service, road construction and maintenance, property taxes, insurance, the availability of transportation and a lack of knowledge of laws and contracts on the part of homeowners and renters.

Affordable housing demand is determined by calculating current household income by household income category in relation to current housing costs. Disparities between household income and housing costs can create “affordability gaps” in homebuyer and renter demand along with increasing levels of cost-burdened households.

The following are regulatory factors that affect affordable housing in South Carolina:

- Local Government Zoning and Land Use Policy - Units of local government regulate the use of land in South Carolina. Each local government zoning policy and practice has a significant effect on the availability and development of affordable housing including lot sizes and setbacks.
- Administration and processing - Timing is an important issue in the development of affordable housing. Securing permits (building, environmental, etc.), multiple layers of reviews, and lengthy approval processes all can increase housing costs.
- Local Code Enforcement - Unified building codes or local codes are a significant factor in the quality and quantity of housing stock available.
- Local land development and site planning costs - Since there is no state-wide subdivision and site plan standard, policies are the responsibility of the local government including standards for streets, sidewalks, drainage, parking, water and sewer requirements and fees, landscape and other costs.
- Infrastructure - Before housing can be constructed, basic infrastructure must be in place. The land must have road access, sanitary water supply, and wastewater treatment. Infrastructure costs can be significant and may prohibit some production of affordable housing units.



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- Lack of Resources – The State lacks adequate federal, state, local or private resources to address all housing needs. Greater resources are required to assist low and very low income households and to address housing, particularly in rural markets.

### **ZONING AND LAND USE POLICY**

Zoning and land use policy can affect the development of affordable housing in many ways. In 1997, when the state first examined barriers to affordable housing and impediments to fair housing choice, zoning did not exist in many rural areas. In many other communities, planning and zoning functions were in place but were focused on more traditional land use issues. Currently, zoning is more widespread and most of the state's larger communities have planning and zoning functions. However, numerous respondents to the stakeholder survey also cited zoning issues as barriers affecting affordable housing development. Specifically, about 44 percent states that Local land use controls and zoning prohibiting higher density, multifamily housing posed a severe or very severe impediment to fair housing choice.

Although the power to regulate zoning and land use policy in South Carolina continues to lie at the local level, thereby giving fairly broad discretion to local zoning boards, there have been developments in state level legislation. Beginning in 1994, the South Carolina Local Government Comprehensive Planning and Enabling Act was passed, mandating that all communities that had planning capacity at the time comply with the new requirements of the Act, including adherence to an established set of seven elements that local comprehensive plans were to address. The Planning Act did not require local governments to undertake comprehensive planning, but it did represent a step toward state level legislation aimed at ensuring better planning and zoning around the state.

In 2007, the legislature passed the South Carolina Priority Investment Act, which amended the Planning Act of 1994 to require a more coordinated approach to growth, prioritization of public projects, protection of environmental and other resources, and careful planning and cooperation between adjacent local governments and entities with overlapping jurisdictions. The Priority Investment Act did not broaden the state level mandates of the 1994 Planning Act to require communities without zoning to develop comprehensive plans, but it did add substantially to the existing state level mandates for local governments with zoning. The 2007 Act also contains a strong housing component and requires local governments with existing comprehensive plans to substantively revisit and update them.

Specifically, the Priority Investment Act added two new components to the planning process that must be followed by all county and municipal governments that develop zoning ordinances.

- A new transportation element requires local governments to consider all transportation facilities, including all roads, transit projects, pedestrian and bicycle projects, as part of a comprehensive transportation network.
- A new priority investment element requires local governments to analyze available public funding for public infrastructure and facilities over the next ten years and to recommend projects for expenditures of those funds for needed public infrastructure. This element will require more prioritized planning for infrastructure and facilities such as water, sewer, roads and schools, and it will require coordination between governments, governmental entities and utilities that are affected by or have any planning authority over the public

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project. Entities that a local government may be required to consult with include county and municipal governments, public service districts, public and private utilities, transportation agencies, etc.

The Priority Investment Act also created new zoning tools related to housing. To this end, the Act made the following changes:

- Amended laws governing local planning commissions, requiring them to re-evaluate the housing element of their comprehensive plans to:
  - Identify administrative barriers, in particular nonessential housing regulatory requirements that add to the cost of developing affordable housing but are not necessary to protect the public health, safety or welfare, and
  - Analyze restrictive zoning and review and consider addressing this barrier through market-based incentives such as density bonuses, design flexibility and streamlined permitting that would encourage development of affordable housing development.
- Amended regulations governing local zoning districts to allow market-based incentives and elimination of nonessential housing regulations.

A guide for implementing the Priority Investment Act was developed by the South Carolina Chapter of the American Planning Association in collaboration with the South Carolina Association of Counties, the Municipal Association of South Carolina, and the South Carolina Coastal Conservation League and published in October 2008 and the Municipal Association of South Carolina published a Comprehensive Planning Guide for Local Governments in 2014, which includes a chapter on zoning. As the county and municipal organizations, and the local planning chapters, continue to emphasize the Priority Investment Act, and as funding becomes tight and budgets are being stretched, prioritized planning is becoming a higher priority and more local governments are initiating or expanding their planning efforts.

A less obvious factor related to zoning is the lack of zoning and county land use plans, traditional lack of understanding of state and local land use policies and failure to engage local residents in the planning process in the state's predominantly African American communities. In its 2003 *African American Statewide Strategic Plan*, the Commission on Minority Affairs established several goals to address this, which generally correspond to the lack of zoning as an impediment to fair housing. A key goal is encouraging development of County Comprehensive Plans and actively engaging African Americans in these county processes.

### **ADMINISTRATION AND PROCESSING**

In addition to the development and enforcement of zoning and land use policy, local governments are also responsible for issuing approvals and permits required as part of the affordable housing development process. Inherent in these processes are often subtle barriers arising from the time and cost associated with the administrative procedures and processing time associated with these activities, including:

- Delays in the amount of time to process development applications; and

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- Charging excessive fees for development permits.

About 44 percent of respondents to the stakeholder survey said that development standards, building codes, or permits inhibiting the development of affordable housing are very severe or severe impediments to fair housing choice.

### **PROCESSING PROCEDURES**

Another constraint on housing development may be the amount of time required to review a given project. The time needed to complete the project review process is in conformance with state law requirements. The processing time limits vary depending on project complexity. A typical development application that does not involve long statutory public review takes between two and four months from the date of submittal to process. Final approval, including map recordation and issuance of building permits, is dependent on work volume and the developer's response time. In South Carolina, time can have a significant impact on development costs which ultimately affects housing affordability. Duplicative permits, multiple layers of reviews, and lengthy approval process all can add to housing costs. These delays increase the property taxes, construction loan interest, and force the developer to seek higher profit margins to compensate for the added project risk.

### **PROPERTY TAXES**

Property taxes generate revenue to support a broad array of public facilities and services at the local level of government. However, it is also recognized that property taxes are a significant housing cost and therefore can impact affordability.

The State of South Carolina is known as a relatively low property tax state. According to the Tax Foundation, property taxes paid as a percentage of owner-occupied housing value in 2016 was just .56 percent, far below the national rate of 1.13 percent. Only five states have lower percentages. South Carolina is one of the 37 states that collect property taxes at both the state and local levels. The State and localities collected \$1,130 per capita in property taxes, or 31<sup>st</sup> highest in the country, in fiscal year 2016, which is the latest year the Census Bureau published state-by-state property tax collections.

### **EXACTIONS AND FEES**

Developers are required to make on/off-site improvements only to offset the impacts of development on the existing systems. These improvements include sewer and water lines, street dedications and safety services. In addition to the review fees, there are fees to offset the impact of development on the infrastructure in some areas. These fees are collected at the building permit stage for a host of services such as road improvements, drainage facilities, schools, fire facilities, etc. They may have an impact on the cost of development but are considered necessary to maintain the quality of life within the community.

### **LOCAL BUILDING CODES**

Building regulations are essential to protect the health and safety of citizens and the general welfare of the community. Building Codes regulate the physical construction of dwellings and include plumbing, electrical and mechanical divisions, with the purpose being to protect the public from unsafe buildings and unsafe

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conditions associated with construction. While building codes have positive contributions, they can contribute to increased construction costs.

### **DEVELOPMENT AND INFRASTRUCTURE COSTS**

Site development and land development can represent major areas of cost in the production of housing, particularly in high growth areas of the state. As with zoning, issues related to land development and site planning are largely left to the discretion of the local government. South Carolina currently has no statewide subdivision and site plan standards. This allows localities to promulgate their own standards for such items as width of streets, curb and gutter requirements, sidewalk standards, landscaping standards, parking standards, right of way widths, water supply and service requirements.

Development costs, including both land and infrastructure, also limit the development of affordable housing. The high cost of land and construction were cited as very severe and severe impediments to fair housing choice by nearly 80 percent of jurisdiction and stakeholder respondents to the fair housing survey.

### **NIMBY**

NIMBY is based on misconceptions regarding what types of housing are affordable, how affordable housing looks and is typically maintained, what types of people fall into low-to-moderate vs. low and extremely low income categories and typically occupy affordable housing, and how the existence of affordable housing will impact a neighborhood. Residents often oppose the development of affordable housing for fear that it will lower property values, increase crime, and introduce other negative elements into their neighborhoods. These fears persist, despite attempts by affordable housing, smart growth and planning organizations throughout the state to promote income diversity within neighborhoods, the importance of an adequate supply of “workforce housing” to community sustainability and economic development, and the positive face of affordable housing. The result is that NIMBY is another barrier to fair housing, and one which tends to limit affordable housing opportunities to certain parts of a community.

### **SUMMARY**

In South Carolina, housing market conditions and needs have been changing, first as housing costs soared and became “out of reach” for many lower income residents of the state, making the absence of affordable housing a primary obstacle to fair housing choice. Predatory lending activity also proliferated. Most recently, predatory lending contributed to a nationwide subprime mortgage crisis felt in all South Carolina markets. There have been, overall, substantial changes in housing market conditions, stemming from foreclosures as well as economic and employment changes.

The state has focused on fair housing issues and focused efforts on mitigating impediments to fair housing choice through education, outreach, making affordable housing more readily available and addressing capacity. Recognizing the importance of ensuring equal opportunity in housing for all citizens of South Carolina, and the persistence of impediments to fair housing, funds were also made available to assist units of local government and regional councils of government with research necessary to identify impediments to fair housing on a local, regional or statewide basis, and to develop specific strategies and actions to mitigate or eliminate impediments in communities throughout the state. As they are completed, these local

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analyses will provide additional data and resources on specific local conditions and progress towards mitigating impediments to fair housing choice in the state.

# PART VI — IMPEDIMENTS TO FAIR HOUSING CHOICE

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## OVERVIEW OF FINDINGS

The purpose of fair housing planning and analysis is to foster a careful examination of factors which restrict fair housing choices. A review of the data, research, public outreach and other information collected from a wide range of sources assists in identifying impediments and developing a greater understanding of the conditions that affect fair housing choice for the residents of South Carolina, and in particular for the state's protected classes and special needs populations. Such data included census, fair housing complaints, lending and foreclosure, legal statutes, barriers to affordable housing and public input through surveys and forums. Following is a summary of the key findings:

### SOCIO-ECONOMIC CONDITIONS

- Income limits affordable housing options and effectively narrows housing choices.
  - Income levels in South Carolina are relatively low and unemployment remains stubbornly high.
  - The poverty rate in the State is over 17 percent, an increase of 2% since 2010.
  - The cost of available housing exceeds the income of households at 30% and 50% of median income.
- Population growth patterns affect housing availability.
  - The greatest population growth is in the urban and coastal areas where jobs and housing are more plentiful. Rural areas lack basic infrastructure and job opportunities necessary to provide more housing choices and residents need greater transportation options.

### SPECIAL POPULATIONS

- Accessible and affordable housing choices for persons with disabilities and the elderly may not be keeping pace with demand.
  - Over 14 percent of South Carolina's civilian noninstitutionalized population has a disability. This rate is higher than the national level of 12.5 percent.
  - Elderly residents are much more likely to have a disability than younger residents. There are 744,226 people age 65 and older, of which 37 percent had at least one disability.
  - For the state's working age group, between 18 and 64, the percentage of people having any disability is 12.6 percent, which is also higher than the national rate of 10.3 percent for this group.

## PART VI — IMPEDIMENTS TO FAIR HOUSING CHOICE

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- Persons with disabilities face unique limitations on housing choice that require flexible design and/or special accommodation to overcome.
  - Disability is now the number one cited basis for fair housing complaints to FHEO nationally and in the State. In 2016 disability was cited as the basis for discrimination in 52 percent of the complaints. Race was cited as the basis in just 28 percent of the cases. This is a dramatic change from 2009 where the percentages were 23 percent for disability and 37 percent for race. This data is supported by fair housing witnessed by respondents to the fair housing survey as well.
- Minorities and persons with Limited English Proficiency are most at risk for discriminatory practices and affordability issues that limit choice.
  - In South Carolina, 4.8 percent of households have Limited English Proficiency.
  - African American and Hispanic households are disproportionately more likely to have a housing problem.
  - Race continues to be the basis cited in a high percentage of complaints filed with HUD FHEO.

### **FAIR HOUSING STATUS AND ENFORCEMENT**

- While progress has been made in public awareness of discriminatory practices, discrimination continues to be evident based on complaints to HUD FHEO.
  - Disability is the leading basis of complaints, but race continues to be a frequently cited concern.
  - Discrimination based on national orientation and familial status is also increasing.

### **LENDING AND FORECLOSURE**

- Availability of financial resources for owner-occupant home purchases is limited for all income and racial groups, but more limited for minorities.
  - In 2016, home purchases comprised 59 percent of the State's total originations. The consistent growth of home purchase originations since 2011 (69 percent growth rate between 2011 and 2016 and 16 percent growth in the most recent year) reflects a steady and recovering demand for housing within the State.
  - Across all income categories, the pattern is similar. White applicants have the highest approval rate and African Americans the lowest rates, with the difference reflecting a similar margin.
- Credit history was the leading cause of loans denied for all race categories except Asians, followed by debt-to-income ratio. For non-Asian and non-White applicants, credit history was the reason for denying more than 50% of applications.



## PART VI — IMPEDIMENTS TO FAIR HOUSING CHOICE

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- As of 2016, the leading denial reason for High Income White, Black, and Hispanic applicants was credit history. For Black applicants, this represented approximately 38 percent of all denials, more than double any other denial reason. By contrast, denial reasons for High Income applicants in other groups were more evenly distributed.
- For Low Income denials, debt-to-income ratio was the top reason for all groups except Black applicants, where credit history was the top reason for Black applicants in 2016, similar to High Income Black denials. All Low Income groups were denied for debt-to-income ratio at a higher rate than their High Income counterparts, and in the case of Asians and Whites, the difference relative to High Income applicants was nearly double.
- High income African American applicants are more likely to be denied for single family loans (14 percent) than low income Whites (12 percent.)

### **BARRIERS TO AFFORDABLE HOUSING**

- Limited availability of affordable housing sites
  - Both jurisdiction and stakeholder survey respondents ranked the high cost of land as a very severe or severe impediment to fair housing choice.
  - Fifty-two percent of resident respondents, 42 percent of jurisdiction respondents, and 52 percent of stakeholder respondents cited that a lack of transportation imposes additional restrictions on where an individual or family with low-moderate income may live and ranked it as a very severe impediment to fair housing choice.
  - Given the limited locations where affordable housing exists, as transportation costs increase the distance between affordable housing options and job centers places an unequal burden on lower income groups.
- Zoning and regulatory barriers have not been examined by all communities.
  - NIMBY issues continue to prevent the development of available sites.
  - Administrative fees and processing delays are costly and decrease affordability of even lower cost housing developments.
  - Development standards, building codes, or permits inhibiting the development of affordable housing was seen as a very severe (19 percent) and severe (38 percent) impediment to fair housing by stakeholder respondents.

### **FAIR HOUSING PLANNING**

- The availability of data is not uniform or available for all areas of the state.
- There is no central state authority or agency responsible for all aspects of fair housing planning, enforcement or outreach.

## PART VI — IMPEDIMENTS TO FAIR HOUSING CHOICE

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- The lack of comprehensive fair housing planning was seen as a very severe (32 percent) and severe impediment (24 percent) to fair housing by stakeholder respondents.

### **PUBLIC AWARENESS**

- Understanding fair housing protections is improving for the general public but education and outreach is still needed, including how to file a complaint.
  - About 1/3 of resident survey respondents said they were not familiar with fair housing laws and about half said they did not know their rights.
  - Eighty percent of resident survey respondents have never attended fair housing training. Sixty-nine percent of the resident survey respondents do not know about opportunities to receive fair housing education.
- On the jurisdiction and stakeholder surveys, ignorance of the law by local officials and a lack of knowledgeable assistance at the local level were rated as the top impediments to fair housing in the area of government actions with over 60% of respondents rated it as either a very severe or severe impediment.

### **IDENTIFIED IMPEDIMENTS**

Based upon this analysis, several impediments to fair housing have been identified. They are described below and specific strategies to address them are detailed in the Actions to Address Impediments section of this report.

#### **IMPEDIMENT #1: HOUSING DISCRIMINATION**

- Housing discrimination impedes fair housing choice and primarily impacts minorities and persons with disabilities while familial status appear to be an emerging issue.
  - Race and ethnicity appear to be an issue raised by the data analysis, particularly of lending patterns where higher denial rates for Black and Hispanic applicants persist relative to White applicants;
  - Persons with disabilities appear to be impacted by discrimination based on a dramatic increase in fair housing complaints based on disability and on feedback on the state's fair housing survey. Data shows a high percentage of the disabled are elderly; and
  - Familial status is raised as an emerging issue (possibly due to overcrowding).

Based on the complaint data and HMDA data, as well as survey results, there is evidence of housing discrimination against persons in the protected classes. There were 96 fair housing complaints filed with HUD FHEO in 2016. Of these 52 percent cited disability as a basis and 28 percent cited race. Sex and familial status are factors that have been cited increasingly over the last few years.

## PART VI – IMPEDIMENTS TO FAIR HOUSING CHOICE

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### **IMPEDIMENT #2: DISPROPORTIONATE HOUSING PROBLEMS FOR MINORITIES**

- Minority households experience housing problems at a disproportionately higher rate in the state than the population within that category as a whole.
  - Nearly 32% of the statewide population faces a housing problem (substandard housing conditions, overcrowding or housing cost burden); and
  - Black and Hispanic households both experience housing problems at disproportionately higher rates, 42 percent and 45.9 percent, respectively.

There are four housing problems that can lead to a disproportionate housing need. The housing problems assessed are:

- Housing Cost Burden – Households paying greater than 30% of their income to housing costs
- Overcrowding – More than one person per room
- Substandard Housing (Plumbing) – Lacking complete plumbing facilities
- Substandard Housing (Kitchen) – Lacking complete kitchen facilities

Analysis in a preceding part of the study provides the demographics for residents of South Carolina as having a disproportionate need, which HUD defines as existing when “the percentage of persons in a category of need who are members of a particular race or ethnic group is at least 10 percentage points higher than the percentage of persons in the category as a whole.”

The statewide rate of the population facing a housing problem is 31.6 percent and two groups are shown facing disproportionate housing need. Black and Hispanic households both experience housing problems at a disproportionately high rate, 42 percent and 45.9 percent, respectively.

### **IMPEDIMENT #3: AFFORDABILITY AND ACCESSIBILITY OF HOUSING CHOICES**

- Economic barriers serve as an impediment to fair housing choice particularly where the supply of adequate affordable and accessible housing is limited
  - The high costs of housing, especially for extremely low- and very low- income renters, create significant affordability “gaps”; and
  - There remains a deficiency of accessible housing units, especially in the rental market.

The market analysis revealed significant issues with the rate of poverty and unemployment and the challenges faced by low and moderate-income households in purchasing affordable homes in South Carolina. There are also significant cost burdens for low-income families seeking rental housing. Disability has become a more common basis for fair housing complaints while statistical data continues to indicate a significant and growing number of persons with disabilities and elderly. Although building codes and design standards now require accessibility standards, there remains a deficiency of accessible housing units, especially in the rental market.

## PART VI – IMPEDIMENTS TO FAIR HOUSING CHOICE

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### **IMPEDIMENT #4: PUBLIC AGENCY POLICIES AND COORDINATION**

- Regulatory barriers and lack of coordination, planning and resources impede fair housing choice
  - Barriers include local review approval processes for both affordable housing and special needs housing;
  - A lack of fair housing planning also contributes to this issue; and
  - Limited subsidies and funding for home purchase and rental assistance programs impede choice.
  - The imposition of development fees or the cost to develop necessary infrastructure (water, sewer, roads) for new affordable housing increases the cost of such housing.

The South Carolina Human Affairs Commission is the agency charged with educating the public and enforcing fair housing across the State. With limited resources, the main mission of the agency is to investigate fair housing complaints. There are many other agencies and organizations involved in housing, services and consumer protection. Each of these entities is hampered by a lack of funding and staff to address the needs. Given the multi-jurisdictional problems of housing, services, transportation and jobs, there is a need for more regional cooperation and coordination in fair housing efforts.

Regulatory barriers at the local level can create unintended impediments to the creation of more housing choices. There must be a balance between the need to protect the health and safety of the public and the ability to develop an adequate housing supply. State legislation has helped to eliminate or reduce the difficulties created by improper planning, zoning and building codes. However, local efforts are still needed to analyze permitting, administrative fees and processes, design standards, and building codes to ensure that they do not unnecessarily create barriers. Often it is not cost effective for developers to build affordable housing without public assistance or incentives.

While statistical data can assist in identifying problems and areas of concern, reporting requirements vary, as does the quality of data provided. Further, much of the available data is at least a year old by the time it is available. More focused, accurate and current data is necessary to better understand the needs.

### **IMPEDIMENT #5: FAIR HOUSING EDUCATION**

- Fair housing is impeded by a lack of knowledge of fair housing laws in the general public, understanding among local government officials and available resources for housing providers.
  - The general public often does not understand complaint processes and is unaware of the role that the South Carolina Human Affairs Commission plays in resolving fair housing disputes;
  - Specific elements of fair housing planning and how zoning, land use planning and administrative policies can impede the development of affordable and accessible housing; and

## PART VI — IMPEDIMENTS TO FAIR HOUSING CHOICE

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- A negative public perception or stigma associated with “affordable housing” represents a barrier to fair housing, particularly with respect to rental housing.

Surveys consistently indicate a need for better understanding of fair housing choice and discrimination issues for both housing providers and consumers. The general public often does not understand the complaint process and is unaware of the role that the South Carolina Human Affairs Commission plays in resolving fair housing disputes. Further, the general public needs a better understanding of the housing resources available to them. In particular, outreach is needed to meet the growing needs of persons with Limited English Proficiency (LEP). Although many lenders and real estate professionals are familiar with fair housing laws, additional education is needed particularly in rural areas where opportunities are more limited. Specially targeted efforts to educate housing providers about accessibility requirements under the American’s with Disabilities Act is needed to address the state’s growing elderly and disabilities population.

There is also a lack of understanding among local government officials about the specific elements of fair housing planning and how zoning, land use planning and administrative policies can act as an impediment to affordable and accessible housing and discriminatory patterns of development. A number of proposed bills have been introduced in the legislature to address local planning and housing elements including the recently passed Priority Investment Act. This may be an indication that additional training of local planning officials would help to ensure that fair housing provisions are incorporated into local planning and development codes and ordinances and other administrative policies.

The public perception of NIMBY, or “not in my backyard,” is another barrier to fair housing, which is also a public awareness and housing affordability concern. Residents often oppose the development of affordable housing or special needs housing for fear that it will lower property values, increase crime, and introduce other negative elements into their neighborhoods. These fears and misconceptions persist, despite attempts by affordable housing, smart growth and planning organizations throughout the state to promote income diversity within neighborhoods, and the importance of an adequate supply of “workforce housing” to community sustainability and economic development. This reaction is noted especially with regard to Low Income Housing Tax Credit projects.

### IMPEDIMENT #6: PUBLIC TRANSPORTATION

- Public transportation appears to present a barrier to fair housing choice due to its limited availability and cost.
  - Services are either inaccessible or limited to bus service for low income persons who rely on such transportation for access to job centers, community services, shopping areas, and amenities such as public parks or libraries.
  - The provision of public transportation, particularly to rural areas, is often cost prohibitive.
  - The lack of public transportation increases transportation costs for low- and moderate-income households, even if the cost of the housing itself is affordable.

## PART VI – IMPEDIMENTS TO FAIR HOUSING CHOICE

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Public transit in South Carolina in general is a difficult, long-standing issue, especially in the rural areas which make up the majority of the State CDBG Program Area. As CDBG is the only potential HUD funding source to assist with transportation, and even CDBG by HUD regulation is limited by the public service caps on CDBG funding expenditures, CDBG is not in a particularly good position to leverage its funding to impact the availability of public transportation in rural areas or the schedules and routes of existing on-demand transportation.

## PART VII - ACTIONS TO ADDRESS IMPEDIMENTS

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This update to the AI builds upon the previous studies, surveys and public input. It analyzes data and identifies the private and public sector conditions that foster housing discrimination, and provides recommended actions to overcome the effects of the fair housing issues identified. Several of these actions address multiple impediments and linkages among them are noted.

It is the goal of the State to undertake actions that can help reduce and eliminate existing housing discrimination and prevent its reemergence in the future, as well as to address other impediments to equal housing opportunity. Most of the authority to address fair housing lies at the local county and municipal government level, with little ability by any individual state agency to effect broad changes either at the legal and regulatory level or at the local government level. Further, within the state, there are numerous fair housing planning entities that receive HUD funding. These not only include the four state agency partners in the State Consolidated Plan, but also numerous local county and municipal governments and consortiums that receive HUD funding directly. Finally, organization of state government is such that none of these agencies are tasked solely with a fair housing mission, and this brings in additional entities including the SC Human Affairs Commission and the SC Department of Consumer Affairs. Each of these is involved in fair housing but there is no central coordinating entity, with authority to take action on behalf of the State.

The role of the Consolidated Plan partner agencies is largely to advocate for and promote actions that improve fair housing, encourage coordination amongst disparate public entities, encourage Consolidated Plan stakeholders to act and report on fair housing issues, analyze existing data sources, report progress on fair housing issues, highlight findings from data analyses, and encourage meaningful action and cooperation at local levels, both by recipients of State HUD funds and other direct HUD recipients in the state.

### PLANNED ACTIONS TO ADDRESS IMPEDIMENTS

Given these constraints, the State will undertake actions each year aimed at addressing fair access to housing and fairness of housing choices for State residents. These may include some of the actions outlined below, or other actions that may be subsequently identified as relevant and potentially effective in combating and eliminating impediments to fair housing choice. Specific activities that may support those actions are itemized as well. Actions may be undertaken by any of the Consolidated Plan partner agencies, by other HUD-funded agencies, by local government recipients of HUD funds or by other state agencies, as appropriate.

#### ACTION #1: ADDRESS HOUSING DISCRIMINATION

The State recognizes that, despite an ongoing emphasis on Fair Housing and continual outreach and education, discriminatory practices still persist and limit housing choices for the state's protected classes.

- The State will promote activities and actions that help identify, monitor and eliminate discrimination by housing providers, including actions to combat discrimination in the private sector in lending, brokerage, leasing, appraisal and other activities related to the provision of housing.



## PART VII — ACTIONS TO ADDRESS IMPEDIMENTS

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- Identifying strategies to make private lenders aware of the pattern of higher denial rates in lending to Blacks and Hispanics and encouraging further changes to lending practices;
- In future AI updates, and/or as additional pertinent data is available from HUD or from the AFFH toolkit, seeking to better understand the factors and conditions contributing to the emergence of familial status as a fair housing issue, whether overcrowding is a possible explanation, and if so, where there are opportunities for the Consolidated Plan partners to frame appropriate strategies to address the issue; and
- Building upon existing relationships with relevant agencies to better understand and educate housing providers on housing accessibility for people with disabilities. Particularly, the State will aim to increase the awareness of requirements of developers and housing providers regarding accessibility and accommodations that eliminate physical barriers to housing choice for people with disabilities.

### **ACTION #2: EVALUATE DISPROPORTIONATE HOUSING NEEDS**

The State understands that significantly higher percentages of Black and Hispanic households experience housing needs in South Carolina than the state's population as a whole and it plans to address this impediment to fair housing choice.

- The State will further evaluate available data regarding disproportionate housing needs and the greater incidence of housing problems among minority households, in an attempt to identify factors contributing to this pattern and actions that can be taken to address it.
  - In future AI updates, and/or as additional pertinent data is available from HUD or from the AFFH toolkit, seeking to better understand the factors and conditions contributing to the disproportionate housing needs of minority households; and
  - As data and tools become available, considering whether there are opportunities for the Consolidated Plan partners to develop appropriate strategies to address the issue.

### **ACTION #3: IMPROVE AFFORDABILITY AND ACCESSIBILITY TO HOUSING**

Given the economic barriers to housing choice in South Carolina (due to poverty and unemployment), the State knows households are challenged to purchase affordable homes and low-income families face significant cost burdens when they seek rental housing. The accessibility of housing has also become increasingly important as disability raises a fair housing issue, and as the aging population presents a higher share of the disabled. Expanding the supply of affordable and accessible housing, therefore has become essential.

- The State will continue to make available federally-supported financing, rental subsidies and incentives to reduce the cost of housing development and to induce developers to keep rental rates or housing prices affordable and develop new affordable housing that closes the "affordability gap"; increase awareness of that issue, as well as requirements regarding accessibility and reasonable accommodations

## PART VII — ACTIONS TO ADDRESS IMPEDIMENTS

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for disabled and elderly; advocate for methods of streamlining rental assistance programs to reach more tenants; and otherwise consider better design and targeting of housing programs to the extent possible.

- Continuing to make HOME, federal Housing Trust Fund, and Low-Income Housing Tax Credit financing available for affordable rental housing development;
- Using the annual Affordable Housing Forum as a vehicle to communicate information about resources for developing affordable and/or accessible housing, about the location of housing which is accessible and ADA compliant, and about requirements and options related to reasonable accommodation; and
- Advocating for methods of streamlining rental assistance programs to reach more tenants through participation in national public interest groups;
- Assessing housing program designs and housing finance policies to more directly confront housing affordability issues and cooperate, where possible, with efforts to expand tenant based rental assistance.

### **ACTION #4: STRENGTHEN PUBLIC AGENCY POLICIES AND COORDINATION**

The State recognizes that greater coordination at the state and local level is necessary to address fair housing issues and ensure that fair housing principles are integrated into broader housing development and reflective of human service needs.

- The State will seek to better coordinate and maximize available resources.
  - Encouraging municipalities to examine their local review approval processes for both affordable housing and special needs housing;
  - Encouraging communities to incorporate fair housing planning into local development plans; and
  - Continuing to use preparation of the State Consolidated Plan and Annual Action Plans as a means to review, discuss, and coordinate fair housing issues and programs.

### **ACTION #5: PROMOTE FAIR HOUSING EDUCATION**

Because the general public, government officials and housing providers all require more knowledge of fair housing laws and a better understanding of their responsibilities and available resources, fair housing education remains an issue in South Carolina.

- The State will strengthen efforts to make the public aware of fair housing rights by providing communities information on fair housing laws and policies, model zoning ordinances, and advice from other communities that have succeeded in removing the stigma of affordable housing.
  - Encouraging local governments that receive CDBG funding to undertake substantive actions that will affirmatively further fair housing;

## PART VII – ACTIONS TO ADDRESS IMPEDIMENTS

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- Making CDBG funds available for comprehensive fair housing studies at the regional level;
- Providing funding for web hosting and other costs associated with the fairhousing.sc website and reviewing and updating content as appropriate; and
- Considering use of available resources to market affordable housing in a different manner that will address the negative stigma surrounding it (such as, reframing the available housing as “work-force” housing or similarly more positive labels).

### **ACTION #6: IMPROVE PUBLIC TRANSPORTATION**

As public transit in South Carolina in general is a long-standing issue, especially in the rural areas of the state, the State realizes public transportation is inaccessible or limited for low income persons, who rely on such transportation, and is often cost prohibitive to provide and operate in rural areas.

- The State will consider ways to encourage transportation related planning and projects through its federally-supported community development programs.
  - Continuing to make CDBG funding available for transportation-oriented public facilities and services that serve low and moderate-income and workforce populations.
  - Expanding the CDBG Regional Planning program, which annually provides funding to the ten regional Councils of Government for community development planning, and use it to facilitate information-sharing regarding transportation planning and to explore ways to coordinate funding; and
  - Encouraging local communities to consider the linkages between transportation, jobs and housing, as well as regional development opportunities that could improve access to jobs near housing.

## ATTACHMENTS

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1. SUMMARY OF FAIR HOUSING COMPLAINTS
2. PUBLIC OUTREACH SURVEY INSTRUMENTS
3. LIST OF STAKEHOLDERS AND INTERVIEWS

**ATTACHMENT 1**

**SUMMARY OF FAIR HOUSING COMPLAINTS**

**ATTACHMENT 2**

**PUBLIC OUTREACH SURVEY INSTRUMENTS**

**ATTACHMENT 3**

**LIST OF STAKEHOLDERS AND INTERVIEWS**