Framing the Bigger Picture: How Housing Matters

Bryan P. Grady, Ph.D., Chief Research Officer
South Carolina Housing Forum – August 11, 2020

SC HOUSING
Financing Housing. Building SC.

Who Are We?

o SC Housing is a state agency founded in 1971 to serve housing needs of low- and moderate-income residents.

o We administer homeownership, rental development, and rental assistance and compliance programs.

o The Authority receives no general fund appropriations.

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

Background

o As CRO, assessing South Carolina's housing markets is essential to my role at SC Housing for two reasons:

 o Helps Authority staff design evidence-based programs

 o Better informs public, private, and nonprofit stakeholders about housing affordability and availability

o This is very hard to do right now, since most publicly available housing data have substantial reporting lags, while the economic impacts of the COVID-19 pandemic and the policy responses to it are rapidly evolving.

COVID-19 Impacts

o Census Bureau reports that **28 percent** of SC adults described themselves as "housing insecure" in mid-July

o According to Stout Risius Ross, **52 percent** of SC renters (273,000 households!) are at risk of eviction this year

  o Job losses were concentrated among low-wage service workers who disproportionately rent their homes

  o Moratorium on removals from federally funded housing and supplemental unemployment compensation expired

o As a result, a Columbia University economist projects that homelessness will go up **40 percent** nationally this year

Housing Needs Assessment

https://schousing.com/home/Housing-Needs-Assessment

- o Volume 1 of the Housing Needs Assessment, published last August, was the first comprehensive analysis of the state's housing conditions since 2002.

- o Based on feedback, additional analysis has been done to further clarify housing conditions and the connections to other policy challenges.

- o Just remember, if the numbers look bad to you, they are now almost certainly substantially worse.
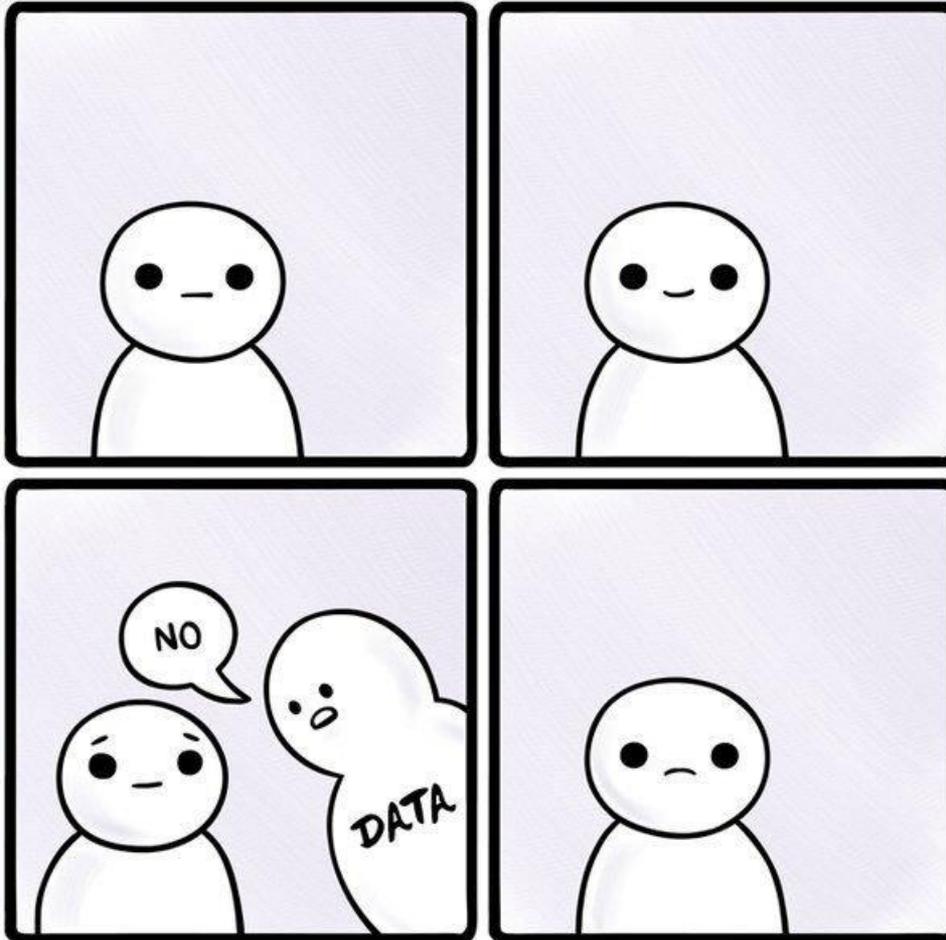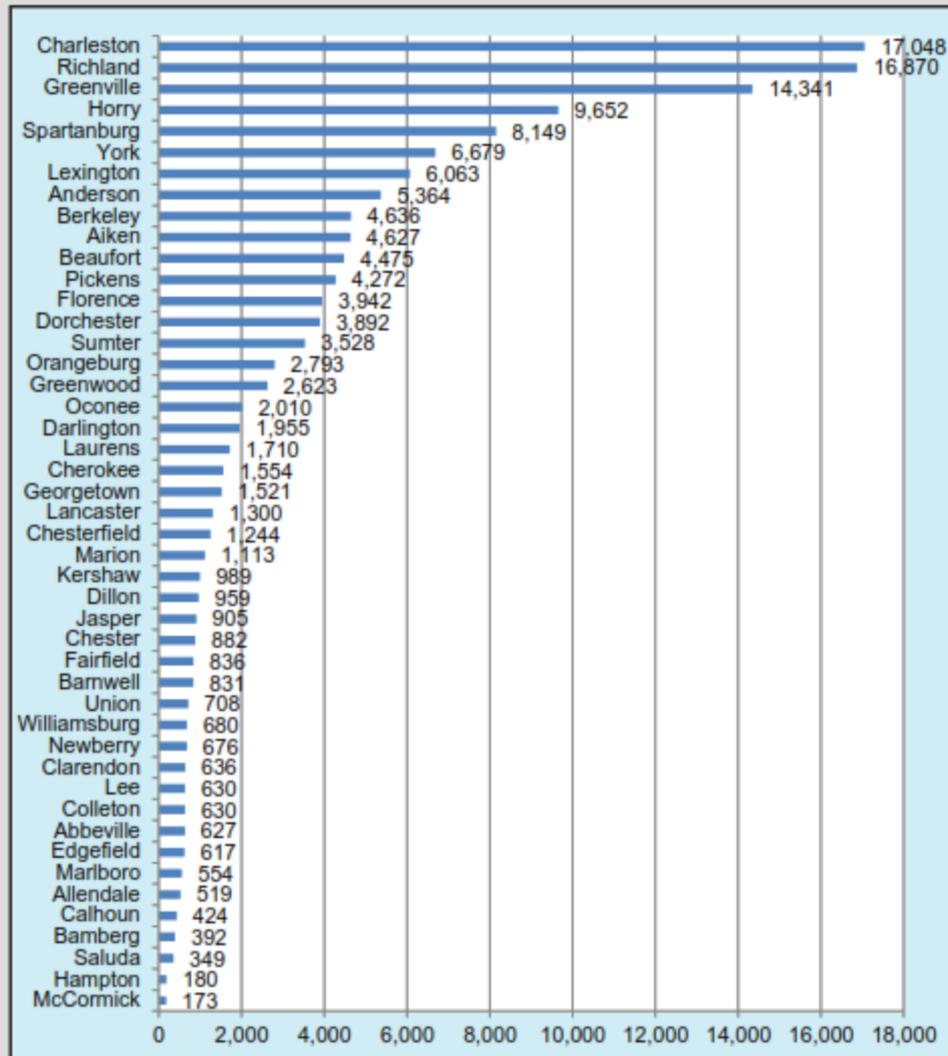
SC HOUSING
Financing Housing. Building SC.

Key Takeaways: Volume 1

o One in four SC renters experiences severe cost burden.

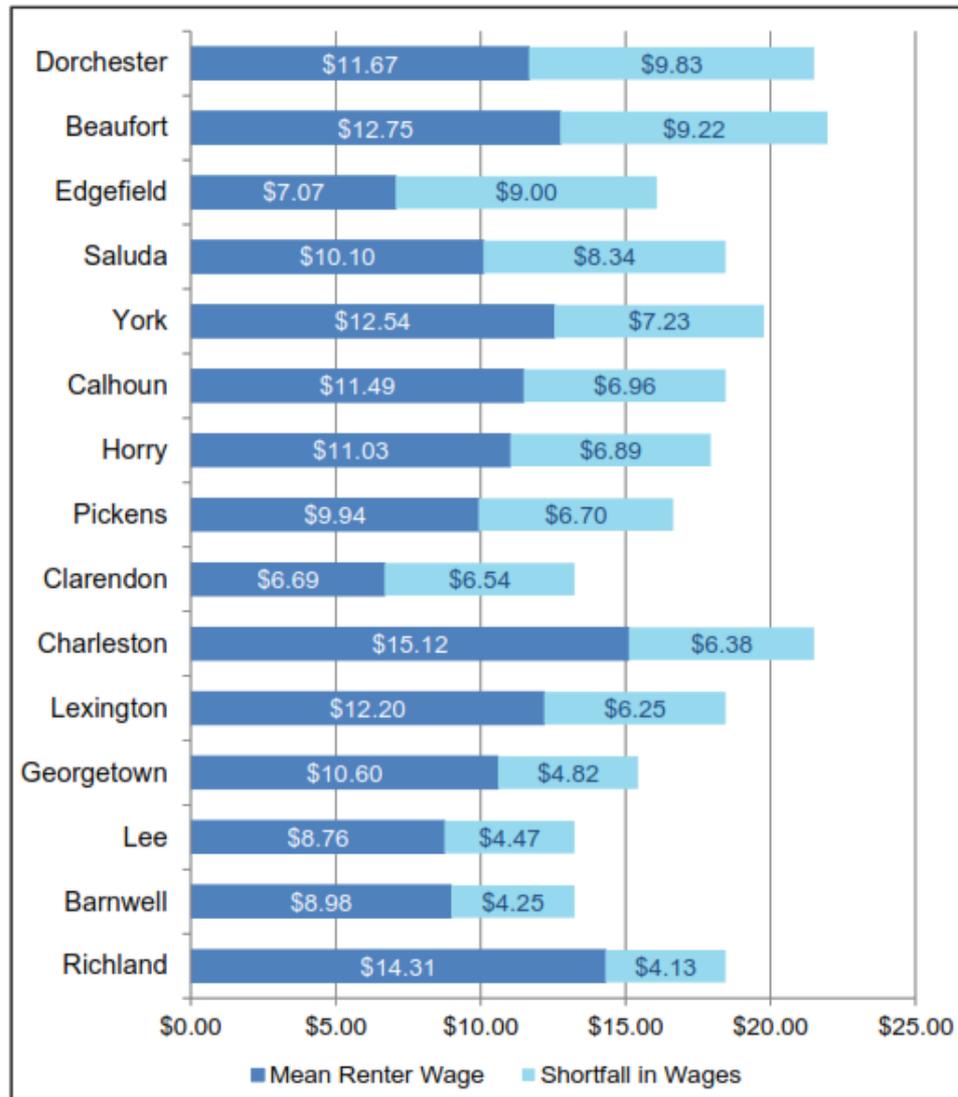## Exhibit 2: Number of Severely Cost Burdened Renter Households by County

County	Number
Charleston	17,048
Richland	16,870
Greenville	14,341
Horry	9,652
Spartanburg	8,149
York	6,679
Lexington	6,063
Anderson	5,364
Berkeley	4,636
Aiken	4,627
Beaufort	4,475
Pickens	4,272
Florence	3,942
Dorchester	3,892
Sumter	3,528
Orangeburg	2,793
Greenwood	2,623
Oconee	2,010
Darlington	1,955
Laurens	1,710
Cherokee	1,554
Georgetown	1,521
Lancaster	1,300
Chesterfield	1,244
Marion	1,113
Kershaw	989
Dillon	959
Jasper	905
Chester	882
Fairfield	836
Barnwell	831
Union	708
Williamsburg	680
Newberry	676
Clarendon	636
Lee	630
Colleton	630
Abbeville	627
Edgefield	617
Marlboro	554
Allendale	519
Calhoun	424
Bamberg	392
Saluda	349
Hampton	180
McCormick	173

Source: U.S. Census Bureau American Community Survey (2013-2017 Five-Year Estimates)

SC HOUSING
Financing Housing. Building SC.

Key Takeaways: Volume 1

o One in four SC renters experiences severe cost burden.

o The average renter cannot afford a basic two-bedroom apartment in 41 of 46 counties statewide.

SC HOUSING
Financing Housing. Building SC.

Exhibit 5: Chart of Average Wages and Housing Wages, Selected Counties

County	Mean Renter Wage	Shortfall in Wages
Dorchester	$11.67	$9.83
Beaufort	$12.75	$9.22
Edgefield	$7.07	$9.00
Saluda	$10.10	$8.34
York	$12.54	$7.23
Calhoun	$11.49	$6.96
Horry	$11.03	$6.89
Pickens	$9.94	$6.70
Clarendon	$6.69	$6.54
Charleston	$15.12	$6.38
Lexington	$12.20	$6.25
Georgetown	$10.60	$4.82
Lee	$8.76	$4.47
Barnwell	$8.98	$4.25
Richland	$14.31	$4.13

■ Mean Renter Wage   ■ Shortfall in Wages

SC HOUSING
Financing Housing. Building SC.

SCHousing.com

Key Takeaways: Volume 1

o One in four SC renters experiences severe cost burden.

o The average renter cannot afford a basic two-bedroom apartment in 41 of 46 counties statewide.

o We have, by far, the highest eviction rate in the nation.

SC HOUSING
Financing Housing. Building SC.

Exhibit 7: Evictions per 1,000 Renter Households by State (Top 10)
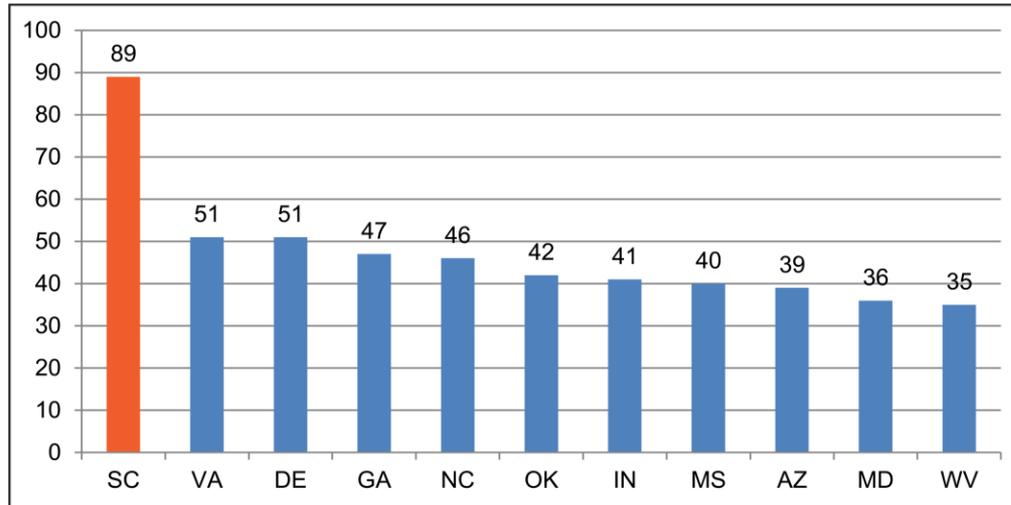
State	SC	VA	DE	GA	NC	OK	IN	MS	AZ	MD	WV
Rate	89	51	51	47	46	42	41	40	39	36	35

Source: Eviction Lab, Princeton University (2016 data)
Note: Data are incomplete or missing in many jurisdictions.

Exhibit 8: Evictions per 1,000 Renter Households by City or Place (Top 10)

Large (>100K people)		Medium (20-99K people)		Small (<20K people)	
Name	Rate	Name	Rate	Name	Rate
North Charleston, SC	165	St. Andrews, SC	207	Robin Glen-Indiantown, MI	407
Richmond, VA	114	Petersburg, VA	176	West Monroe, MI	372
Hampton, VA	105	Florence, SC	167	Homestead Base, FL	292
Newport News, VA	102	Hopewell, VA	157	East Gaffney, SC	286
Jackson, MS	88	Portsmouth, VA	151	Wolf Lake, MI	272
Norfolk, VA	87	Redan, GA	140	Promised Land, SC	263
Greensboro, NC	84	Horn Lake, MS	119	Aetna Estates, CO	260
Columbia, SC	82	Union City, GA	117	Falkland, NC	257
Warren, MI	81	East Point, GA	113	Waterloo, IN	244
Chesapeake, VA	79	Anderson, SC	112	Ladson, SC	240

In total, 29 of the 50 highest small place eviction rates are found in South Carolina.

Source: Eviction Lab, Princeton University (2016 data)
Note: Data are incomplete or missing in many jurisdictions.

Key Takeaways: Volume 1

o One in four SC renters experiences severe cost burden.

o The average renter cannot afford a basic two-bedroom apartment in 41 of 46 counties statewide.

o We have, by far, the highest eviction rate in the nation.

o **There are only enough subsidized rental units to serve one in five low-income renter households.**

SC HOUSING
Financing Housing. Building SC.

Exhibit 9: Subsidized Rental Housing Units per 100 Low-Income Renters by County
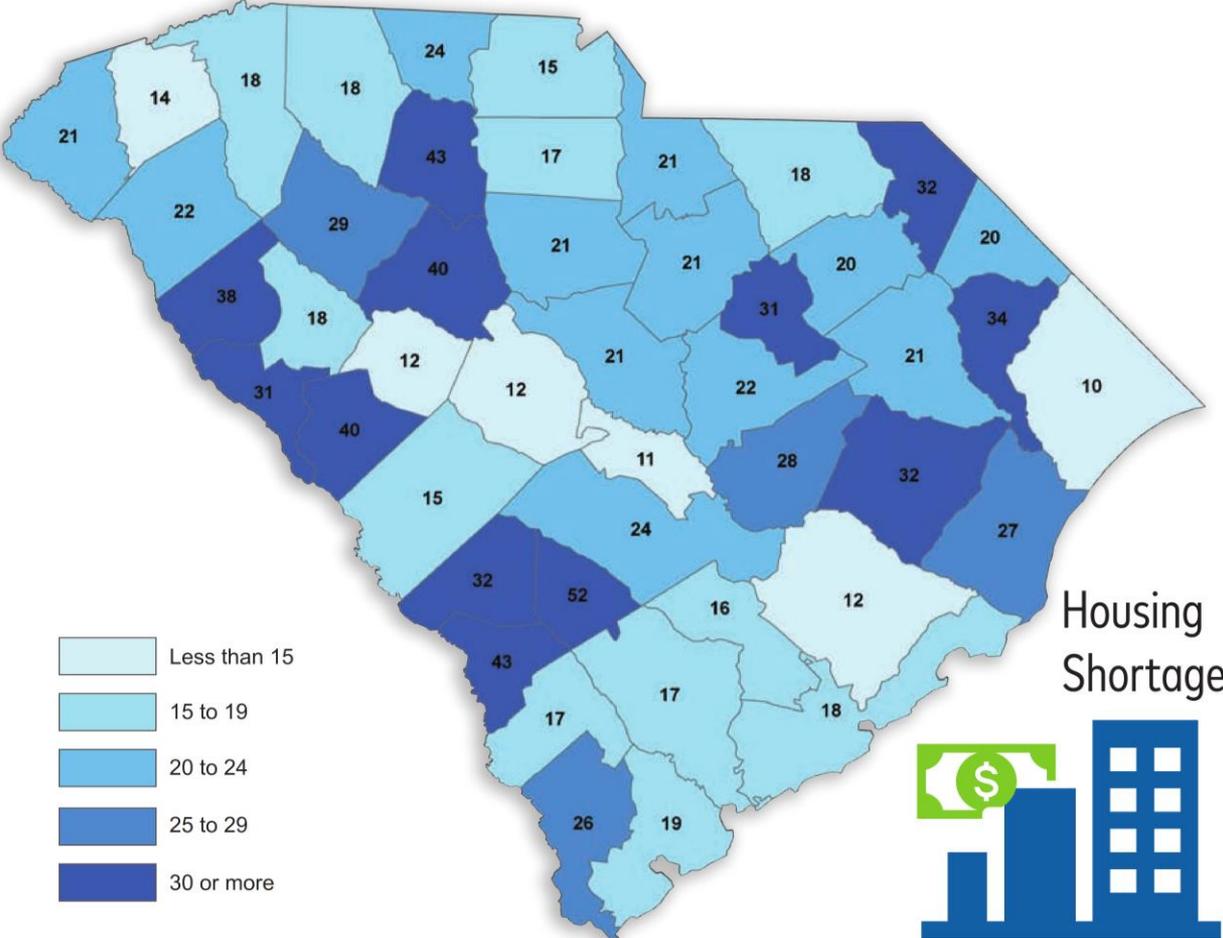
Less than 15
15 to 19
20 to 24
25 to 29
30 or more

Housing Shortage

SC HOUSING
Financing Housing. Building SC.

SCHousing.com

14

Key Takeaways: Volume 1

o One in four SC renters experiences severe cost burden.

o The average renter cannot afford a basic two-bedroom apartment in 41 of 46 counties statewide.

o We have, by far, the highest eviction rate in the nation.

o There are only enough subsidized rental units to serve one in five low-income renter households.

o **Thousands of people experience homelessness nightly.**

SC HOUSING
Financing Housing. Building SC.

Key Takeaways: Volume 1

o Thousands of people experience homelessness nightly.

  o In the annual Point-in-Time Count held on January 23, 2019, 4,172 individuals were identified as experiencing homeless.

  o 11,338 persons were served by federally funded homeless service providers in the year ending September 30, 2017.

  o 12,660 public school students (or 1 in 61) were identified in the 2017-18 academic year as lacking a permanent home.

  o Source: 2019 South Carolina State of Homelessness Report

Market Analysis

o To help SC Housing staff craft policies to meet the needs of the state, an empirical analysis considered six factors:

   o Current rent, recent change in rent, rental vacancy rate

   o Homelessness, population change, age of housing stock

o After crunching the numbers, the state's counties were assigned to one of three groups:

   o High-demand new construction (11)

   o High-demand rehabilitation (11)

   o Typical/balance of state (24)

Exhibit 12: Map of South Carolina Market Conditions
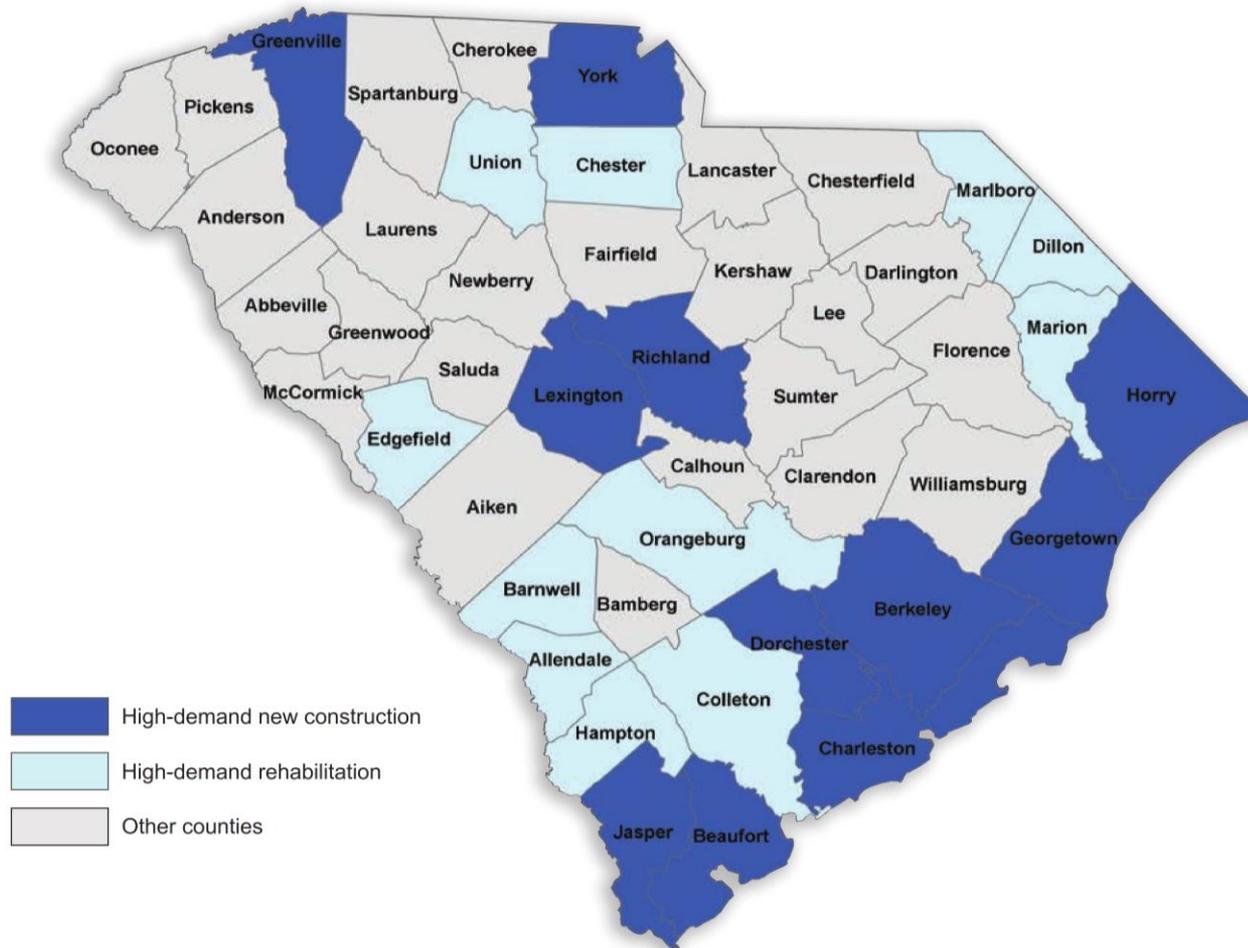
Source: Author's calculations and analysis

Shelter Poverty

o By combining federal data with a report commissioned by the United Way Association of SC, it is possible to estimate the overall impact of unaffordable housing.

o Excessively high housing costs cause 32 percent of SC households, including over half of renters, to come up short in meeting their most basic needs (food, fuel, etc.).

o This imposes a cost on the state of **$8.4 billion** borne by public assistance, private charity, or personal deprivation.

o The scale of this shortfall will only increase as the state's metropolitan and coastal areas continue to grow in size.

SC HOUSING
Financing Housing. Building SC.

Exhibit 13: State Overview of Shelter Poverty

Tenure	Count of Households	Shelter Poor Households		Depth of Shelter Poverty	
		Number	Rate	Total	Average
Renters	588,828	297,619	50.5%	$4,738,603,150	$15,922
Mortgagors	744,271	143,980	19.3%	$2,146,854,288	$14,911
Other Owners	525,228	143,701	27.4%	$1,501,790,059	$10,451
Total	1,858,327	585,300	31.5%	$8,387,247,497	$14,330

Source: Author's calculations and analysis

Nagging Questions

o How do rates of severe cost burden vary by municipality?

o How prevalent is substandard and overcrowded housing?

o How do extremely low-income (ELI) households fare, i.e., those earning 30 percent of area median income or less?

o Where is the shortage of affordable housing most severe among the state's municipalities?

SC HOUSING
Financing Housing. Building SC.

Housing Affordability

o 13 percent of South Carolina households, including 24 percent of renters, fall into the ELI category.

o 15 percent of households spend over half their income on housing costs, including 70 percent of ELI households.

o These households are disproportionately likely to see such conditions in coastal areas and suburban communities in the Lowcountry.

SC HOUSING
Financing Housing. Building SC.

Cost Burden for ELI Households by Municipality, Top 25

Municipality	Households	Extremely Low-Income		Severely Burdened ELI	
		Households	Share	Households	Share
Aiken	12,569	1,695	13.5%	1,375	81.1%
Anderson	10,965	1,980	18.1%	1,310	66.2%
Bluffton	5,509	339	6.2%	325	**95.9%**
Charleston	53,350	7,600	14.2%	5,890	77.5%
Columbia	45,260	8,695	19.2%	6,750	77.6%
Conway	7,080	1,250	17.7%	835	66.8%
Easley	8,650	975	11.3%	570	58.5%
Florence	15,405	2,120	13.8%	1,400	66.0%
Goose Creek	13,740	1,235	9.0%	1,140	**92.7%**
Greenville	27,105	4,655	17.2%	3,235	69.5%
Greenwood	8,605	1,560	18.1%	1,115	71.5%
Greer	10,600	1,540	14.5%	1,065	69.2%
Hanahan	7,663	744	9.7%	575	77.3%
Hilton Head Island	16,910	1,675	9.9%	1,390	**83.0%**
Lexington	7,925	745	9.4%	560	75.2%
Mauldin	9,584	540	5.6%	395	73.1%
Mount Pleasant	31,020	1,840	5.9%	1,635	**88.9%**
Myrtle Beach	12,965	1,660	12.8%	1,460	**88.0%**
North Augusta	9,250	870	9.4%	625	71.8%
North Charleston	39,160	7,210	18.4%	5,535	76.8%
Rock Hill	27,610	5,760	20.9%	4,565	79.3%
Simpsonville	7,720	335	4.3%	235	70.1%
Spartanburg	15,465	2,865	18.5%	1,790	62.5%
Summerville	17,210	1,790	10.4%	1,510	**84.4%**
Sumter	16,235	2,030	12.5%	1,485	73.2%

Source: 2012-2016 Comprehensive Housing Affordability Strategy (CHAS) data, U.S. Department of Housing and Urban Development

Housing Quality

o Nearly 50,000 families and individuals statewide live in homes that either lack kitchen or plumbing facilities or are overcrowded. This represents one in 38 homes statewide.

o Among ELI households, one in 20 homes are inadequate. Beachfront towns are worst off, as is the Pee Dee region.

o Data on other housing quality challenges, such as structural defects or broken heating and air conditioning systems, are not available at the state or local level.

SC HOUSING
Financing Housing. Building SC.

Inadequate Conditions Among ELI Households by County
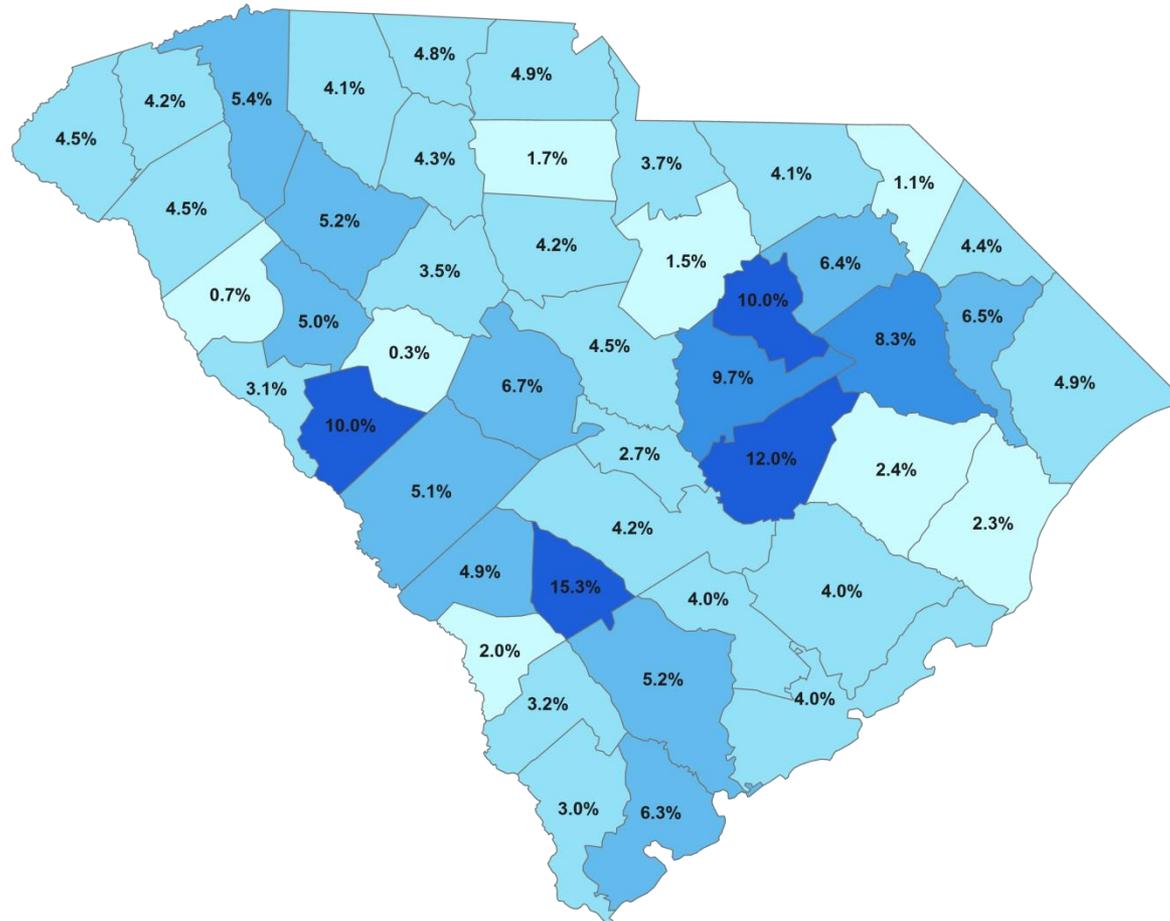
Source: 2012-2016 Comprehensive Housing Affordability Strategy (CHAS) data, U.S. Department of Housing and Urban Development

Housing Subsidies

o As mentioned earlier, only about one in five low-income renters can access subsidized rental housing statewide.

o Mount Pleasant has only eight subsidized homes for its 3,300 low-income renter households. Of these families and individuals, 92 percent are cost burdened.

o Many other suburbs (Forest Acres, Hanahan, North Myrtle Beach, Simpsonville, and Summerville) also have severe deficits of subsidized housing for existing residents.

SC HOUSING
Financing Housing. Building SC.

SCHousing.com

Analysis of Subsidized Housing by Municipality, Top 25

Municipality	Subsidized Units	Low-Income Renters	Units per 100
Aiken	913	2,305	40
Anderson	1,349	3,980	34
Bluffton	152	590	26
Charleston	3,904	13,455	29
Columbia	6,083	16,605	37
Conway	724	2,135	34
Easley	597	2,215	27
Florence	1,256	4,180	30
Goose Creek	362	2,360	15
Greenville	2,753	9,625	29
Greenwood	689	3,475	20
Greer	871	2,970	29
Hanahan	**96**	**1,675**	**6**
Hilton Head Island	347	2,090	17
Lexington	593	1,390	43
Mauldin	191	1,270	15
Mount Pleasant	**8**	**3,300**	**<1**
Myrtle Beach	745	4,070	18
North Augusta	360	2,400	15
North Charleston	2,233	13,820	16
Rock Hill	1,516	10,445	15
Simpsonville	**83**	**1,470**	**6**
Spartanburg	2,141	5,515	39
Summerville	**372**	**3,645**	**10**
Sumter	1,388	4,530	31

Source: Analysis of 2012-2016 Comprehensive Housing Affordability Strategy (CHAS) data and National Housing Preservation Database

SC HOUSING
Financing Housing. Building SC.

Widening the Picture

o Residential choice is inherently connected to economic and workforce development and transportation policy.

o An efficient local labor market requires employers to have a qualified pool of workers within a reasonable distance of their workplace, as well as workers to have a number of employers willing to hire them within the same distance.

o When these conditions are not met, economic growth and productivity suffer and traffic congestion results, negative impacts on our communities that are self-reinforcing.

SC HOUSING
Financing Housing. Building SC.

Spatial Mismatch

- This problem is even more acute for people without reliable transportation, which in SC usually means a car.

  - Households experiencing poverty

  - Individuals with physical or mental disabilities

  - Others marginally attached to the labor force

- These issues are exacerbated by local land use policies that can require large lots and restrict mixed-use projects, artificially distancing homes from workplaces and pushing housing development out to the edges of metro areas.

SC HOUSING
Financing Housing. Building SC.

Case Studies

o The census tracts with the most jobs in South Carolina, according to the most recent data available, are:

1. Richland County, Tract 31 (Downtown Columbia)

2. Charleston County, Tract 31.11 (CHS and environs)

3. Greenville County, Tract 28.08 (Pelham Road area)

o Where do these workers live, can they afford housing, and do they have access to a private vehicle?

How to Read the Maps

o The tract being evaluated is highlighted in light blue

o Darker shades of blue indicate higher worker counts

o Tracts outlined in black are where over a third of renters are severely cost burdened (state average: 24.4 percent)

o Tracts hatched in yellow are where over 5 percent of workers do not have a car (state average: 2.3 percent)

o Taken together, you can get a sense of the geographic distribution of the workforce and potential imbalances

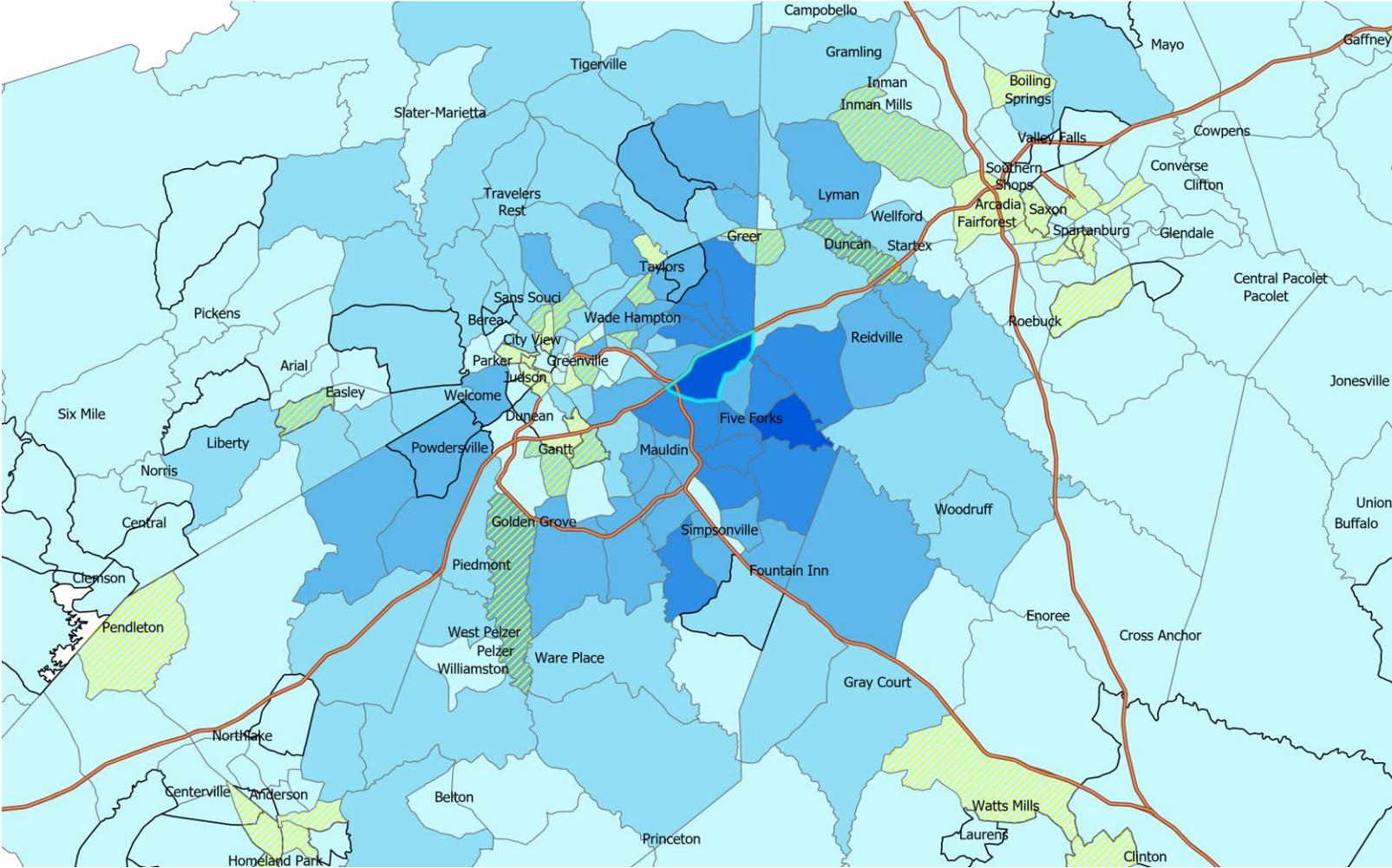o Sources: 2017 LEHD and 2014-18 ACS, Census Bureau

Richland County, Tract 31

SC HOUSING
Financing Housing. Building SC.

SCHousing.com
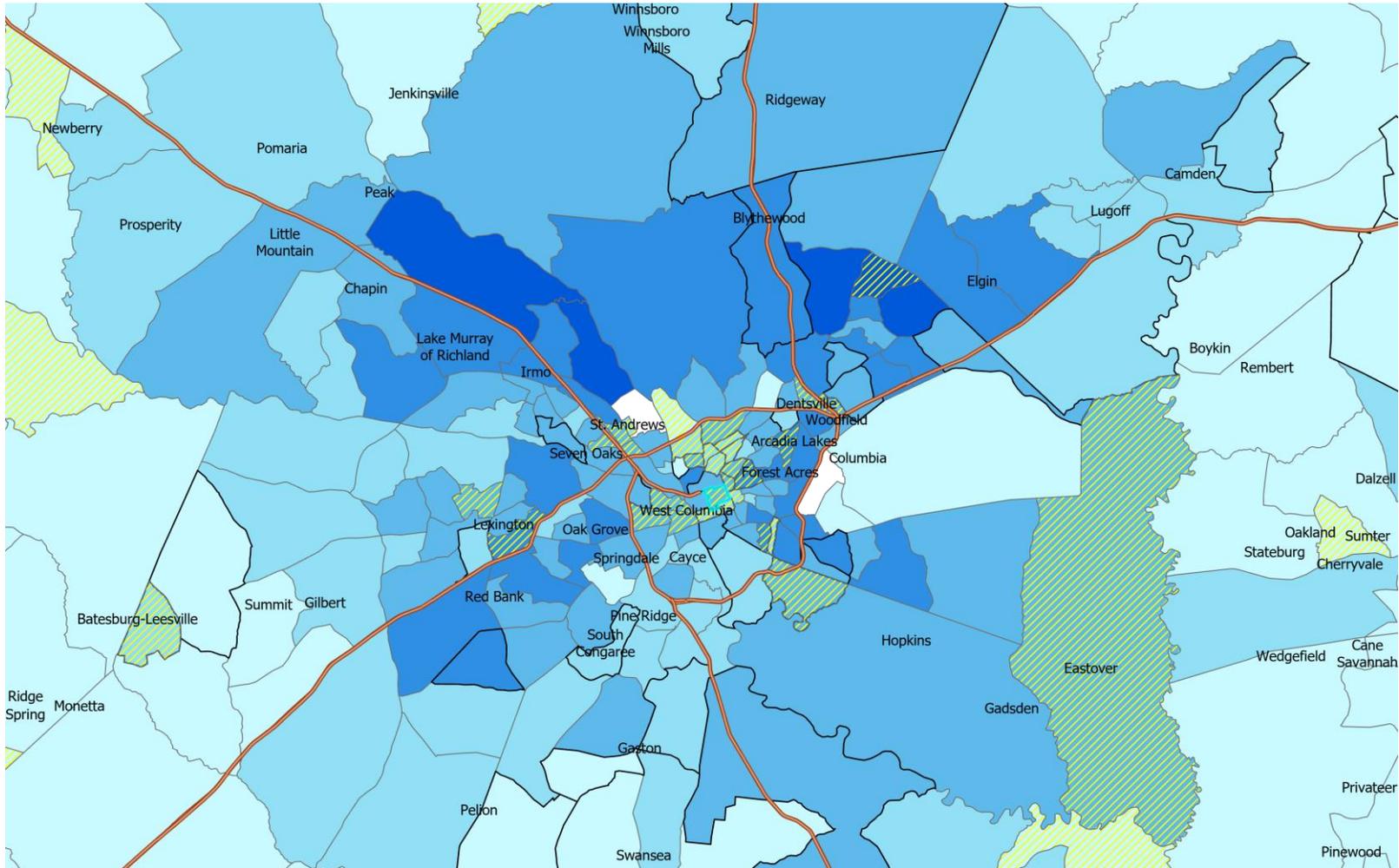
Charleston County, Tract 31.11
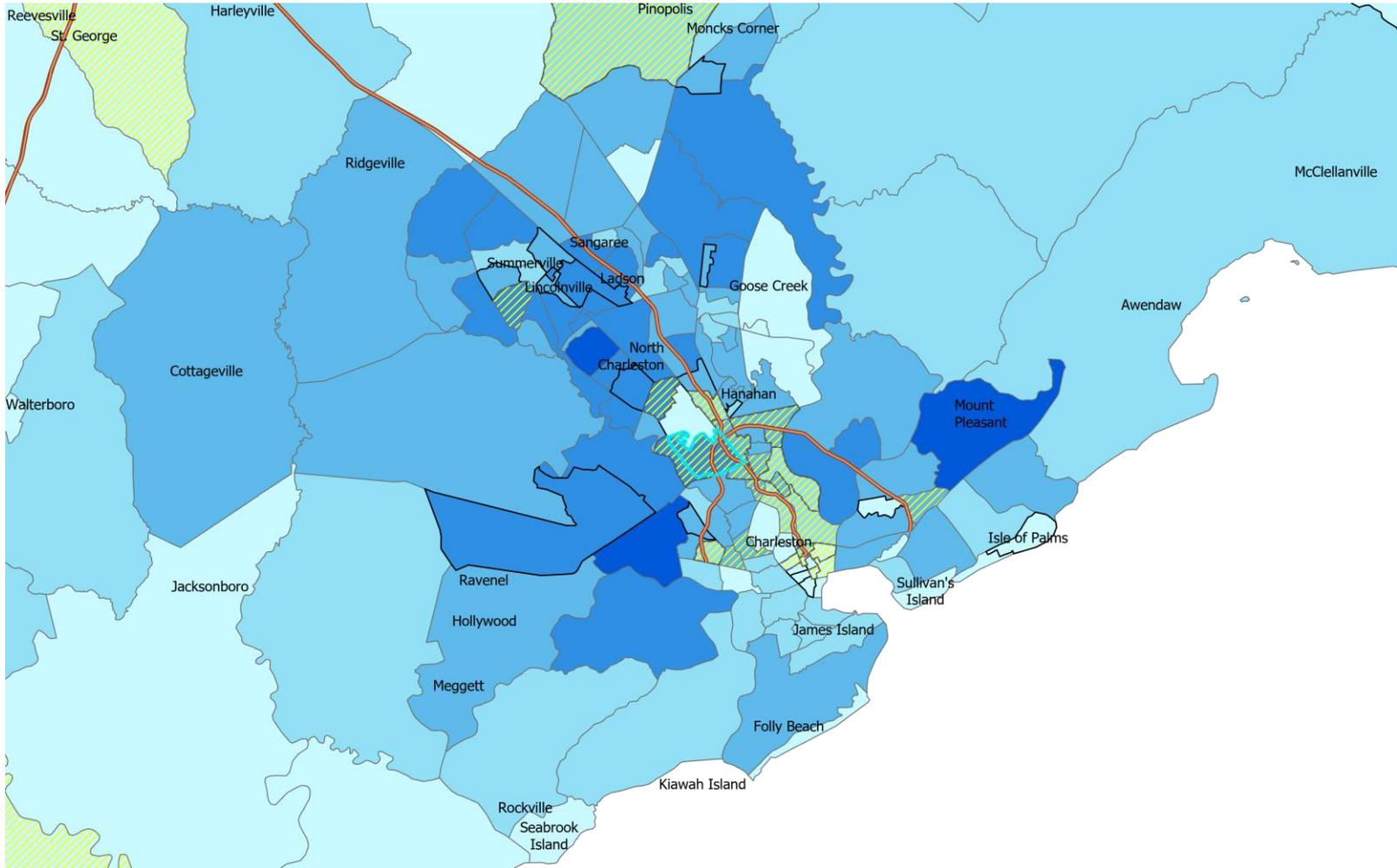
Greenville County, Tract 28.08

Commute Map Takeaways

o This is a preliminary analysis that only focuses on three census tracts, but the following statements seem true:

o Residents are widely distributed across our major metros, far more than employers, and not always affordably so

o The ability to live close to work is greatly constrained by a lack of housing affordability, particularly in Charleston

o The state's metropolitan areas have substantial numbers of potential workers without reliable transportation options

SC HOUSING
Financing Housing. Building SC.

Putting It All Together

o State and local government, nonprofit organizations, and the private sector must work together on these issues.

o Ask these questions about where you live or work:

  o Can your workforce afford to live in your community?

  o Does available housing stock match the population?

  o Is there enough public transit infrastructure for workers?

  o Are local rules preventing needed housing development?

o Have ideas? Want to partner? Get in touch with us!

SC HOUSING
Financing Housing. Building SC.