CHAPTER 6 - HOUSING

Housing is one of the principal elements of the Comprehensive Plan, and provides a measure of lifestyle, land use, economic health, and environmental conditions. The housing chapter reviews the numbers and status of existing housing stock within the City and the trends that have taken place in local residential development and patterns. The chapter discusses the location, type, age, ownership, occupancy, conditions, and affordability of housing for residents and various demographic and economic , several housing indicators for the period between 2000 and 2015 were examined to assess the effects of the 2007-2010 recession on the housing market within the city. The element concludes with a projection of housing needs for the city.

6.1 HOUSING TYPE AND MIX

The City's housing stock is the habitat. Housing type and mix refers to the characteristics of the dwelling structure, such as the number of units in the structure. Multi-family structures may include owner-occupied or renter-occupied units. Table 6.1 shows the number of housing units by type in the City of Orangeburg in Year 2000, in 2010, and in 2015. The largest category of housing type in Orangeburg is single-family detached homes (64.6% of the total number of units). The number of multi-family units, including duplexes, totals 1,638 units (approximately 29.6% of the total units).

Table 6.1: City of Orangeburg Housing Units by Type 2000-2015

	2000		2010		2015		Change 2010-2015	
Housing Units	**Units**	**% of Total**	**Units**	**% of Total**	**Units**	**% of Total**	**Units**	**% Change**
Single-family (detached)	3,396	65.6%	3,972	67.8%	3,570	64.6%	-402	-10%
Townhomes (SF attached)	N/A	N/A	395	6.7%	247	4.5%	-148	-37%
Multi-Family								
2-4 Units per Structure	N/A	N/A	*1,055*	*18.0%*	*1,159*	*21.0%*	*+104*	*+9%*
5+ Units per Structure	N/A	N/A	*422*	*7.2%*	*479*	*8.7%*	*+57*	*+13%*
Multi-family (Combined)	*1,619*	*31.3%*	*1,477*	*25.2%*	*1,638*	*29.6%*	*+161*	*+10.9%*
Manufactured Home, Mobile Home or Other	161	3.1%	36	0.6%	72	9.4%	+36	+100%
TOTAL	**5,176**		**5,860**		**5,527**		**-333**	**5.7%**

Sources: U.S. Census 2000 and 2010, and American Community Survey 2015
* Note: Year 2000 Census housing unit numbers are for occupied housing units. Information for 2010 and 2015 include vacant housing units.

Single-family detached homes continue to make up the largest share (64.6%) of the housing stock in 2015. The ratio of single-family units to other forms of housing dropped from 82% in 1970 to 65.6% in 2000. Although it rose during the first decade of the century, it dropped again through 2015. The 2015 American Community Survey estimates show a significant drop (10%) in the total single-family housing stock between the 2010 Census and the 2015 ACA estimates. A significant element of this change was the expansion of SCSU housing outside the city limits and the replacement of housing units in the city by non-residential uses as many older single-family houses become too expensive to maintain or improve as residential uses. The growth of university institutions as they expanded to accommodate new classroom, administrative, and support functions also reduced the number of older residential units inside the city limits.

The changes between the Census count and the more recent ACA estimates also may indicate some difficulties in determining whether a housing unit was actually counted inside the city or in the unincorporated county during and since the 2010 census In addition, the 2010 Census occurred in the middle of the recession and counts may have been more difficult to verify. However, in every consideration the number of housing units in the City declined between 2010 and 2015.

Although both the total number of housing units and the number of single family housing units declined, the numbers of duplex and multi-family housing types increased. Therefore, the percentage of single-family housing as a component of the total housing stock in the City dropped. The 2006 Comprehensive Plan noted that the there may have been greater acceptance by local residents and officials to accept multi-family dwellings and manufactured homes as reasonable alternatives to more expensive "stick-built" housing construction at that time. Multi-family and manufactured homes are considered to provide lower cost alternatives for persons who cannot afford traditional construction, and between 2000 and 2006, multi-family housing accounted for 61% of all new residential permits issued by the City. The 2007-2011 Recession appears to have slowed the demand for all types of housing development that began in the 1970s, as more stringent lending practices and security requirements restricted the availability of mortgage funding. More recently, national and regional trends appear to show some revival of the housing market in and close to major cities, especially for multi-family housing and higher income single-family homes.

The City may expect the market share for alternative, lower cost multi-family and manufactured home dwelling units to continue into the future if zoning and permitting are acceptable to City decision-makers. The City must consider ensuring the health, welfare, and safety of all forms of housing, including an appropriate share of multi-family homes, to support and enhance property values as one of the primary revenue sources for continued City operations through property taxes.

However, one of the major challenges posed by the expansion of manufactured housing as a portion of all housing units involves reconciling differences between how these units and traditional site-built, single-family housing development are valued and taxed. Local public service providers are concerned that manufactured housing rarely generates sufficient financial resources to offset the cost of public services received due to the depreciation (or slower financial appreciation) of the manufactured dwelling units. As proportionate numbers of manufactured units grow, local governments must consider the implications of revenues compared to expenses to serve additional manufactured housing units. In 2000 the median value of manufactured housing in the City of Orangeburg was only $31,000, according to the US Census. A 2012 national insurance study identified the median value for a manufactured home remained close to $31,000. The median value of all housing units located in the City of Orangeburg in 2010 was $123,500 (US Census, and the ACA estimated the median value in 2015 was $125,400.

In light of the above discussion, community planning within the City should consider maintaining an appropriate balance of all housing types to accommodate the housing requirements of current and future Orangeburg residents and to ensure that the aesthetic, cultural, and financial impacts of likely increases in multi-family and manufactured homes within the City do not interfere or harm the health, safety, or welfare of existing community lifestyles and housing patterns.

Table 6.2 provides ten years of building permit data in the City of Orangeburg between 2007 and 2016. The American Community Survey says that less than 100 housing units were constructed within the City between 2010 and 2015, and about 500 units were constructed between 2000 and 2010. The effects of the national recession and out-migration from the older housing developments within the city can be seen in the drop off in permitted housing units and the ACS estimates. The permit activity shows that multi-family permits also dried up during the recession, but finally began to recover in 2015. In place of growth within the City, the number of housing units permitted in the County has increased, but has not grown within the city. However, the market for higher-density housing types has rebounded to some extent, as multi-family permitted units now exceed single family unit permits.

Table 6.2: City of Orangeburg Building Permits (Units) 2007-2016

Housing Units	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Single Family	4	6	5	10	5	3	3	5	3	2
Two Family	0	2 units	2 units		8 units					4 units
Multi-Family (3 or more family)	3 units	4 units		14 units					44 units	
Total Residential Units	**7**	**12**	**7**	**27**	**13**	**3**	**3**	**5**	**47**	**6**
Non-Residential	1	1	3	3		1	1	2	4	4

Source: City of Orangeburg Building Permits (Units) with Input and Estimates

6.2 OCCUPANCY AND TENURE

Housing occupancy refers to the proportion of housing units that are occupied or vacant. Tenure refers to the status of a housing unit as either owner occupied or rental occupied. Vacant housing can be either for sale or for rent. Rental housing units typically have a vacancy rate 3-4 times the level of owner-occupied housing due to the regular turnover of leases and mobility of the rental population.

Table 6.3 shows occupancy and tenure of housing in the City of Orangeburg between 2000 and 2015. Excluding vacant housing units, approximately 43% of the occupied housing units in Orangeburg were owner-occupied in 2015. Housing tenure in the County was 68% owner-occupied and slightly higher (69%) in the State of South Carolina. Owner occupancy in Clemson, SC was 42%, in Gaffney was 56%, in Conway was 60%, in Newberry was 47% and it was 45% in Greenwood, SC.

Table 6.3: City of Orangeburg Housing Occupancy Characteristics 1970-2015

Category	1970		1980		1990		2000		2010		2015 (est.)	
	Units	% of Total	Units	% of Total	Units	% of Total	Units	% of Total	Units	% of Total	Units	% of Total
Owner Occupied	*1,974*	49%	2,541	49%	2,483	46%	2,383	46%	2,540	43%	1,943	35%
Renter Occupied	*1,819*	45%	2,178	42%	1,963	41%	2,129	41%	2,471	42%	2,606	47%
Occupied, Total	***3,793***	***94%***	***4,719***	***91%***	***4,446***	***89%***	***4,512***	***87%***	***5,011***	***86%***	***4,549***	***82%***
Vacant	261	6%	495	9%	415	9%	656	13%	849	14%	978	18%
Total Housing Units	**4,054**	**-**	**5,214**	**-**	**4,798**	**-**	**5,168**	**-**	**5,860**	**-**	**5,527**	**-**

Source: US Census 1970-2010, American Community Survey 2007-2015

The Vacancy rates in Orangeburg increased from 12% in 2000 to 18% in 2015. A review of American Community Survey statistics shows that the vacancy rate in owner-occupied single family housing in Orangeburg has increased steadily over the last seven years. During the later part of the national recession and foreclosure crisis (2013), the city's vacancy rate (14%) was lower than the vacancy rate for the State of South Carolina (17%).

Over time the largest category of housing continued to be owner-occupied, single-family housing units through 2010. However, the difference between owner-occupied and renter-occupied steadily dwindled until 2011 when multi-family rental housing units overtook owner-occupied units within the City limits. Orangeburg's home ownership percentage decreased to 35% in 2010. The rate of home ownership is considerably lower in the City than it is in the County. The percentage of owner-occupied homes in Orangeburg (about 43% of occupied homes) is significantly lower than Orangeburg County (69%) or the State of South Carolina (68%) levels in 2015. This situation is not unusual as municipalities frequently provide a greater share of the rental housing market than do unincorporated areas.

The City's housing stock declined by eight percent between 1980 and 1990, but recorded an increase of 22 percent between 1990 and 2010. The number of owner-occupied units went up by only 2.5 percent during this period, but the number of multi-family units went up by 26%. Although the increase in home ownership was small, increased home ownership is a healthy sign, as ownership generally translates into neighborhood stability, upkeep and pride.

6.3 AGE AND STRUCTURAL CONDITION

In the absence of individual housing inspections or a complete city-wide survey, structural conditions of the City's housing stock are estimates that cannot be assessed with any high degree of accuracy. However, the housing values previously addressed, and a review of the Ameri9can Community Survey provide some indications.

The 2010 census identified no occupied dwellings lacking complete plumbing facilities and four lacking complete kitchen facilities. Both were less than 0.1% of the city's housing stock. The 2015 ACS estimates expected 34 and 42 units in these categories, but these statistical estimates still show these deficiencies in less than one percent of the housing in the City. A windshield survey of the community in 2005 identified several neighborhoods as having structurally deficient housing. These neighborhoods are identified as Target Rehabilitation Neighborhoods. These areas were identified in the 1998 and 2006 Comprehensive Plans, but have been reduced in size and extent of deterioration since then.

Over time, many substandard homes in these areas have been removed and/or replaced with in-fill housing, as conditions overall have improved. An updated windshield survey in 2017 affirmed the improvements although many older homes continue to need rehabilitation.

The condition of older housing stock is an issue that needs consideration. The age of housing units is used often as an indicator for determining housing conditions as older homes are more likely to pose fire hazards, have lead paint, may have dangerous code violations, or may be structurally deficient in some way. Ten percent (10.3%) of the housing stock within the City was built prior to 1940. The median age of housing in the City of Orangeburg appears to be about Year 1971 (About one-half of the extant homes in the City were built before 1971 and one-half after). In other words, about half the housing stock is approaching 50 years old. Housing built prior to 1965 is potentially eligible for the National Register of Historic Places (the rough rule of thumb for historic status is 50 years of age). This represents roughly 45% of the city's housing stock. More information about the city's historic structures is provided in Chapter 6, Cultural Resources.

Many new regulations and safety codes have been added to construction requirements over the past 45-50 years and the median age could be a possible indicator of substandard conditions. Although all older homes cannot be considered to be substandard, the age of these structures shows a potential for becoming substandard and the costs of maintenance for these homes can generally be considered to be greater. As identified in the 2006 Comprehensive Plan for the City, a HUD publication (May 2001) entitled: Barriers to the Rehabilitation of Affordable Housing, Volume I investigates and estimates the extent of substandard housing conditions nationally**.** The publication profiles and estimates the need for rehabilitation intervention by race and income status of occupants, tenure, and age of housing, among other characteristics. Of the 5,527 housing units reported for Orangeburg in the 2015 ACS Survey, we estimate about four percent may require major rehabilitation, about one in ten needs moderate rehabilitation, and about 30% can make do with only minor rehabilitation.

Table 6.4 reports the age of the housing stock in the City of Orangeburg based on the American Community Survey. Approximately half of Orangeburg's housing was built since the 1980s. However, the rate of new housing growth in and around Orangeburg slowed considerably beginning in 2007 due to the national recession. The recovery in housing had not made much progress as of the 2015 ACS statistics.

Table 6.4: City of Orangeburg Housing by Year Built

Year Structure Built	Units	% of Total
Built 2010 or later	93	1.6%
Built 2000 to 2009	397	7.2%
Built 1990 to 1999	535	9.7%
Built 1980 to 1989	771	13.9%
Built 1970 to 1979	1,127	20.4%
Built 1960 to 1969	852	15.4%
Built 1950 to 1959	848	15.3%
Built 1940 to 1949	335	6.1%
Built 1939 or earlier	569	10.3%
TOTAL	5,527	

Source: US Census Bureau, American Community Survey 2015

Table 6.5: City of Orangeburg Substandard Housing 2015

Housing Condition	Units	%
Occupied housing units	4,549	
Lacking complete plumbing facilities	34	0.7%
Lacking complete kitchen facilities	42	0.9%
No telephone service available	126	2.8%

Source: US Census Bureau, American Community Survey 2015

About 60% of the housing units built before 1940 (569 units) require some type of rehabilitation. This is about 15 to 20% more than the figure cited for all housing. Approximately 42% of the housing stock built after 1980 is in need of repair.

Another factor in evaluating the condition of housing is if there is a lack of complete plumbing and/or kitchen facilities. Table 6.5 reports less than 1% of the housing units are without these facilities in Orangeburg. This proportion of homes without plumbing or kitchens is generally in line with the county and the state. Lack of telephone service is another measure of housing quality that also reflects economic stability. However, the increasing ubiquity of cell phones and programs to ensure access to subsidized cell phone services for emergencies make this issue less viable as a measure.

6.4 HOUSEHOLD SIZE

Over many decades the number of households has increased at a higher rate than the population throughout the United States as a sustained reduction in household size has occurred. Orangeburg has seen a similar reduction over the long term

Table 6.6: Persons in Household s and Group Quarters (City of Orangeburg)

1970-2010	1970	1980	1990	2000	2010	2015 (estimated)	% Change 1970-2015
Number of Households	3,793	4,719	4,383	4,512	4,945	4,549	20%
Persons Per Household	3.0	2.56	2.42	2.24	2.27	2.45	-18%
Persons in Households	11,451	12,093	10,593	10,267	13,964	13,415	-17%
Persons in Group Quarters	1,801	2,900	3,146	2,498	2,739 (est.)	2,270 (est.)	26%

Source: U.S. Census, General Population and Housing Characteristics, Selected Years and ACS 2015.

Table 6.7: Comparison of Household Size

	Orangeburg City	Orangeburg County	South Carolina
Average Household Size 2015	2.45	2.19	1.68
Average Household Size 2010	2.82	2.19	2.49

Source: US Census Bureau, American Community Survey 2015 and US Census 2010

From 1970 to 2010, the number of persons per household in Orangeburg dropped from 3.00 to 2.27 albeit a slight increase occurred between 20010 and 2015 to 2.24. Overall the average household size reduced by approximately 18%. At the same time the population declined by 7.5%, but the actual number of households increased by 17%.

Households are projected by the U. S. Bureau of Census to become even smaller in the future as national trends show a stronger increase in households than in population. Census projections show an increase of 13.6 million households between 2015 and 2015 and 11.5 million households between 20125 and 2035. Aging and immigration are expected to continue to have the largest influence on future household growth, although adult population growth levels are expected to peak and begin to moderate after 2025. The greatest increase is anticipated to occur in older households and non-Hispanic whites.

Using national trend lines as a measure of what to expect in Orangeburg, the future household size is projected to continue declining to approximately 2.0 persons per household by the year 2025. The trend toward smaller households may help the local housing industry by generating a need for more housing units to accommodate the smaller numbers of people in each household. Although many of the new units in the greater Orangeburg community have been constructed outside the city limits, future growth of units for older residents and one or two-person households can be an objective for City actions to attract in-town investment.

Also, it is herein noted that households may include all persons who occupy a housing unit, but not all households are considered to be families. By definition, a family consists of a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. A household can contain only one family.

Approximately 52.4% of households in the City of Orangeburg consist of families. About 26% of these households have children under the age of 18 living at home. The remaining 74% have no related children under 18.

About 47.6% of the total households are considered to be non-family households, and most of these households (about 88%) constitute one-person households. Thus, about 42% of all households in the City are one-person households. Non-family households are more prevalent in the City than in the urban area outside the City because the City's population is older, with 15% at or over age 65, and the many students that reside in the City that attend Claflin and South Carolina State Universities. These two sectors make up most of the non-family households, either residing alone or as unrelated groups.

Overcrowding

The Census defines overcrowded housing as having an average of 1.01 or more persons per room; and severely overcrowded as having 1.51 or more per room. Table 6.8 show the number of overcrowded housing units in Orangeburg as compared to the metro area and state. Orangeburg had a higher percentage of overcrowded and severely overcrowded housing units in 2013 than the surrounding region and state.

Table 6.8: Overcrowded Housing Units 2015

	Orangeburg		Metro Area		South Carolina	
Column	Units	%	Units	%	Units	%
Overcrowded (1-1.5/Room)	514	1.4%	2,428	0.9%	23,865	1.3%
Severely Overcrowded (>1.5/Room)	297	0.8%	1,576	0.6%	7,582	0.4%
Total Overcrowded Units	**811**	**2.2%**	**4,004**	**1.5%**	**31,447**	**1.8%**

Source: U.S. Census Bureau, American Community Survey 2015.

6.5 HOUSING COSTS

The financial characteristics of owner-occupied housing in Orangeburg indicate that a majority of such homes are structurally sound. Approximately 7.4 percent of all owner-occupied housing units were valued at less than $50,000 in 2010. The median value of owner-occupied dwellings in 2010 was $76,500 in the City, compared with the State median of $83,100.Although the percentage of owner-occupied housing units valued less than $50,000 in Orangeburg had grown to 9% in 2015, the number of units was (174) 15 fewer units than five years before. Approximately 4.9% of housing units statewide were valued at less than $50,000, but 20.5% of the units without a mortgage were valued at less than $50,000. This shows that many older housing units that have been “paid off” have declined in value significantly below the state or national median values.

Between 2010 and 2015, the median value of houses sold in Orangeburg decreased by $100 to $125,400. The median value of the houses sold in the United States was about $225,000, but only about $145,300 in South Carolina. This illustrates that Orangeburg owner-occupied housing values and costs are significantly lower than the national averages; and still about 15% lower than the state median. However, many of the houses sold in the state were new units near the three major metropolitan areas. Only about 56% of owner-occupied houses in Orangeburg have a mortgage compared to the statewide average of 65%.

Table 6.9: Housing Value Financial Characteristics

City of Orangeburg	1990		2015		Change 1990-2015	
Owner Occupied Housing Unit Value	Units	%	Units	%	Units	% Change
Less than $50,000	764	36%	174	9%	-590	-77%
$50,000-$99.999	1,103	52%	600	31%	-503	-46%
$100,000-$149,999	181	8%	507	26%	+326	180%
$150,000-$199.999	49	2%	393	20%	+344	802%
$200,000-$499,999	40	2%	250	13%	+210	525%
$500,000 and more	2	0.1%	19	1%	+17	805%
Total Overcrowded Units	**2,139**	**100%**	**1,943**	**100%**	**-196**	**-9%**

Source: U.S. Census Bureau, 1990 Census and 2015 American Community Survey

Gross rent includes the amount of contract rent plus estimated average monthly utility costs. Gross rent is used as a measure in order to eliminate discrepancies in rent that result from the inclusion of utilities in some rental agreements. For homeowners, the US Census provides data on selected monthly owner costs, including utilities, fuel, condo fees, and insurance. For the purpose of this analysis, housing values are examined in order to assess the impacts of the national recession and housing market crash.

Average gross rents in Orangeburg were about $660 in 2015 compared to about $1,150 per month in South Carolina and a national median of $1,500 per month. This disparity is primarily caused by the large number of student-occupied rental housing units in the City. About 89% of the rental units pay less than $1,000 per month gross rent.

RENTAL COSTS

Table 6.10 shows the distribution of gross rents within the City of Orangeburg and Orangeburg County. The median gross rent in 2015 in Orangeburg was $659 as compared to $790 in Orangeburg County and in both the Columbia and Charleston-North Charleston metropolitan areas. Since the national recession, rental costs have increased more moderately in Orangeburg (3.4%) compared to the Columbia or Charleston-North Charleston metro areas (about 4.5% in each area).

Table 6.10: Gross Rent 2015, Orangeburg, Orangeburg County, and South Carolina

	Orangeburg City		Orangeburg County		South Carolina	
Gross Rent	**Units**	**%**	**Units**	**%**	**Units**	**%**
Less than $500	584	24.5%	2,131	25.1%	76,690	14.9%
$500 to $999	1,537	64.4%	5,417	63.5%	302,285	58.6%
$1000 to $1499	210	8.8%	817	9.6%	103,392	20.0%
$1500 to $1999	56	2.3%	0	0.0%	22,191	4.3%
$2000 or more	0	0.0%	7	0.1%	12,035	2.2%
Occupied units paying rent	18,465		23,354		515,803	
Median Gross Rent						
2015	$659		$790		$790	N/A

Source: US Census Bureau, American Community Survey 2015

HOUSING VALUES

Table 6.11 shows the distribution of housing values across Orangeburg, Orangeburg County, and South Carolina. Housing values in the City of Orangeburg are considerably less expensive than the surrounding region. As of 2013, the median housing value in the City of Orangeburg was $136,600 as compared to $241,500 in Orangeburg County and $187,700 across the State. Beginning in 2008 a crash in the national housing market triggered a severe recession that has continued to depress housing values and the economy in general. Between 2007 and 2013, housing values in Orangeburg declined 10% after accounting for inflation.

Table 6.11: Housing Value 2013 (Owner-occupied Units), Orangeburg, Orangeburg County, and South Carolina.

	Orangeburg City		Orangeburg County		South Carolina	
Housing Value	**Units**	**%**	**Units**	**%**	**Units**	**%**
Less than $50,000	174	9.0%	5,806	2.5%	176,310	14.2%
$50,000 to $99,999	600	30.9%	7,191	4.4%	249,794	20.1%
$100,000 to $149,999	507	26.1%	3,930	8.3%	243,422	19.6%
$150,000 to $199,999	393	20.2%	2,591	21.9%	198,547	15.9%
$200,000 to $299,999	163	8.4%	2,086	24.2%	189,459	15.2%
$300,000 to $499,999	87	4.5%	1,157	17.9%	120,494	9.7%
$500,000 to $999,999	9	0.5%	174	11.4%	52,301	4.2%
$1,000,000 or more	10	0.5%	150	9.4%	14,671	1.2%
Total Units	1,943		23,085		1,244,998	
Median Value	$125,400		$87,600		$139,900	

Source: US Census Bureau, ACS 2013

COST BURDENED HOUSEHOLDS

The Census defines 'cost burdened' as spending 30% or more of one's income on housing. Analyzing the incidence of cost burdening in a community helps to identify the need for affordable housing and other supportive programs for low-income households. Table 6.12 shows the percentage of housing units that are cost burdened in the City of Orangeburg, Orangeburg County, and South Carolina. Despite the lower housing costs in Orangeburg, the City has a higher proportion of cost burdened households (37.2%). This is higher, but comparable to Orangeburg County (30.4%) and the State of South Carolina (30.3%). The low income level of many residents within the City of Orangeburg appears to illustrate that many residents still struggle to afford housing.

Table 6.12: Cost Burdened Households 2013, Orangeburg, Orangeburg County, and South Carolina

	Orangeburg City		Orangeburg County		South Carolina	
Cost Burdened Households	**Households**	**%**	**Households**	**%**	**Households**	**%**
Rental Households	1,204	54.2%	4,307	54.6%	260,682	52.0%
Owner Households with Mortgage	350	28.9%	3,776	36.5%	225,458	30.4%
Owner Households without Mortgage	137	19.5%	2,064	17.2%	63,327	12.9%
Total Cost Burdened	**1,691**	**37.2%**	**10,147**	**30.4%**	**549,467**	**30.3%**

Source: US Census Bureau, American Community Survey 2013

6.6 AFFORDABLE HOUSING PROVIDERS

SOUTH CAROLINA COMMUNITY LOAN FUND

The South Carolina Community Loan Fund is an independent 501(c)3 non-profit corporation that provides capital to assist non-profit organizations, government entities, and private developers in developing affordable housing. The Community Loan Fund, which grew out of the widely recognized Mayor's Council on Homelessness and Affordable Housing, was created to foster a regional approach to the need for housing. The Fund receives and leverages funding from several sources, including local, state, and federal government and private donors and makes the funds available to eligible affordable housing projects across the State of South Carolina through zero and low-interest loans awarded through a competitive application process. The funds can be used for predevelopment costs, site acquisition, construction funding, and gap financing for affordable housing to serve citizens with incomes primarily below 80 percent of the Area Median Income (AMI).

The SC Community Loan Fund actively promotes policies that reduce unnecessary regulatory barriers to affordable housing production; supports experienced affordable housing developers; and works to increase the capacity of newcomers. The Fund accomplishes its mission by providing education on the need for affordable housing, advocating for the removal of regulatory barriers to affordable housing production, encouraging the inclusion of affordable housing in local developments, and the financing of affordable housing projects. Additional financial and technical assistance is available to affordable housing developers and municipalities through a variety of loan, incentive, and development programs.

HABITAT FOR HUMANITY

Orangeburg Habitat for Humanity is a locally run affiliate of Habitat for Humanity International, a nonprofit, ecumenical Christian housing organization. Local citizens concerned with the large quantity of people living in substandard housing have participated in expanding the construction of suitable homes throughout the country. Habitat for Humanity works in partnership with people in need to build decent, affordable housing. The houses then are sold to those in need at no profit and with no interest charged. Volunteers provide most of the labor, and individual and corporate donors provide money and materials to build Habitat houses. Partner families themselves invest hundreds of hours of labor - "sweat equity" - into building their homes and the homes of others. Their mortgage payments go into a revolving Fund for Humanity that is used to build more houses. In addition to helping build affordable housing, Habitat for Humanity administers a program for homeowner home rehabilitation. Since 1991, Edisto Habitat for Humanity in Orangeburg has built 75 new homes, and provided training for new homeowners, financing for 25 years with no interest loans, and recycled mortgage payments through a revolving fund.

6.7 HOMELESSNESS

Homeless shelters provide crucial emergency housing for the most vulnerable and lowest income residents. Because many of the homeless suffer from multiple afflictions such as substance abuse and mental illness, it is important to include social services within homeless care programs. This holistic, comprehensive approach is referred to as a continuum of care. The US Department of Housing and Urban Development (HUD) provides some support to homeless service providers through its Continuum of Care Homeless Assistance Program.

Assessing the extent of the homelessness problem is inherently difficult given the problem of counting transient populations. Under the HUD Continuum of Care program, housing and service providers are required to participate in an annual point in time count of the people who are homeless in their community. This count is conducted every two years during the last two weeks of January. At this time, homeless service providers tally the population in shelters and volunteers attempt to locate unsheltered homeless individuals. The 2013 South Carolina Homeless Count found a total of 6,035 homeless individuals statewide on the day (1/24/13) of the survey. A more recent annual count estimated 5,050 persons experiencing homelessness in South Carolina in 2016. Approximately 24% of the homeless were unsheltered. The count was conducted by various agencies throughout the state, including the Midlands Area Consortium for the Homeless (MACH) for 14 Midlands counties. The number of homeless in Orangeburg County was seven in emergency shelters, 39 in transitional housing, and two unsheltered in the report for the 2016 count.

6.8 AFFORDABLE HOUSING PROGRAMS

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Federal Community Development Block Grant (CDBG) program was established in 1974 when a series of categorical assisted housing programs were effectively folded into a block grant directly to larger urban areas and to states for distribution to smaller places. The grants are restricted to benefiting lower income persons. Although CDBG grants are not restricted to housing, the fact that the source of initial funding superseded housing programs established a political claim in favor of grants being used for housing. Because of the flexibility that the grant recipients have in using CDBG funds, entitlement communities must submit an Annual Action Plan to the United States Department of Housing and Urban Development (HUD) stating how the anticipated CDBG funding would be used to further the goals of the Consolidated Plan. The City of Orangeburg receives CDBG funds as a sub-recipient of Orangeburg County.

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

The HUD HOME program provides formula grants to States and localities that communities are used—often in partnership with local nonprofit groups—to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.

HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. Each year it allocates approximately $2 billion among the States and hundreds of localities nationwide. HOME funds are awarded annually as formula grants to participating jurisdictions. HUD establishes HOME Investment Trust Funds for each grantee, providing a line of credit that the jurisdiction may draw upon as needed. The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancement, or rental assistance or security deposits. The City of Orangeburg receives HOME funds like CDBG funds, as a sub-recipient to Orangeburg County's allotted entitlement.

Participating jurisdictions may choose among a broad range of eligible activities, using HOME funds to provide home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers; build or rehabilitate housing for rent or ownership; or for "other reasonable and necessary expenses related to the development of non-luxury housing," including site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses. Public housing agencies may use HOME funds to provide tenant-based rental assistance contracts of up to 2 years if such activity is consistent with their Consolidated Plan and justified under local market conditions. This assistance may be renewed.

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

Under the HUD Section 8 Housing Choice Voucher program, tenant-based vouchers increase affordable housing choices by allowing low-income families to choose and lease affordable privately owned rental housing. According to HUD, the Public Housing Authority (PHA), who usually administers the program, pays the owner the difference between 30 percent of adjusted family income and a PHA determined payment standard or the gross rent for the unit, whichever is lower. Eligibility for the Section 8 Voucher program extends to "very low-income" families (incomes below 50% of AMI).

At the national level, housing vouchers are now the preferred housing subsidy program or low-income households. Housing vouchers have the advantage of allowing residents choice in where they live, providing that a landlord is willing to participate in the program. Vouchers can also alleviate some of the problems of concentration of poverty associated with large high-density public housing complexes. Local housing authorities are also freed of the responsibility to maintain subsidized housing under voucher systems. However, careful administration of Section 8 programs is necessary in order to ensure that housing conditions are adequate and families are not re-concentrated.

Supportive Housing Programs for the Elderly (Section 202) and for Persons with Disabilities (Section 811)

Low-income elderly households are served through the Supportive Housing for the Elderly (Section 202) program, and low-income disabled households are provided assistance through the Supportive Housing for Persons with Disabilities (Section 811) program.

The Section 202 and 811 programs provide interest-free capital advances to private, nonprofit sponsors for the construction or rehabilitation and operation of residential projects (and their related support services) for the low-income and elderly/disabled to live in an independent environment. The advances do not have to be paid for 40 years as long as they serve the designated purpose. Residents in a Section 202 residence must meet the "very low-income" threshold (within 50% of AMI) and have at least one person who is 62 years or older in the household. Similarly, tenants in a Section 811 household must also meet the "very low-income" threshold and have at least one person who is 18 years or older with a physical or mental disability. .

South Carolina State Housing First Time Homebuyer Program

The South Carolina State Housing First Time Homebuyer Program makes purchasing a home more affordable for low-to-moderate income families and individuals by offering a fixed, below market interest rate mortgage loan. South Carolina State Housing also offers up to $4,000 to assist eligible borrowers with their down payment and closing costs.

Low Income Housing Tax Credit (LIHTC) Program

Created by the Tax Reform Act of 1986 to help offset the loss of accelerated depreciation for low-income rental housing, the LIHTC program was the only new construction program to replace the "Section 8 New Construction/Substantial Rehabilitation" program that was terminated in the early 1980s. Originally required to maintain low-income occupancy for 15 years, the period of performance was extended to 30 years in 1991.

The LIHTC program is implemented by the Internal Revenue Service (IRS) through state housing finance agencies. The IRS allocates the tax credits to states, which then allocate the credits to owners of eligible rental properties.

Tax credits must be used for new construction, rehabilitation, or acquisition and rehabilitation of low-income rental housing. The tax credit is a dollar for dollar reduction in the federal income tax liability of the owner, thereby reducing the amount of federal income tax the owner must pay. The LIHTC program not only provides for new housing construction, but also provides incentives for owners to maximize occupancy in their developments.

According to the IRS, "20% or more of the residential units in the project are both rent restricted and occupied by individuals whose income is 50% or less of AMI or 40% or more of the residential units in the project are both rent restricted and occupied by individuals whose income is 60% or less of AMI." Rent for housing under the LIHTC program is based on 30% of a family's annual income, less any deductions. Owners must comply with the established IRS regulations regarding applicant, resident, and unit eligibility or risk losing the credits.

6.9 AFFORDABLE HOUSING STRATEGIES

There are several strategies for expanding the supply and quality of affordable housing that can be applied within the City of Orangeburg. Given the scope of affordable housing needs in the city, it is advisable to apply a combination of strategies to be effective. Many of the innovative funding mechanisms for affordable housing are already in place through the South Carolina Community Loan Fund which serves as a national model for financing affordable development. In addition to using multiple tools to encourage affordable housing, it is also important to work with adjacent local governments and regional entities to address housing needs on a regional scale. This regional approach may help to avoid a concentration of low-income housing in one community.

VOLUNTARY INCLUSIONARY ZONING

"Inclusionary zoning" involves regulations that encourage the development and maintenance of affordable housing within a given community. While mandatory set asides of affordable housing are not permitted under South Carolina law, incentives for affordable housing within new developments may be a valuable tool to increase or maintain a stock of low-cost housing. Orangeburg has appropriate areas zoned for a dense pattern of development, and as the city considers design guidelines and architectural requirements, the effect of added regulations on housing costs should be considered.

Local *inclusionary* zoning requires or establishes a voluntary goal for new residential developments to earmark a proportion of housing units for lower-income households, and is dependent on private homebuilding industry to assist in meeting community needs for affordable housing. Communities that are concerned with affordability perceive inclusionary zoning as a productive approach to meeting real housing needs.

Affordable housing programs in other states have incorporated five elements that they recommend for effective inclusionary zoning:

- Designated size of the inclusionary percentage set-aside;
- Income targeting of the housing;
- Alternatives to construction of affordable units on site;
- Length of affordability; and
- Developer incentives.

The first element requires counties and municipalities to set the size of the development, by total number of housing units, which should be regulated or included in the inclusionary housing program.

Effective inclusionary zoning regulations should target specific income segments. Setting a target income involves defining what incomes the affordable housing program seeks to help and setting a percentage of affordable housing units that should be made affordable for this income class. These income segments should be based on the HUD definitions for Area Median Income in the local region.

Another successful strategy for implementing inclusionary zoning is to provide options for developers to donate money to build affordable housing units or build affordable housing off site from their development. The most common alternatives to onsite construction are in-lieu fees and land dedications.

Retention of affordable housing stock is one of the most important elements of an inclusionary zoning program. Monitoring and compliance mechanisms are necessary in order to track affordable units within mixed-income developments. Requirements for long-term maintenance as affordable units can prevent owners and landlords from reselling or re-renting units at market rate. Most inclusionary zoning systems do allow for affordable units to be eventually converted to market-rates.

DEVELOPER INCENTIVES

Developer incentives provide a market-based mechanism for encouraging the construction of affordable housing. Density bonuses are the most common form of compensation for affordable housing requirements. These bonuses allow developers to build at a higher density than residential zones typically permit in exchange for the inclusion of affordable units within the development. Alternately, the developer may be permitted to purchase density credits by paying into a local housing trust fund, such as the South Carolina Community Loan Fund. Massachusetts's zoning law recommends that the percentage of affordable units may be increased up to 15% of the covered residential development and the developer/builder shall receive a density bonus of up to 22% (based on a sliding scale).

Design flexibility also provides a method to encourage developers to offer affordable housing. It is important for affordable housing units to fit within the context of their surrounding neighborhoods. Mixed-income developments should strive to have units be indistinguishable from market-rate units. One such regulatory tool is to require identical or similar exteriors while allowing variations in internal features in order to facilitate financial feasibility for developers. Also, it is important that design guidelines within a zoning ordinance do not add excessive costs to construction and maintenance of housing.

Another developer incentive is the provision of fee waivers, which reduce or waive the fees levied on new development projects where affordable housing is included. Regulations may be set up to reimburse permit fees to a builder upon certification that the dwelling unit is affordable. Tap-in fees for public utilities such as water and sewer may also be reduced for affordable housing developments. For example, partnerships between non-profit housing developers and utility providers such as the Orangeburg Sewer District could create reduced sewer fees for affordable units.

Fast track permitting provides another possible incentive for developers to include affordable housing. This system can expedite affordable housing developments to help reduce costs and time delays in the construction permitting process. The “one-stop-shop” resource center for permitting that already has been implemented by the city can be tailored to include pre-approved design standards for affordable housing as part of efforts to facilitate affordable housing and reduce potential opposition.

6.10 FUTURE HOUSING NEEDS

Table 6.13 is based on the population forecast (Table 1.13), and a projected decline in the size of households, the future looks pretty good. Forecasts through the year 2025 show an increase of about 475 housing units (Note that this increase is in addition to the replacement of some existing units by new units in their place). This increase does not include annexation which should be expected to add to the existing housing supply. However, the increase should continue to outdistance population growth, based not only on decreasing household size, but construction of replacement housing lost from inventory over time (between ½ and one percent per decade).

Table 6.13: City of Orangeburg Future Housing Projections and Needs 2015-2035

Housing Type	2015**	2020**	2025**	2030**	2035**
Population	13,415	13,900	14,200	14,555	15,000
Total Housing Units	**5,527**	**5,800**	**6,000**	**6,210**	**6,465**
Single-family (detached)	3,570	3,500	3,540	3,580	3,600
Townhomes	247	400	540	600	660
Duplex (2-4 units)	1,159	1,159	1,020	1,000	1,000
Multi-family	479	675	845	1,030	1,160
Mobile Home or Trailer	72	65	55	52	45

Source: Robert and Company Housing Needs Forecasts *(Projected numbers in parentheses)*

The proportion of housing types was based on the mix of housing in 2013. However, the mix of housing types is likely to change as the city undergoes redevelopment. The number of manufactured housing units inside the city is likely to decline as older mobile home park properties are redeveloped for more appealing financial return on the land they occupy. Likewise, growth of townhome development is likely to increase the city's share of multi-family housing.

The Comprehensive Plan update assumes that the number of manufactured home housing units should be modified to show a decline by approximately two percent per year throughout the planning period. It is also assumed that these projections will be reallocated to a town home, duplex unit, or multi-family unit to be constructed in place of the manufactured home at a rate of 20% to townhomes, 20% to duplexes, and 60% to multi-family housing.

6.11 HOUSING GOALS AND POLICIES

CONCLUSIONS AND GOALS

From the preceding discussion we know:

(1) *The composition of housing has been changing, with manufactured and multi-family housing commanding an increasingly larger share of the market;*
(2) *The size of households is shrinking, giving rise to potential changes in housing unit size, and increasing the demand for more (albeit smaller) housing units ;*
(3) *The rate of owner occupancy has been declining; and*
(4) *Current housing conditions, while improving over time, still do not afford decent habitats for all City residents.*

Therefore, the following housing goals and strategies are recommended:

GOAL/OBJECTIVE	POLICY	ACTION	STATUS
Goal 6.1: Protect and Maintain the Existing Supply of Quality Housing and the Stability of Residential Areas	6.1.1: Prevent encroachment of incompatible land uses into established residential districts.	*Protect the investment in housing by local residents from incompatible development (Primarily through zoning and protection of the general welfare and sustainability of residential areas.)* *Not all land use is complementary to or compatible with residential development. As a result, any infringement by uses adversely*	*Neighborhood protection is one of the principal goals of any planning and regulatory program. It is no less important in Orangeburg. Where quality subdivisions are threatened by encroachment from "incompatible uses", a policy to prevent such encroachment has been adopted by the City. It is not enough that property be*

		affecting existing residential areas generally is met by resistance from affected home owners.	*zoned residential. Zoning can break down over time and often does.* *The City's adopted policy to guide the rezoning process helps ensure residential stability. It's inclusion in the Comprehensive Plan, a document adopted by ordinance, makes it official. This policy has the added clout of the state planning enabling act, which mandates that regulations shall be in accordance with the (comprehensive) land use plan.*
	6.1.2: Support home repair and maintenance programs,		Ongoing
	6.1.3: Support neighborhood organizations.		Ongoing.