

Executive Summary

Greenville Housing Fund (GHF), together with Greenville County Redevelopment Authority (GCRA), in response to the rapidly changing dynamic landscape for housing and its impact on reduced affordability commissioned this study and developing the resulting plan as a path forward to guide the entire community towards the most responsible and accountable way to not only increase supply of affordable units, but enhance the connection for our fellow citizens in need of housing that suites their income to affordable housing.

Affordable Housing Strategic Plan

Affordable housing has been on Greenville's radar for several years. Both the County and the City have focused their attention on monitoring the scope and impact of local affordable housing issues. When compared to other parts of South Carolina (e.g. Charleston, Hilton Head) and the country, Greenville's housing was viewed as reasonably priced from 2000-2010 when the area experienced modest housing growth. As Greenville's population growth rate increased, local affordability issues became more pronounced. The City was rapidly growing, and the County continued to grow at a healthy rate. The growth brought many benefits:

- New housing developments helped to diversify housing choice
- Significant business investment and job growth; and
- Quality place-making replete with a broad spectrum of cultural, recreational, and natural amenities

Greenville became one of the most desirable places to live and do business in the Southeast and in the nation. Greenville is projected to add 35,000 new households from 2018-2029. Much of this growth will occur in the upper income ranges (\$75,000 +). However, ten-year residential permit data for the City and County indicate that supply is not keeping up with new demand, let alone existing demand with evolving needs due to changes in family and age.

Two indicators that bear out Greenville's growing housing disparity are:

- There has been a steady decrease in for-sale housing inventory since 2013, and
- The length of resident tenure in both ownership and rental units is significantly longer than the national averages, indicating a reluctance or difficulty in finding suitable alternative housing

The City and County represent distinct housing markets. First, the sizes significantly differ, with approximately 163,800 households in the County and 28,700 in the City. Demand in the County is more likely family-driven while the City has higher non-family demand, although both markets have notable demand in both household types. This is reinforced by the fact that builders are more focused on delivering Single Family

Residential (SFR) housing product in the County, averaging 1,928 permits pulled annually over the past 3 years (2017-2019). In contrast, the City averaged 646 SFR permits and 123 Multi-Family Residential (MFR) permits annually during this same time. The County is weighted heavily towards SFR units while the City is oriented towards MFR units with smaller household sizes.

TAKEAWAYS

During this study, it was mentioned by local stakeholders that the affordable housing issue is primarily a City concern, and not significant in the County. The data does not bear this out. Both jurisdictions have several low-income census tracts. The County's low-income census tracts have 18,139 households that are cost-burdened compared to 5,880 respectively in the City. Affordable housing is both a City and County concern. In real numbers and logistically, the issue is somewhat more challenging in the County, due to the growing urban sprawl, growing cost of homes, and strain on resources. The following are the key takeaways that highlight the severity of the housing crisis in the county as well as the city.

Household Economic

- The City and County have a diverse range of demographic characteristics based on household size, income, and needs that can accommodate a variety of rental and for-sale housing options at affordable rates. Specifically, there are a growing number of younger households and empty nesters (significant growth projected for 65+).
- Approximately 85,000 Greenville households are at 80% AMI or below, of this group, approximately 46,000 are housing cost burdened.
- Housing Wage in Greenville required for a one-bedroom household is \$14.67. The Housing Wage for a two-bedroom household is \$17.27
- If working 40 hours per week, \$14.67 equates to \$30,513. Over 35,000 (6,900 of which are in the City) households are estimated to have an income below that amount.

Demand

- There has been significant growth in households since 2010 with only 22% of the growth in the City, the other 78% have been in the county. 77% of that total growth has been with households of only 1 or 2 people.
- There are many constraints on housing demand including a falling number of active listings on the market, an above average length of residency in rental units, limited for-sale product in various locations, and a limited variety in unit sizes.
- This demand and its constraints put a heavy burden on the existing market, driving prices up, and with a high value market more and more naturally occurring affordable housing is being lost to the market.
- Significant Lack of Multifamily Rental Affordable Housing Development
- Single Family development costs are increasing Multifamily Rental demand
- Multifamily Rental production inconsistent - demand significantly outweighs supply
- Significant demand for new affordable Multifamily Rental in transit corridors and near employment clusters

Supply

- The supply composition is different based on location as the City has more rental units (57%) than owner units, while the County is skewed heavily toward owner units (72%).
- There are a greater number of rental units that are priced at 80% AMI and below than owner units, with the greatest share being at 50%-80% AMI.
- Household Mismatch to Housing Unit Supply
- A disproportionate share of cost-burdened households are renters and households under the age of 35.
- Low-income neighborhoods have a higher percentage of one-person households than other neighborhoods.
- Inventory of one-bedroom or studios units is lacking, given the demand.

Greenville's Affordable Housing Strategic Plan 2020-2030 Focus Areas

This plan aims to preserve over 3,000 affordable homes and create over 10,000 units of affordable housing throughout the city and county over the next decade. It uses proven strategies designed to effectively address the shortage of affordable housing available to Greenville's low to moderate income households.

Housing Preservation (3,000 units)

- Through acquisition of naturally occurring affordable housing (housing without incentives).
- Utilizing and scaling up home rehabilitation loans and grants coupled with financial incentives
- Partnering with non-profits and the private sector to revitalize distressed homes for affordable resale/rental to address tax delinquent and heirs' properties while providing financial incentives to sellers

Housing Production (10,000 units)

- Build housing types left out of the market (requires larger subsidy the smaller the unit size)
- 1 & 2 bedroom needs for young families and growing senior population
- Expand joint venture private sector partnerships to increase supply
- Innovate through reduced regulation, costs, and financial incentives to lower the cost of housing thus reducing gap between cost and affordable rent/sales price

Housing Locations

Identified locations throughout the county, city, and municipalities for affordable housing in proximity to reduce urban sprawl, reduce service costs, and efficiently manage land.

- Commercial, Retail, & Office
- Services
- Employment
- Education
- Transit

Housing Tools

- Utilizing local, state, and federal tax credits and incentives
- Land banking
- Opportunity funds
- Innovative partnerships

Organizational Capacity

This plan cannot be done without cooperation and coordination with governments, non-profits, private development, and neighborhoods. To implement this plan and support these strategies, GHF is launching the Greenville Affordable Housing Coalition. The Coalition is comprised of 40 organizations with members from non-profits, neighborhoods, government, and private development to carry out these strategies.

CONCLUSION

We can drastically impact the future quality of life for many in our city and county with strategic local public investment and effective stewardship. This plan will create and preserve 13,000 affordable homes over the next decade. While it will require a significant local public investment, it also leverages multiple capital sources as well as the above strategies to reduce costs, encourage economic development, enhance economic mobility, and improve health and educational outcomes for years to come.

