



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

Bill Number: H. 3770 Amended by the House Ways and Means Economic Development Subcommittee on February 25, 2021
Author: G.M Smith
Subject: Emergency Rental Assistance Program
Requestor: House Ways and Means
RFA Analyst(s): Jolliff
Impact Date: March 1, 2021

Fiscal Impact Summary

This joint resolution establishes the South Carolina Emergency Rental Assistance Program and authorizes the expenditure of the Federal Funds received for the Emergency Rental Assistance Program. The South Carolina Housing Financing and Development Authority (S.C. Housing) is to administer the program to assist eligible households that are unable to pay rent and utilities due to the COVID-19 pandemic. Federal Funds expenditures for disbursements from the fund and administrative expenses are expected to increase by \$271,774,744.30. According to the agency, federal law permits the agency to expend up to ten percent of the funds for administrative expenses. The amount of expenditures for S.C. Housing to administer the program and contract for grant management services is currently unknown as the agency is still reviewing the bill. As additional information becomes available from the agency, we will update the impact statement.

Federal Funds revenue of S.C. Housing for the Emergency Rental Assistance Program is expected to increase by \$271,774,744.30.

Explanation of Fiscal Impact

Amended by the House Ways and Means Economic Development Subcommittee on February 25, 2021

State Expenditure

This joint resolution establishes the South Carolina Emergency Rental Assistance Program and authorizes the expenditure of the federal funds received for the Emergency Rental Assistance Program. S.C. Housing is to administer the program to assist eligible households that are unable to pay rent and utilities due to the COVID-19 pandemic. S.C. Housing is to obligate all funds authorized for the program by September 30, 2021. Further, the agency is directed to secure professional grant management services to assist with disbursing the funds and must use the contract awarded under Act 135 of 2020, which was to administer CARES Act funds.

An eligible household is defined as a renter household in which at least one individual:

- (a) qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship due to covid-19;

- (b) demonstrates a risk of experiencing homelessness or housing instability; and
- (c) has a household income at or below eighty percent of the area median.

These requirements are based upon the federal requirements, and the resolution specifies that should the federal requirements change, the state requirements are amended to conform.

The resolution also creates the S.C. Emergency Rental Assistance Program Advisory Panel to review and monitor the implementation and evaluation of the program and funding. The panel consists of:

- (a) the director of the Department of Administration, or his designee;
- (b) the director of the Office of Regulatory Staff, or his designee;
- (d) one representative recommended by the Association of Counties appointed by the board of directors of S.C. Housing;
- (e) one representative from the Affordable Housing Coalition of South Carolina appointed by the board of directors of S.C. Housing;
- (f) one representative from the South Carolina Association for Community Economic Development appointed by the board of directors of S.C. Housing; and
- (g) one representative from a utility provider appointed by the Public Service Commission.

According to published reports of the U.S. Treasury, South Carolina is to receive a total appropriation of \$346,020,970.50, with \$271,774,744.30 directly paid to the state, and the remaining appropriation allocated to counties directly as outlined below.

Federal Emergency Rental Assistance Payments to South Carolina

Total allocation	\$346,020,970.50
Eligible local governments	
Anderson County	\$6,125,838.80
Berkeley County	\$6,892,453.30
Charleston County	\$12,441,902.30
Greenville County	\$15,833,163.40
Horry County	\$10,708,257.10
Richland County	\$12,573,547.40
Spartanburg County	\$9,671,063.90
Payment to the State	\$271,774,744.30

Source: U.S. Treasury.gov; as of January 26, 2021

In addition to increasing Federal Funds expenditures for disbursements from the fund, this resolution will result in additional expenditures for S.C. Housing to administer the program. According to S.C. Housing, the agency is permitted to expend up to ten percent of the funds for administrative expenses. The agency anticipates that they will require additional personnel and operating expenses to administer the fund. The amount of expenditures is currently unknown as the agency is reviewing the bill. Further, the potential expenditure impact for the grant management contract is currently under review. As additional information becomes available from the agency, we will update the impact statement.

State Revenue

This joint resolution establishes the South Carolina Emergency Rental Assistance Program and authorizes the expenditure of the federal funds received for the Emergency Rental Assistance Program. Federal Funds revenue of the state is expected to increase by \$271,774,744.30 for appropriations from the federal government to South Carolina for this program.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director