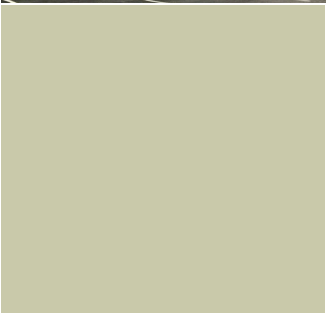
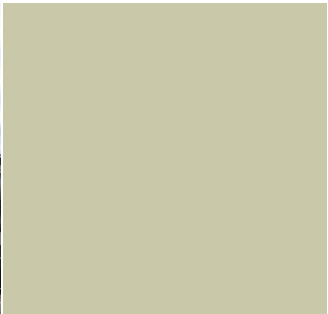


AFFORDABLE HOUSING STUDY

**CITY OF SUMTER, SOUTH CAROLINA
JULY 2019**



RKG
ASSOCIATES INC

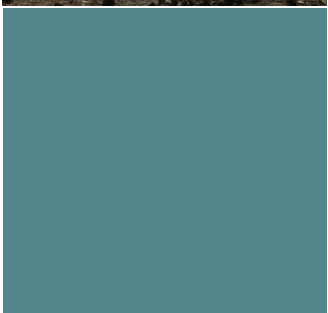


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Special Thanks To:

The Mayor and City Council of Sumter, the City Manager, the City’s Planning Department, Building Department, Community Development Department, and Code Enforcement Department for your leadership and data throughout the study. We would also like to thank the Sumter Board of Realtors for providing current and historic home sales data and the Sumter County Housing Authority for data related to public housing and voucher programs.

Each of the 20+ interviewees that took time to speak with us and discuss the challenges and opportunities facing the City of Sumter.

SUMTER AFFORDABLE HOUSING STUDY**EXECUTIVE SUMMARY**

The City of Sumter faces challenges in offering and encouraging affordable housing choices across the city. Demographic and economic changes as well as a shifting westward development pattern have resulted in a city that is divided economically and offers a different housing experience depending on where you live. Older neighborhoods in the city have experienced underinvestment and decline over recent decades, while newer recently annexed greenfield locations to the west with water and sewer availability have experienced growth and new home construction. As a result, the City of Sumter is experiencing several challenges within its housing market which include:

- The city's population has remained relatively flat for over thirty years.
- Households composed of one- and two-persons comprise a large share of households across the city and have grown in number over the last 30 years.
- The current supply of housing units is larger than the number of households in the city which has resulted in a high level of vacancy.
- The city has a high number of vacant housing units that are not for sale or for rent, with many in poor or hazardous condition. These units have not been maintained over time and many require substantial rehabilitation.
- Funding for housing renovation projects and demolitions are limited and have not kept pace with need and demand. Financial resources for housing programs are limited, forcing all levels of government to make tough decisions.
- The number of households that qualify for deed-restricted affordable housing outstrips the current supply, particularly for those households at or below 50 percent of area median income (AMI).
- Fifty-two percent of the owner-occupied housing stock was constructed before 1979 and those units may not have the layout, systems, or amenities today's homebuyers are looking for.
- Market demand and financial feasibility challenges make construction of new subdivisions more viable than renovating housing in older neighborhoods.

To address some of these issues, RKG compiled a set of strategies each informed by a city-wide and subarea analysis, interviews and focus groups, and an assessment of existing housing resources and programs. The strategies are presented across three time frames: short-term, mid-term, and long-term.

- **Short-Term**

- Consider Growth Management Tools - The City should consider growth management tactics such as limiting annexations, limiting water and sewer extensions, and identifying potential impacts of new subdivision approvals to help manage future growth.
- Create a Housing Committee - The City Council should create a Housing Committee with a diverse membership of housing experts who have a role in shaping housing in the City of Sumter. The Committee would meet to discuss goals, strategies, and implementation.
- Create Neighborhood Action Plans - The City should begin a systematic approach to creating Neighborhood Action Plans which would identify key issues within each neighborhood and an accompanying action plan to address those issues.
- Develop an Assessment of City Land and a Land Bank Strategy - The City and its partners should undertake a more comprehensive review of the parcels that are publicly held that could be used to leverage new development or to enhance a neighborhood through parks, open spaces, gardens, etc. The City should also work with Sumter County to identify parcels moving through land disposition and formalize a policy for right of first refusal to purchase.
- Develop a Demolition Strategy - The City should create a more neighborhood-focused, area acute demolition strategy to address the continued vacancy and blight issues across many of the city's older neighborhoods.
- Implement a Rental Registry Program - The City should implement a rental registry program to ensure landlords are held accountable for properties that do not meet the City's standard of living and quality. This would include both interior and exterior inspections.

- **Mid-Term**

- Advance Collaboration and Pooled Resource Conversations - Through a Housing Committee, identify partnerships and resources that could be pooled to have a larger impact and focus efforts on key priorities.
- Broaden Down Payment Assistance Program - The City should create a pool of funding for Down Payment Assistance that is available every year. This should be coupled with first time homebuyer education programs and credit counseling to minimize foreclosure risks.
- Audit Historic District Design Review Process and Regulations - The City should undertake an audit of the Historic Preservation Design Guidelines to ensure they are not limiting existing property owners, or prospective buyers, from investing in these historic homes that are integral to the community's character.

- Adjust Zoning and Other Regulatory Barriers - Based on neighborhood planning activities, the City should consider zoning changes that may incentivize or allow new housing types where appropriate. Zoning changes should respond to resident needs and desires for new housing types that are compatible with the existing character of the neighborhood.
- Consider Adoption of Inclusionary Zoning - The City should look at regulatory requirements such as inclusionary zoning that would require a percentage of housing units in a new development to be income restricted.
- **Long-Term**
 - Implement Neighborhood Action Plans - After Neighborhood Action Plans are completed the City should begin a process of layering funds, incentives, and investments in one or two neighborhoods to jumpstart the revitalization process.
 - Explore Single Product Purchase and Rehabilitation Loans - The City should begin discussions with lenders on how to create or package an acquisition and rehab mortgage product for homebuyers that would allow for the purchase of a home and allow for some flexibility to draw on funds for rehabilitation of the existing structure.
 - Increase Collaboration with Sumter County Housing Authority - The City should become a more proactive partner with the Housing Authority and other non-profit housing organizations in Sumter County to explore ways to provide additional affordable housing options to residents. The City should engage the Housing Authority in discussions involving the purchase/use of land, pooling of resources, and engaging private sector developers to look for ways of creating additional mixed-income housing across the city.

The body of this report provides a thorough examination of demographic, economic, and housing data which tells the story of how the city's housing market has changed over time. The report also includes a discussion of gaps, barriers, and challenges to the housing market; a review of housing resources, and more detailed information on housing strategies.

SUMTER AFFORDABLE HOUSING STUDY**DEMOGRAPHIC AND MARKET ASSESSMENT**

The City of Sumter's demographic and economic fortunes changed significantly over the last 60 years as the city experienced both a rapid growth and decline of fortunes. The consequences of these changes have led to many externalities which the City of Sumter is currently trying to address through this housing study. Demographic issues such as an aging population, changes in household composition, education levels, incomes, employment, and changes to the industrial economy are explored in this section of the report. Much of the analysis is grounded in data which is supplemented by knowledge gained from interviews with stakeholders described in more detail throughout this section of the report.

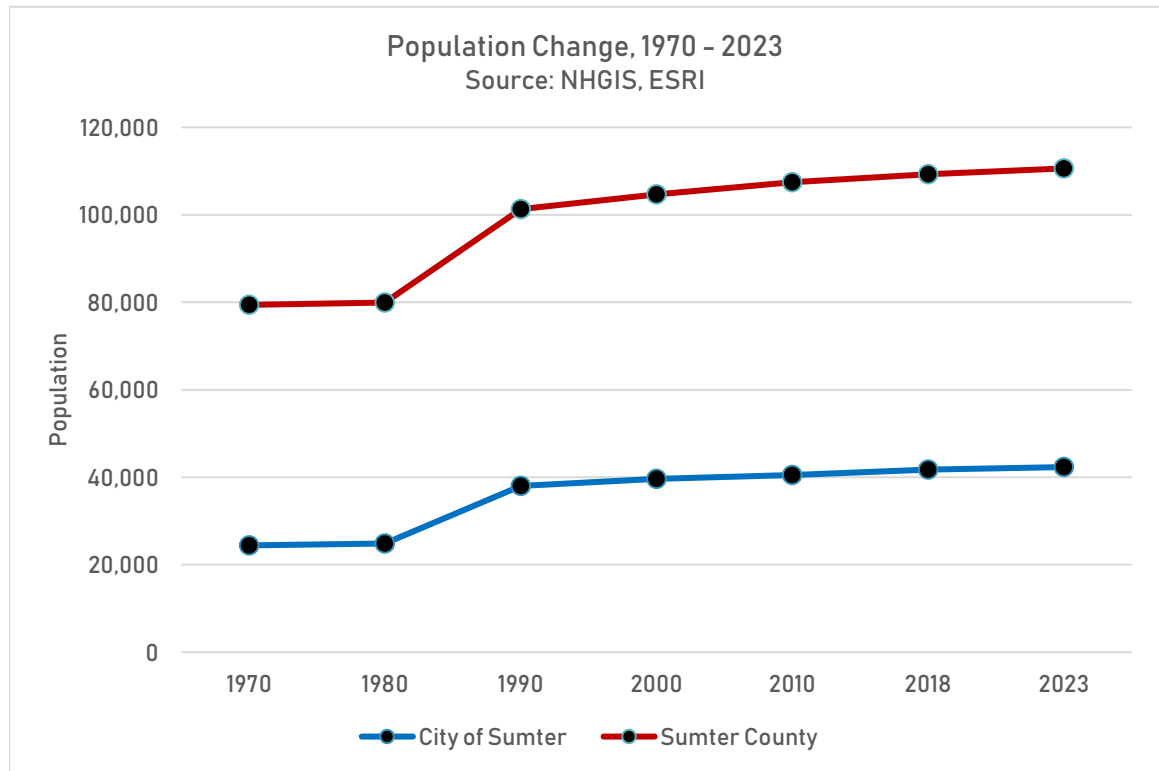
This demographic and economic baseline analysis section explores the fundamental issues with regard to changes in population, households, and employment. It provides the context and history of Sumter to set the stage for the housing market analysis which follows.

Population

The City of Sumter's population growth history shows a tale of two cities. Between 1970 and 1990 the population grew by 58 percent, rising from around 24,000 to about 38,000. The rapid population growth coincided with economic opportunities in manufacturing sectors, as well as personnel expansions at Shaw Air Force Base (Shaw AFB). Alongside population growth, was the growth in housing. To accommodate new population, subdivisions were planned and built, some of which were originally located in the county. But over time the city boundaries expanded through annexation to bring the subdivisions under city jurisdiction.

The next twenty-year period presents a different story. Between 1990 and 2010, the city population increased by 5 percent, going from 38,000 to about 40,000. During that time period economic changes occurred both locally and globally which created a slower rate of growth in the city than what was experienced in the past. Productivity changes in manufacturing, offshoring, and competition resulted in a structural change in the city's economy. As employment opportunities shifted or went away permanently, individuals also adapted; the result was a sharp contrast to the expansive era of growth. The changes in population and socioeconomics manifested itself most acutely in the housing stock, as individuals began to move around or outside of the city. Figure 1 shows population change from 1970 to 2023.

Figure 1: Population Change



The recent decade has seen the city’s population stabilize. As of 2017, the population was 40,286 which was about the same as in 2010.¹ Compared to the county with its modest growth, the city’s population remains relatively unchanged. Looking forward, the population of Sumter is projected to increase by 1 percent between 2018 and 2023, or about 579 residents. Compared to the statewide growth projection of 6 percent, city’s growth is much lower. Similarly, the county is expected to grow at a rate of 1 percent.

Table 1: Projected Population				
Community	2018 Estimates	2023 Projections	Change	Percent Change
City of Sumter	41,753	42,332	579	1%
Sumter County	109,312	110,605	1,293	1%
South Carolina	5,108,693	5,437,217	328,524	6%

Source: ESRI, 2019

Population changes have not been consistent across the city with neighborhoods on the east side losing population while the west side has gained. Some neighborhoods and areas in the city have experienced significant disinvestment and population loss; these subareas will be discussed

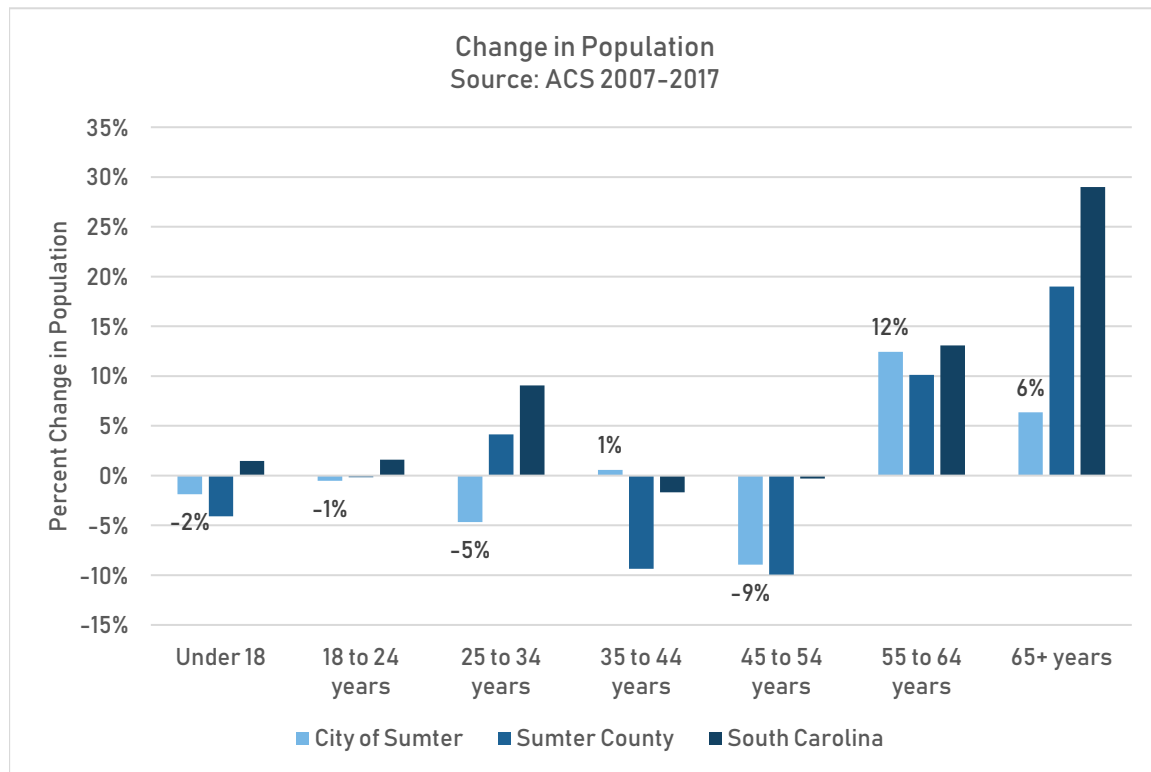
¹ ACS 2013-2017

individually in the report. From a population growth standpoint, the west side of the city is where most of the population growth is occurring and where new neighborhoods and subdivisions are being built. Areas such as east and south Sumter are experiencing population loss due to the closure of major employment nodes and the declining conditions in these neighborhoods.

Population by Age

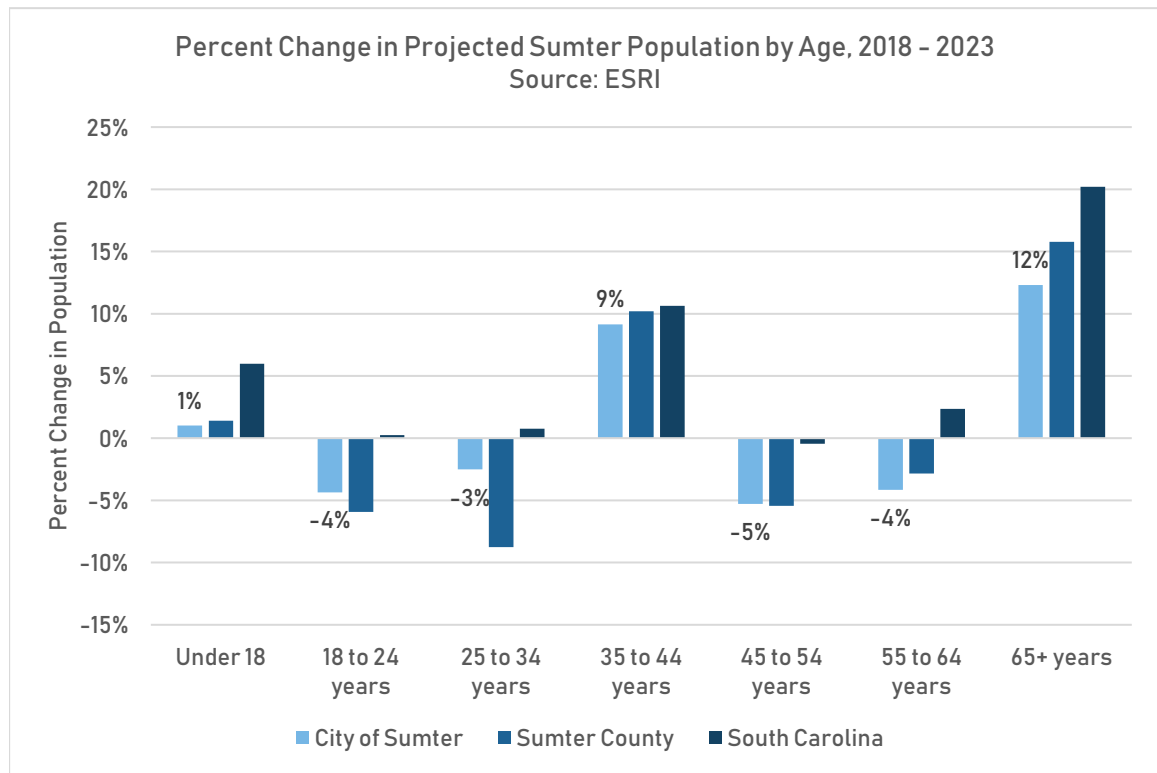
Population by age is one way to look at the demographic makeup of a community through the balance and growth of both young and elderly populations. The City of Sumter is experiencing an aging of its population through the attrition of younger age groups. The city has lost population across nearly all age cohorts under 55 years of age. These age cohorts are critical in helping drive long-term vibrancy and economic sustainability.

Figure 2: Change in Population



Between 2007 and 2017, the number of residents between the age of 25 and 34 decreased by 5 percent. These age cohorts are often filling jobs, renting or purchasing homes, and entering into family formation years. These households are critical to the housing market and helping support the local commercial/retail market. The economic activity associated with these cohorts help generate sales and property taxes which can be reinvested back into the community.

Figure 3: Projected Change in Population



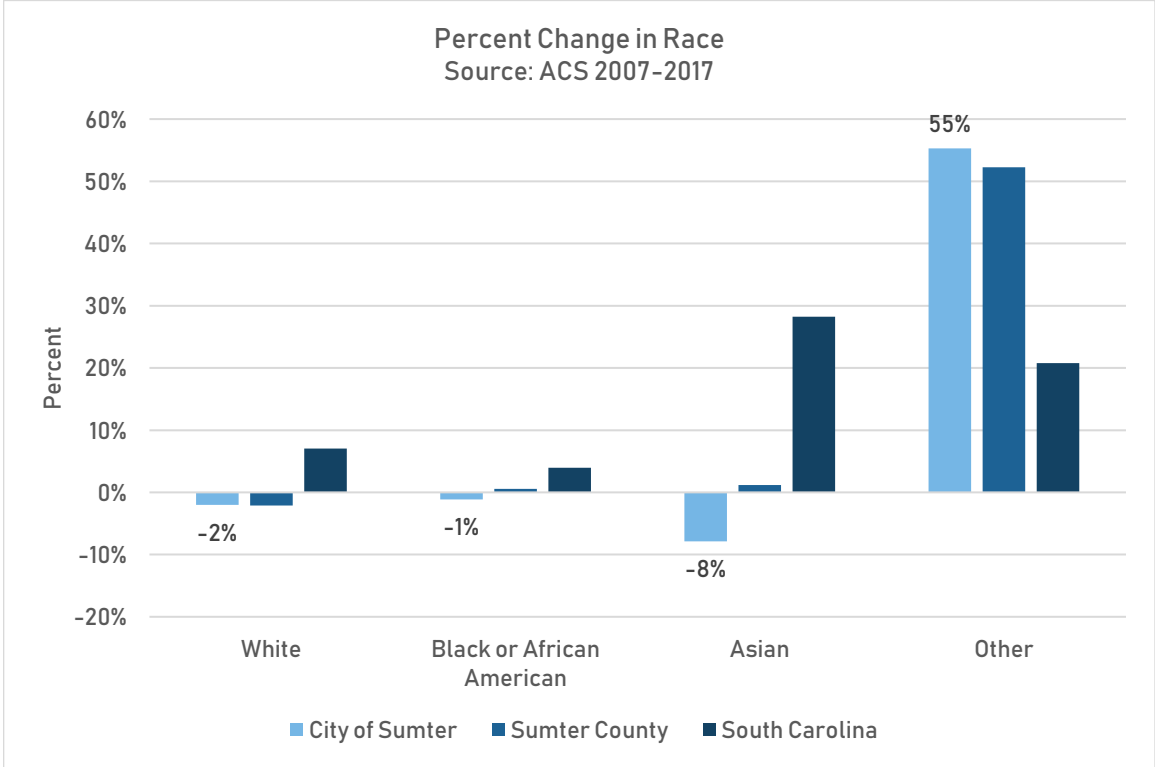
Population projections indicate seniors (65 years and over) comprise about 17 percent of the population today, and are expected to grow 12 percent between 2018 and 2023.² The growth in the senior population will have an impact on the housing supply as many seniors would like to age in place, which could result in a lack of housing turnover and crimp the available for-sale and rental supply. Additionally, if not properly maintained, the homes occupied by seniors could experience deterioration and senior residents living on a fixed income may not have the resources to maintain them over time.

Race and Ethnicity

The City of Sumter is a minority majority community, with 45 percent of the population classified as White and 49 percent of the population classified as Black. The city has a small Asian population which accounts for about 2 percent of the total, while those classified as Other account for nearly 4 percent. All population racial cohorts experienced a decline between 2007 and 2017, except for the Other population which saw a 55 percent increase. In terms of absolute numbers, the Other classification accounts for about 1,500 individuals. Figure 4 shows the change in race from 2007 to 2017.

² ESRI, 2019

Figure 4: Change in Race

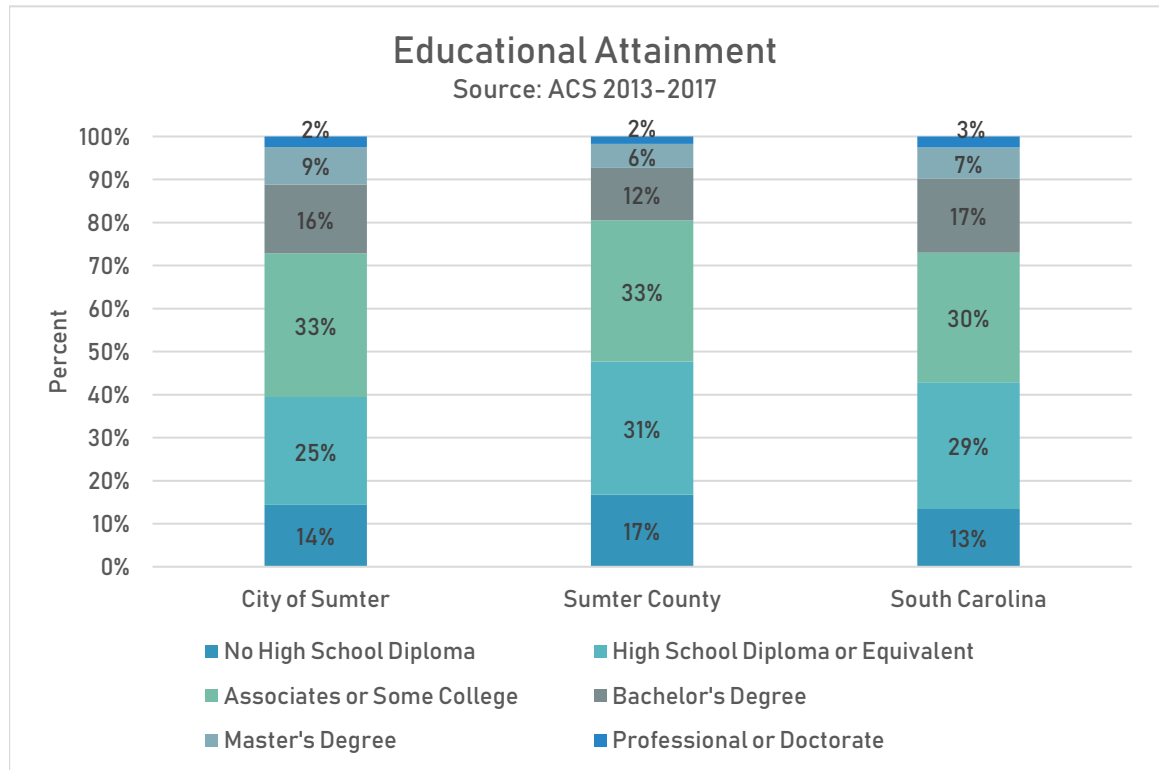


The City of Sumter’s Hispanic population has risen by 5 percent, from 1,728 residents in 2007 to 1,841 in 2017. This change is consistent with both the county and the state. Figure 5 shows the current make up of ethnicity of the City of Sumter compared to the county and state.

Education

The City of Sumter is home to three colleges: University of South Carolina Sumter, Morris College, and Central Carolina Technical College. Each of these institutions offers educational opportunities which help feed the local labor market. The city is not dissimilar to both the county and state in that a significant portion of its population (39 percent) have only a high school diploma or less. A bright spot of the city is that 9 percent of the population have a master’s degree, which compares favorably to both the county and state.

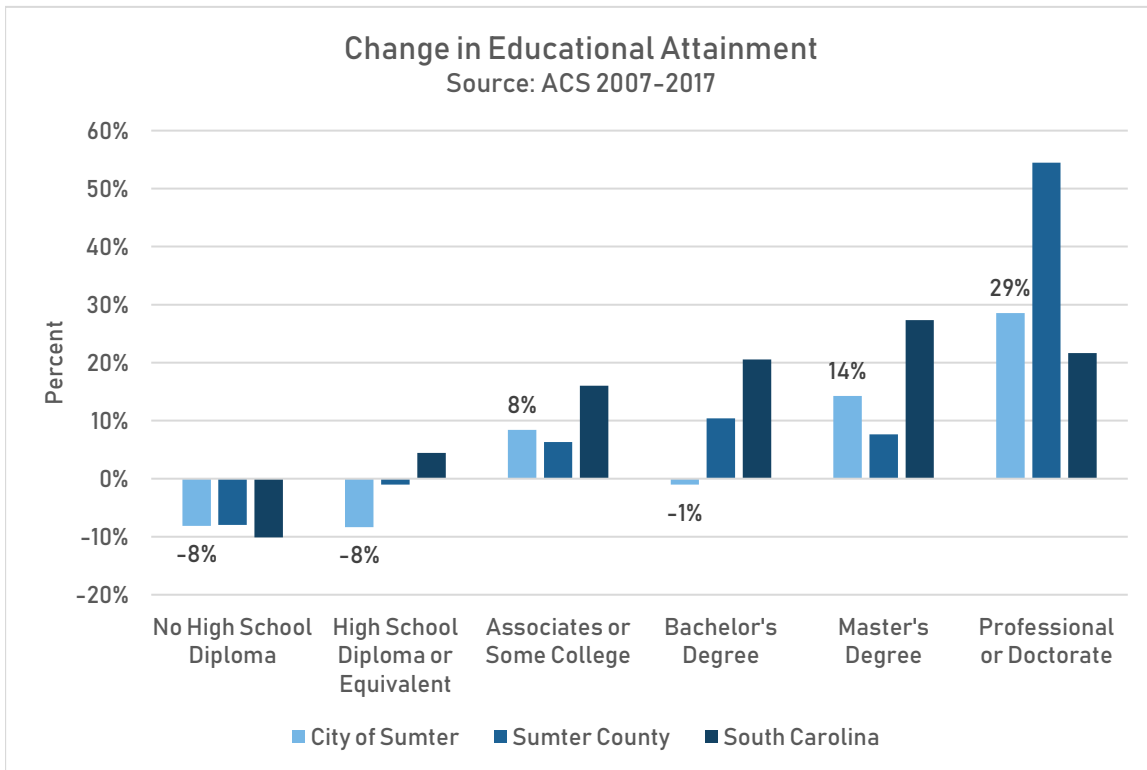
Figure 6: Educational Attainment



As the employment market changed over time, the skill sets needed for new employment opportunities required higher levels of education. Looking at changes in educational attainment over time shows the City of Sumter’s population with master’s and professional degrees jumped 14 percent and 29 percent, respectively. At the same time there has been a decrease in the high school equivalent population. This may indicate the population is adapting to the needs of the local labor market. This is particularly true with larger manufacturers in the area who are in need of skilled and educated workers. Fields such as mechanical and electrical engineers, nurses, and

technicians are in particular demand. These skilled jobs provide good pay and room for advancement.

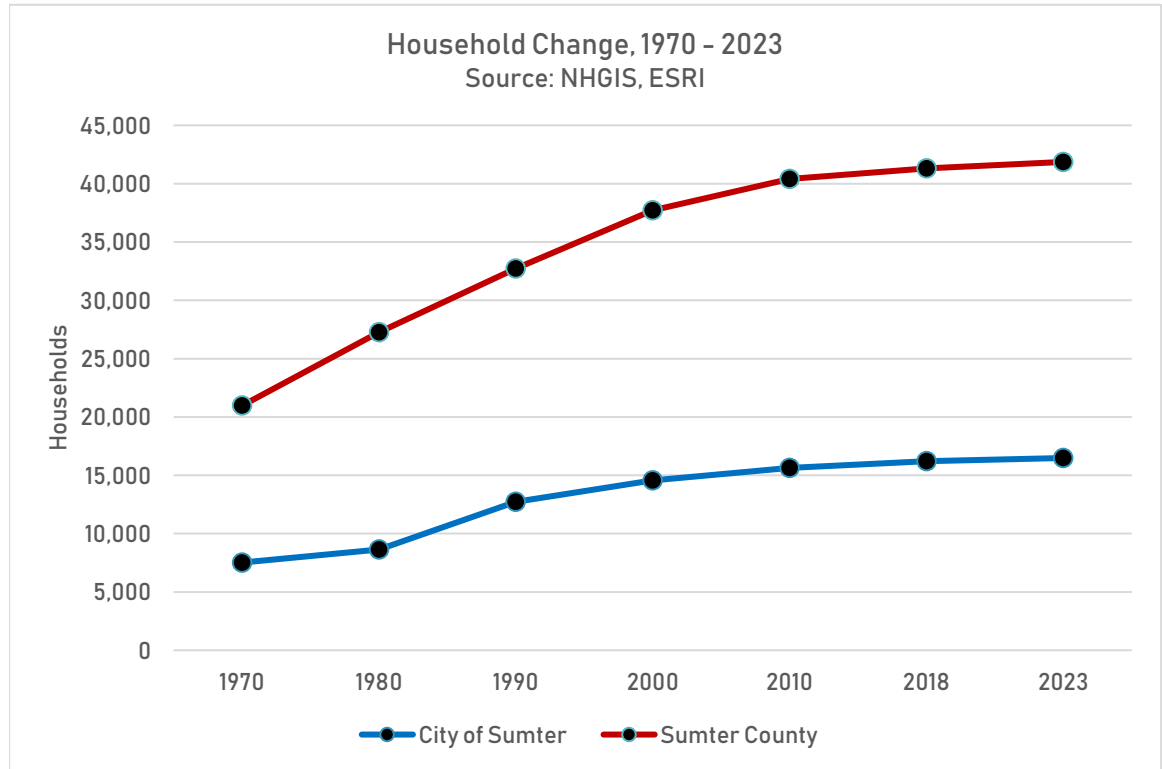
Figure 7: Change in Educational Attainment



Households

The Census Bureau defines a “household” as one or more people living in a housing unit and includes a variety of living arrangements. From a historical perspective, the City of Sumter experienced tremendous household growth, with the number of households increasing by 108 percent between 1970 and 2010, with much of the growth happening between 1970 and 1990. However, over the last 30 years household growth has slowed considerably. This slow growth can be attributed to the changing economic conditions as incomes and opportunities have rebalanced from the days of high growth led by the manufacturing industry.

Figure 8: Household Change



The county has continued its household growth. Looking forward, the City of Sumter is expected to experience relatively flat household growth over the next five years. The city’s 16,209 households are expected to grow to 16,482 by 2023 – a 2 percent increase.³ As presented in Table 2 below, it is projected that total households across the state will grow at a rate of 6 percent over the next five years, which is three times faster than the City of Sumter’s growth rate.⁴

Table 2: Projected Total Households				
Community	2018 Estimates	2023 Projections	Change	Percent Change
City of Sumter	16,209	16,482	273	2%
Sumter County	41,305	41,865	560	1%
South Carolina	1,989,423	2,118,116	128,693	6%
Source: ESRI, 2019				

³ ESRI, 2019

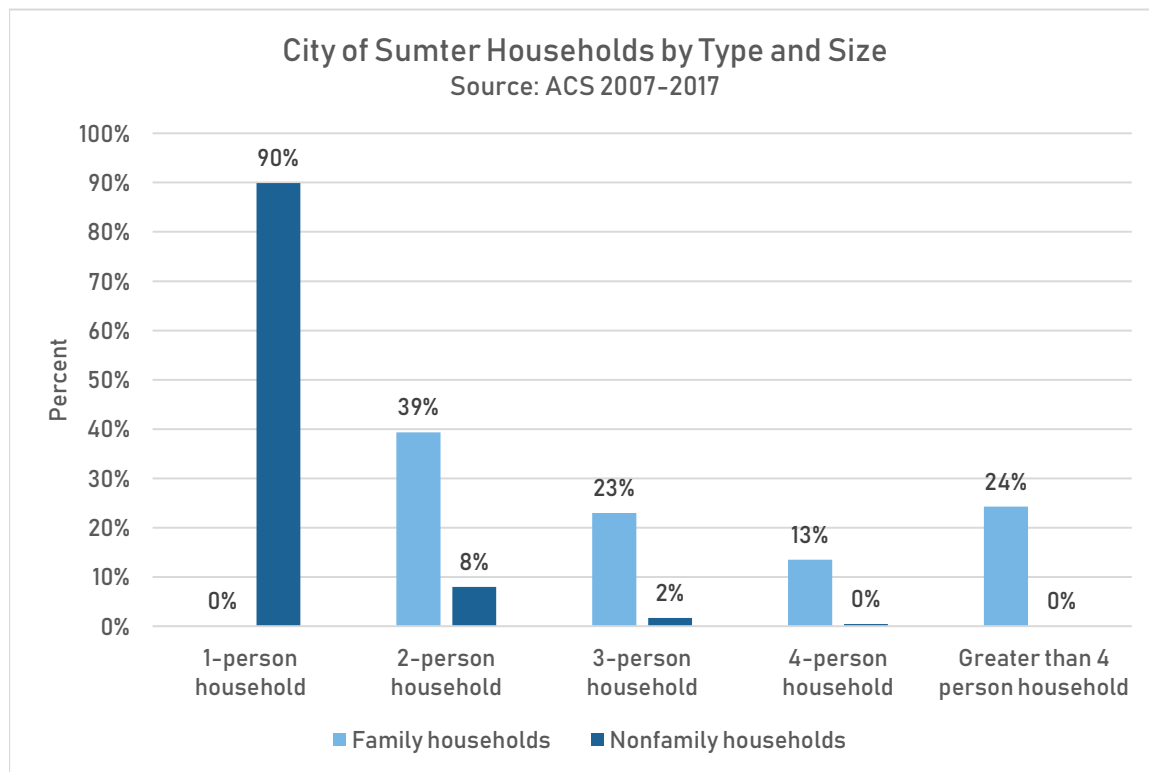
⁴ Ibid.

HOUSEHOLD SIZE

Household sizes are important because it gives a better understanding of what types of housing are needed, an example being that larger household sizes require a greater number of bedrooms. Traditionally in the city, ranch style housing offers three bedrooms and one bathroom, which is enough for households of five or less. There are a few large apartment developments across the city with new units being built at the Retreat Sumter. Apartments in the city tend to have two or three-bedrooms and are priced similarly, in some instances, to single-family homes. Due to the pricing differential, non-family households composed of roommates sometimes choose to rent single-family homes because of the additional space.

According to the Census, households can be defined as either family or non-family. Family households are composed of related persons, with a minimum of two people. This differs from non-family households which consider unrelated people living together (such as housemates), and single individuals. In the City of Sumter, the majority of family households, 62 percent, have between two and three members. Most non-family households are made up of single individuals which account for nearly 90 percent of non-family households.

Figure 9: Households by Type and Size



In the City of Sumter, the majority of households are one- and two-person households and those two categories have increased substantially since 1970. Increases in smaller households means more housing units are needed to serve the population. This is compounded by the decrease in households with four or more persons, meaning the overall population of the city may not change that much but household composition is one of the key drivers creating demand for housing.

Changes have also occurred in non-family households in the City of Sumter. Between 2007 and 2017, the number of non-family households with three persons grew from 11 to 103, an increase of 836 percent. This indicates a greater number of individuals sharing their living space with non-family members possibly out of economic necessity or economic practicality/choice.

One of the drivers for this growth may be attributed to the arrival of the Third Army at Shaw AFB and also the privatization of military housing on the base. Previously, the base housed its employees and military personnel through base housing, but in 2011 the base privatized housing, and demolished 1,200 housing units and constructed 600 replacement units. As a result of this, many military members began to seek housing within the City of Sumter. One of the benefits of a military member is the Basic Housing Allowance (BHA), which is given to every servicemember who live off-base. Depending on rank and location, BHA can range between \$900 and \$1,700 per month. Due to the BHA there may be an incentive for single military personnel to share housing units in order to save money.

Figure 10: Persons per Household

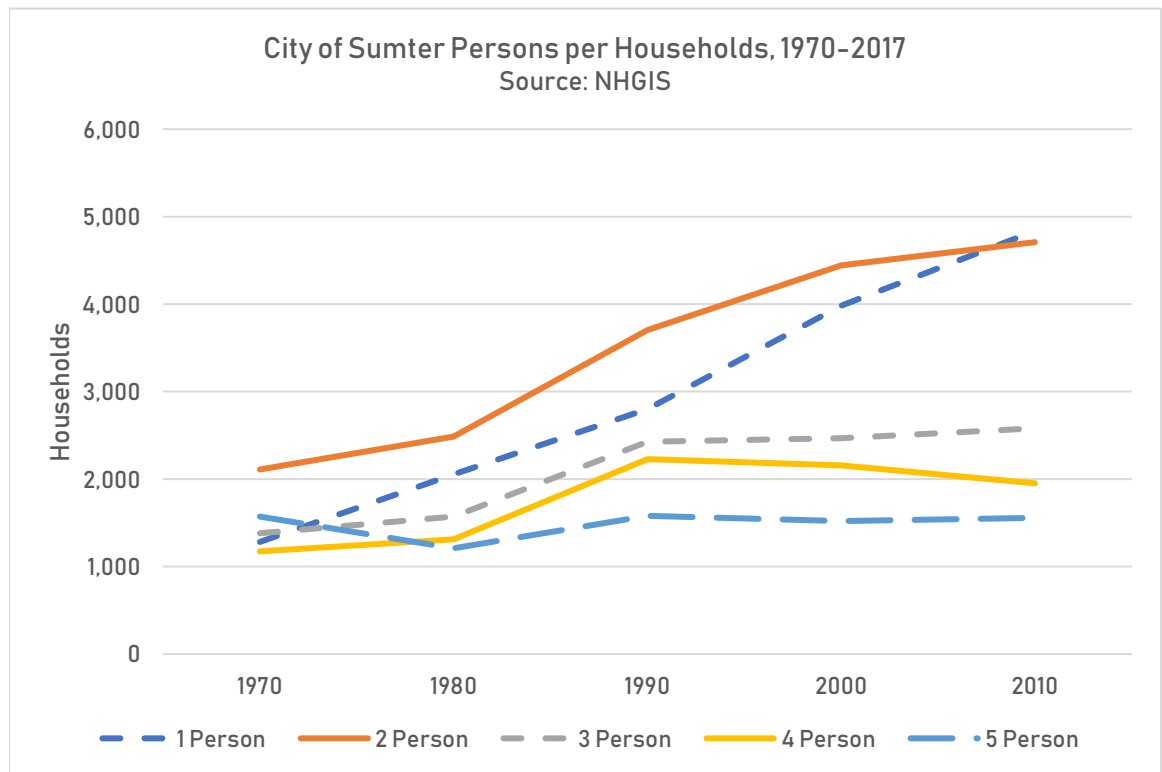


Table 3: Change in Households by Household Size between 2007 and 2017

Households	City of Sumter		Sumter County		South Carolina	
	Family households	Nonfamily households	Family households	Nonfamily households	Family households	Nonfamily households
1-person household	0	5,057	0	10,852	0	484,505
2-person household	4,664	546	11,985	1,086	553,440	70,721
3-person household	2,528	11	6,963	38	281,973	11,371
4-person household	1,546	0	4,460	66	218,426	4,919
Greater than 4-persons	2,778	0	8,283	0	350,455	1,348

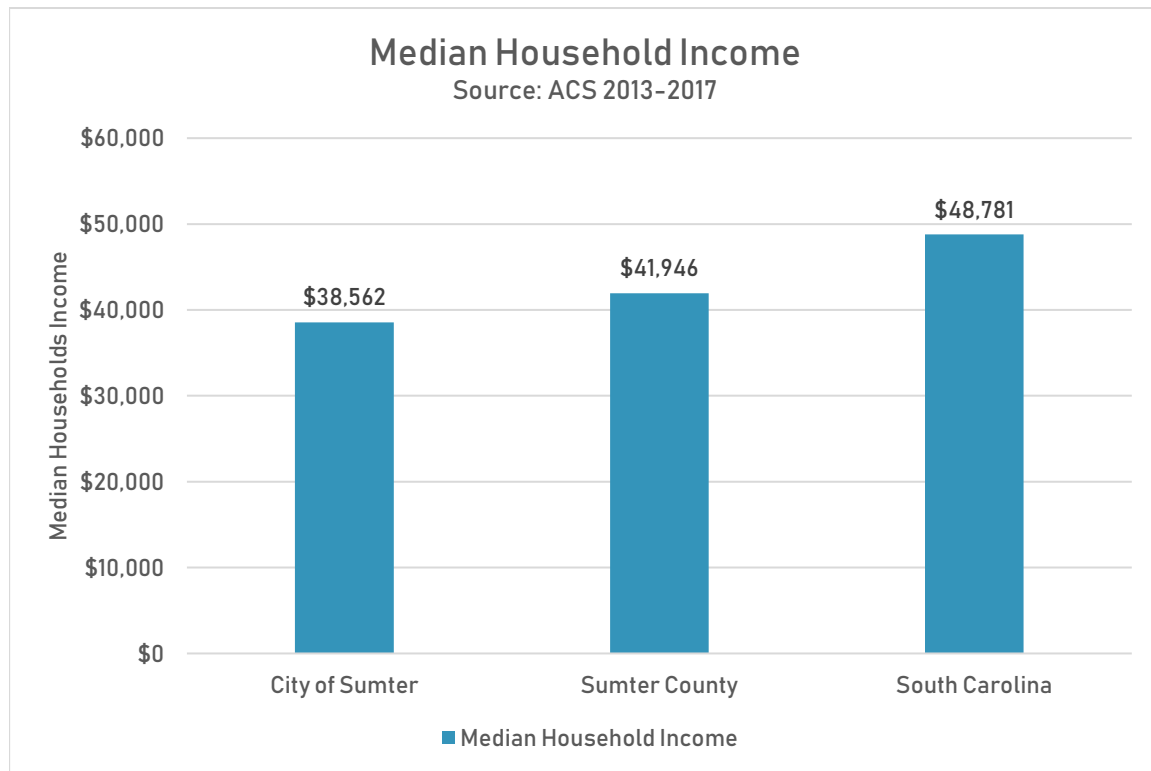
Source: ACS, Households by Household Type by Household Size, B11017, 2007-2011, 2013-2017, and RKG Associates

Socioeconomics

INCOMES

Household income directly influences the ability of residents to support their families, secure housing, and spend money in the local economy. As of 2017, the median household income in the city was \$38,562, which was about \$10,000 less than the state median income. The lower incomes of city residents directly translates into more limited housing price points and choices. Low incomes perpetuate fragile living situations for individuals, both owners and renters, because they can inhibit an individual or household from purchasing a home and creates a situation where households are spending more than 30 percent of the income on housing costs.

Figure 11: Median Household Income



Cost burdening, which is circumstance where a household pays 30 percent or more of their income toward housing, is a reality for lower-income households in the City of Sumter. High housing costs crowd out disposable income for other necessities such as food, clothing, and transportation. About 45 percent of city households earn less than \$35,000 a year, compared to 37 percent of households in South Carolina. The concentration of lower-income households in Sumter requires proactive measures on the part of the city to ensuring safe and affordable housing for households at all income levels.

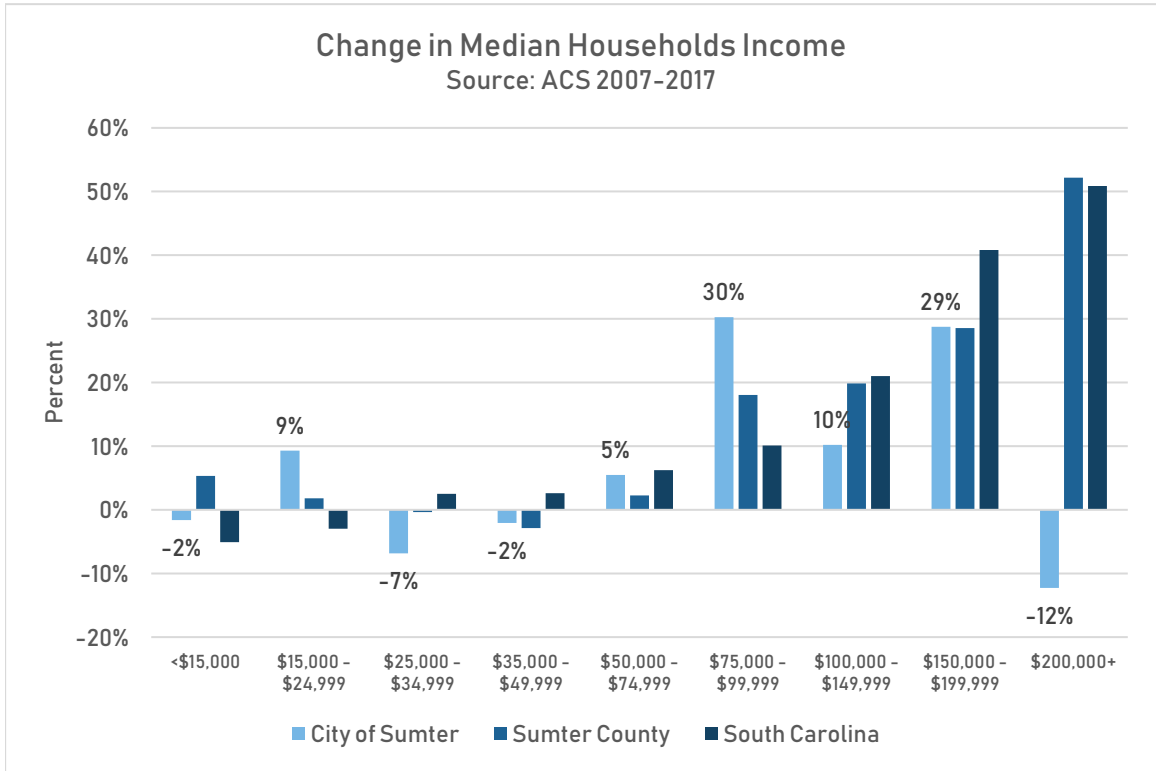
The city is experiencing a general loss of households with incomes below \$50,000. Within the data of households under \$50,000 there was a 9 percent increase of households making between \$15,000 and \$25,000 per year. This increase can be explained in part by the creation of Low-Income Housing Tax Credit (LIHTC) units in the northern part of the city. Households from both the city and county were able to secure housing in those developments.

While the city was losing households at the lower end of the income spectrum, it has been gaining households that are earning more than \$75,000 a year. The increase of higher income households can be explained in part by the arrival of the Third Army at Shaw AFB in 2012, which added new households in the city. Base jobs and supportive private contracting opportunities tend to be higher paying as they are more technical in nature. Additionally, there has been a revival of industrial and manufacturing jobs in Sumter/Sumter County with companies like BD, Continental Tire, and Caterpillar. These companies have a range of employees at various income levels, but have been hiring skilled manufacturers, engineers, and managers at incomes higher than the city's median.⁵

Geographically, many of the lowest income households are concentrated north and east of Broad Street in the City of Sumter. Additionally, the area east of Guignard Drive and south of West Liberty has a high concentration of low-income households. Median incomes rise the further west from the city center. The reason for the bifurcation in incomes is because the new housing developments are happening on the westside of the city while the eastside, which historically was the center of the community, has seen vacancy and underinvestment over the last few decades. Many households who could afford to move from the eastside did, and many newcomers to the city looking to purchase homes have settled on the west side.

⁵ Wage information gained from interviews with BD and Continental Tire representatives.

Figure 12: Change in Median Household Incomes



Modest growth of real incomes is a challenge both in the city and across the United States as a whole. The City of Sumter saw median household incomes grow by 3 percent between 2007 and 2017, which was one-third the median income growth rate of the state. As housing costs continue to rise, incomes must as well, or households will be forced to spend more on housing leaving less for other expenses.

Table 4: Growth in Median Household Income, 2007-2017	
Community	Growth Rate
City of Sumter	3%
Sumter County	3%
South Carolina	9%
Source: ACS 2007- 2011, 2013-2017, B19013, "Median Household Income in the Past 12 Months", and RKG Associates, Inc.	

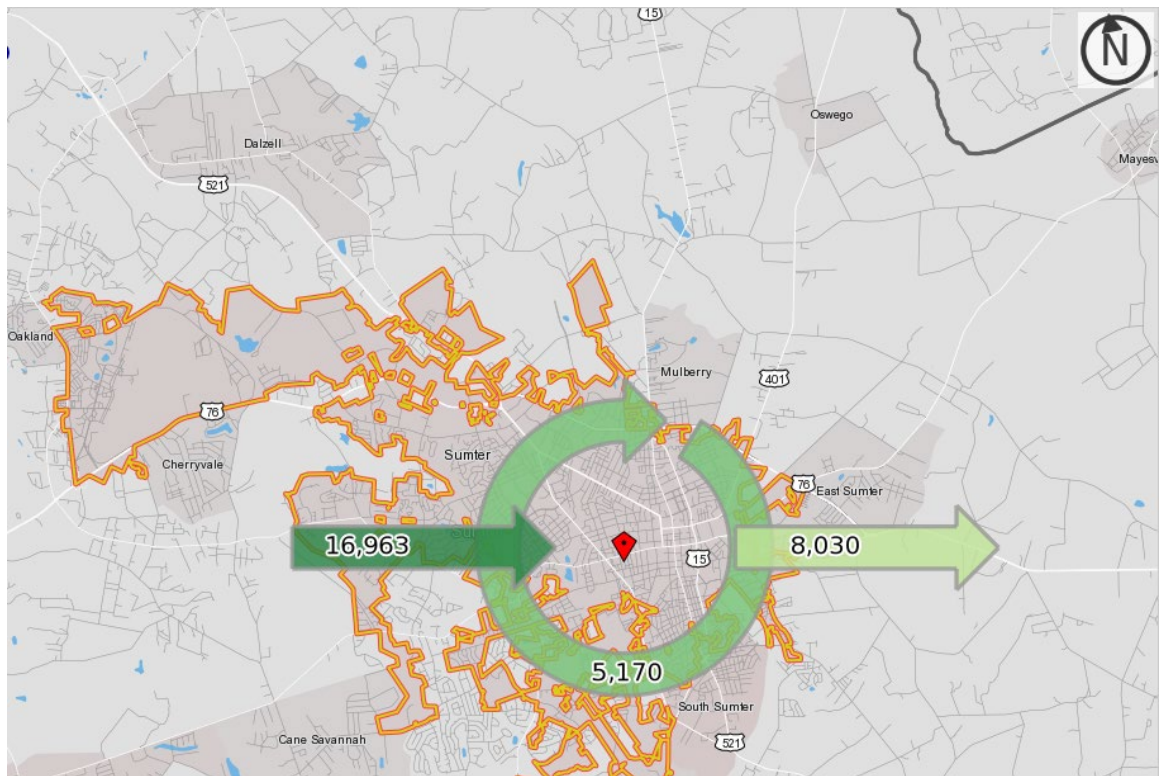
Looking forward, incomes in the City of Sumter are projected to grow. Between 2018 and 2023, the city’s median household income is projected to grow by 14 percent which is much faster than the state growth rate of 11 percent. Sumter County itself could see income growth of 15 percent as well. This future growth may be attributed to the investment employers are making locally in the City of Sumter and surrounding areas. Some global manufactures have established operations in and around the city, and there is potential for growth in the future.

Table 5: Projected Median Household Incomes				
Community	2018 Estimates	2023 Projections	Change	Percent Change
City of Sumter	\$41,157	\$47,089	\$5,932	14%
Sumter County	\$43,486	\$50,078	\$6,592	15%
South Carolina	\$50,748	\$56,462	\$5,714	11%
Source: ESRI, 2019				

WORKERS

In the City of Sumter, there are a total of 22,133 jobs which is inclusive of both private and government employment.⁶ Of that total, 16,963 people come from outside the city to work, while 5,170 live and work within the city. Aside from those working within the City of Sumter, approximately 8,030 residents travel outside the city for employment, making the city a net importer of labor. The large number of people leaving the city for jobs can be explained by the close proximity of large employers to the city. Manufacturers like Continental Tire and BD have facilities close by in the county, which requires city residents to travel for employment. Additionally, Shaw Air Force Base employs nearly 8,600 military and civilian workers.⁷

Figure 13: Worker Inflow and Outflow

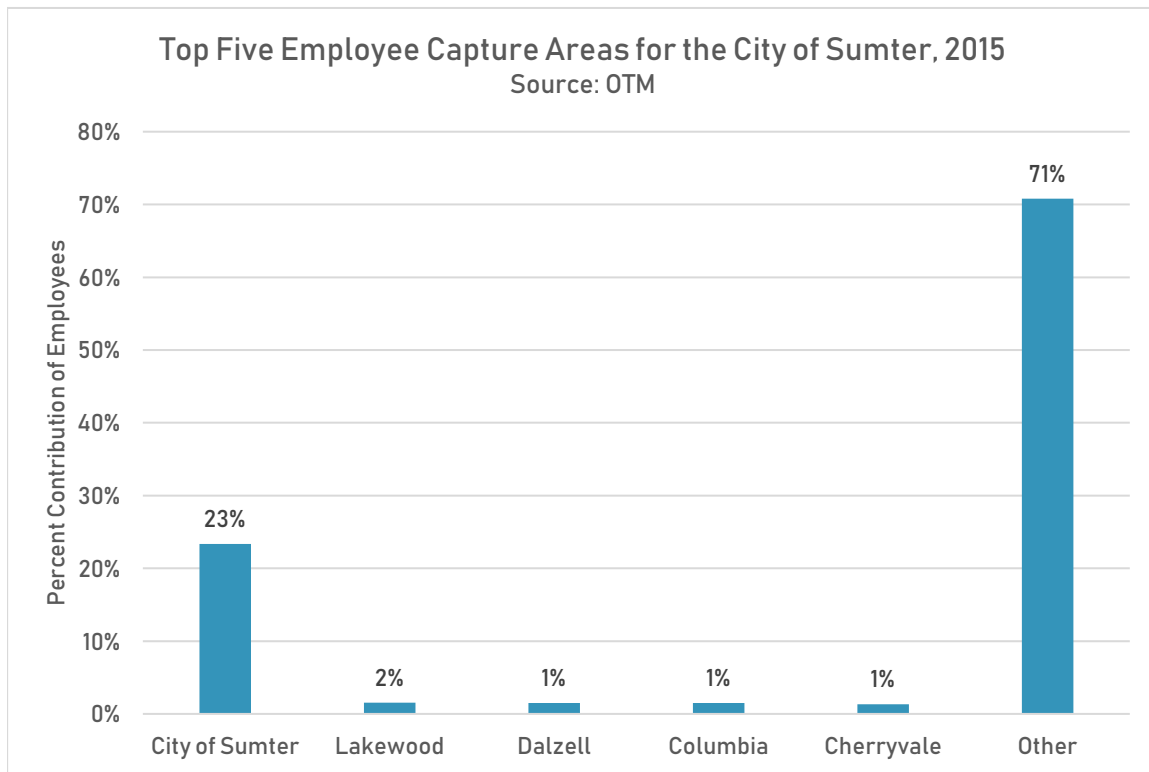


⁶ U.S. Census Bureau. 2019. LEHD Origin-Destination Employment Statistics (2002-2015). Washington, DC: U.S. Census Bureau, Longitudinal-Employer Household Dynamics Program, OnTheMap

⁷ Shaw Air Force Base Economic Impact Statement, Fiscal Year 2015

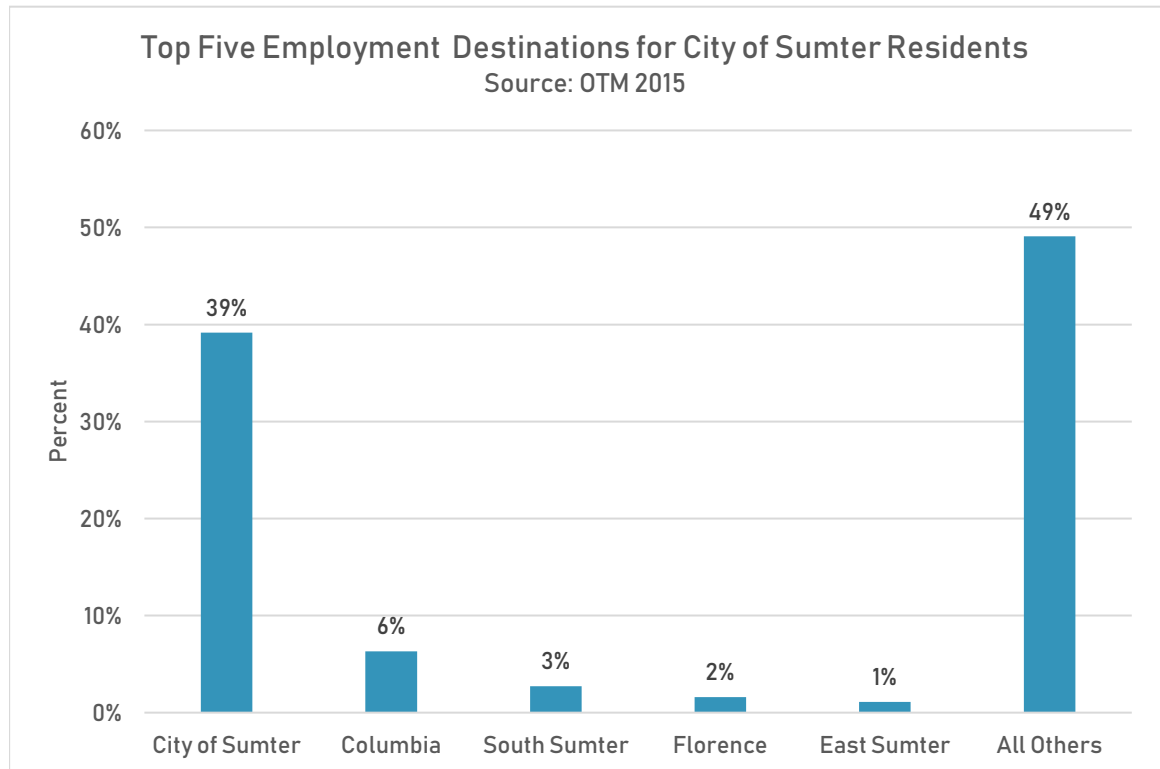
Understanding how many employees are in the City of Sumter and what types of employment opportunities exist can help explain factors within the housing market. One of the key elements related to employment is how many individuals are employed in the area and where they commute from. This is important because it reflects whether or not the city can attract and retain workers locally. If workers are also residents, then their disposable income gets circulated locally, otherwise the city does not necessarily see the impact in the local economy. In contrast, when workers commute to an employment destination, much of their personal spending does not occur in the community where they work, but rather where they live.

Figure 14: Top Five Employee Capture Areas



As mentioned previously, nearly 17,000 workers commute to the City of Sumter to work. The vast majority live in small communities not particularly close to the city. Based on the data, about 329 individuals commute from Columbia for jobs in the City of Sumter, accounting for slightly more than 1 percent of the total non-resident workers. The population of the City of Sumter has remained relatively flat for the last 30 years, indicating not much growth has occurred outside the periodic population churn related to Shaw AFB.

Figure 15: Top Five Employment Destinations



About 39 percent of residents live and work in the City of Sumter, indicating that many residents commute outside the city to employment destinations.⁸ The second largest employment center is Columbia, which is only about 45 miles away and is the state capital. The City of Sumter's westside lends itself to better connectivity to Columbia via Route 378 which directly connects to Columbia's downtown. About 3 percent of the population works just south of the City of Sumter, in the county, where Continental Tire has its manufacturing facility and employs around 1,000 individuals.

UNEMPLOYMENT RATE

While the City of Sumter's specific unemployment rate information is not available for the city itself, data for Sumter County is readily available and makes for a good proxy for what is happening in the city. Sumter County's unemployment rate as of November 2018 was 3.7 percent. During the beginning of the recession in 2006 the unemployment rate was 7.6 percent, indicating the recovery has reduced unemployment by half. A similar decrease in unemployment occurred across the state during the same period.

⁸ OnTheMap, 2019

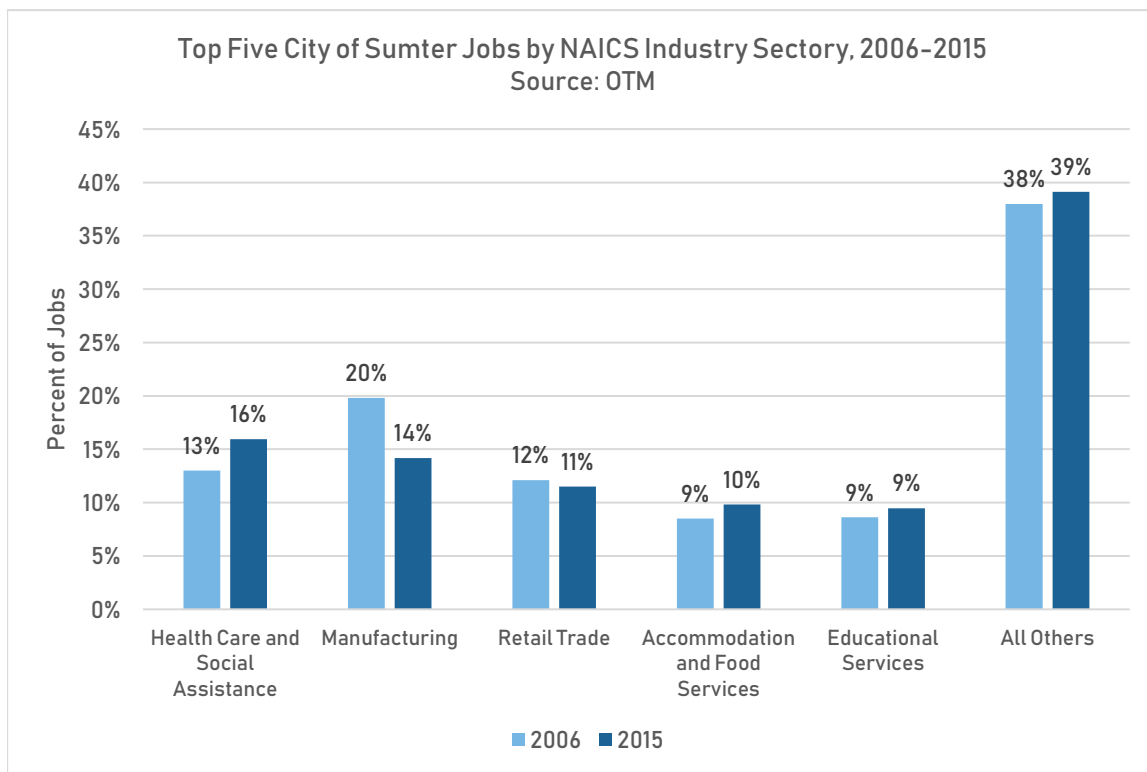
Community	2006	2018	Change	Percent Change
Sumter County	7.6	3.7	-3.9	51%
South Carolina	6.2	3.3	-2.9	47%

Source: BLS, and South Carolina Works Online Services, 2019

INDUSTRIES

In the City of Sumter, employment is clustered into a few main industries. Figure 16 presents the top five employment sectors across the city. As a percentage of total employment, Health Care and Social Assistance is the largest industry with 16 percent of the jobs. The second largest employment sector is Manufacturing, which accounts for 14 percent of the jobs. The Other category is made up of the remaining 15 NAICS sectors and accounts for 39 percent of the total employment in the city.

Figure 16: Top Five Jobs by NAICS Industry Sector



Most notable is the change in leading employment sectors over a ten-year period. Manufacturing once accounted for 20 percent of the jobs in the city, but now only accounts for 14 percent. This shift is a result of structural changes in the economy whereby older and smaller manufactures began to decline due to the impacts of global trade and competition, while over the same period

of time the local hospital began investing in its facilities and services, and overtaking manufacturing as the top industry sector.

MAJOR EMPLOYERS

The largest anchor institution in the city is Shaw AFB. This base is a joint base with both the Air Force and Army. The addition of the Army occurred in 2011 under the Base Realignment and Closure Commission (BRACC). Military members and civilian contractors make up a significant number of employees in the city, with nearly 8,600 personnel at Shaw Air Force Base.⁹ The base is one way in which the city attracts new residents. Typical deployments tend to be two or three years depending on servicemembers' rank.¹⁰ This results in continual turnover on the base, with the added benefit that some members of the armed services decide to make the City of Sumter their permanent home and establish roots. The turnover of base personnel has a significant, skewing effect on the housing market because military members enter the housing market for a shorter period of time and are provided with housing stipends.

Many large private employers exist within the City of Sumter or close by. The city had a history of manufacturing which started with textiles and furniture. In more recent years, more specialized manufacturing companies have moved into the area. Some of the largest local private employers are:¹¹

- Para-Prisma Health Tuomey – 1,800 employees
- Continental Tire – 1,020 employees
- Pilgrim's Inc – 1,010 employees
- Sykes Inc. – 950 employees
- Eaton Electrical – 750 employees
- Becton Dickinson – 715 employees
- Santee Print Works – 420 employees
- Kaydon Corp – 350 employees

Of the large private employers, Para-Prisma Health Tuomey is a key institution for the community and has a prime location in Downtown Sumter. Over the last 10 years, the hospital has invested in building more facilities including the Women's and Children's Pavilion and is planning to invest \$22 million in expanding the Emergency Room to incorporate more technology.¹² In addition to servicing the local population, the hospital is also the primary hospital for Shaw AFB. Of the 1,800 hospital employees, around 60 percent can be classified as technical or professional, while 40 percent can be classified as non-technical. The hospital tends to have trouble attracting professional employees such as physicians, nurses, and therapists because of a skills gap and wage competition from other health systems in different communities and other parts of the country.

⁹ Shaw Air Force Base Economic Impact Statement, Fiscal Year 2015

¹⁰ Information gained from interviews with base administrative staff.

¹¹ Sumter Economic Development, sumteredge.com/business-industry/top-20-employers, and RKG Associates.

¹² Information based on conversations with hospital officials.

Employers have difficulty sourcing local talent from the City of Sumter. This is particularly true at the professional/managerial level, and in the skilled trades. The recruitment of engineers (particularly mechanical and electrical) has been difficult for manufacturers. Highly skilled engineers require advanced education which currently is not found locally in the city. Conversely, an abundance of labor exists for non-skilled and semi-skilled employment opportunities across the city. The general lack of higher skilled local talent is a competitive disadvantage.

CHANGES IN INDUSTRY

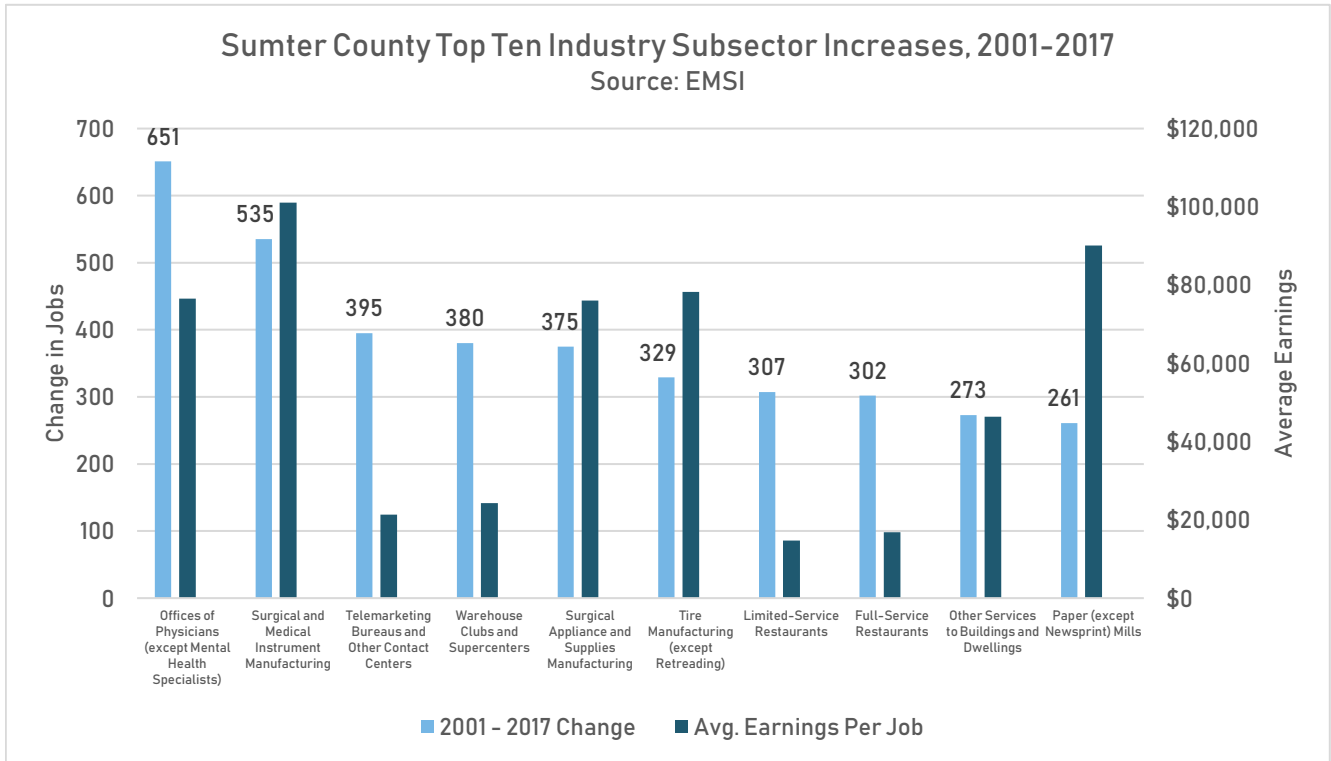
As mentioned above, the City of Sumter has experienced significant economic changes and a rebalancing of employment over the past 15 years. County level data between 2001 and 2017 shows that the top ten employment subsectors have grown by 3,808 jobs, with an average wage of \$58,211.¹³ Subsectors which experienced the largest growth were related to the healthcare industry, a combined total increase of 1,186 jobs resulted in the Offices of Physicians (651 jobs) and Surgical and Medical Instrument Manufacturing (535 jobs) sectors.

Subsector job decreases between 2001 and 2017 were predominantly located in manufacturing and factory-work type sectors. The top ten sectors lost a total of 6,572 jobs that had a median wage of \$23,943. In some cases, employment in entire subsectors was totally eliminated. One example is that of the Motor Vehicle Gasoline Engine and Engine Parts Manufacturing which lost 1,103 jobs between 2001 and 2011, this represents all jobs in the entire subsector. Another example is that of Non-Upholstered Wood Household Furniture Manufacturing which also lost 890 jobs, which accounts for 99% of the entire sector. The severe losses in entire industries can have long term consequences for the community, as job retraining and worker education/placement programs require long-term planning.

The bright side to the rebalancing of the Sumter County economy is that jobs which were lost were offset by higher paying jobs. On average these new jobs are paying more than twice the wage of those jobs which were lost.

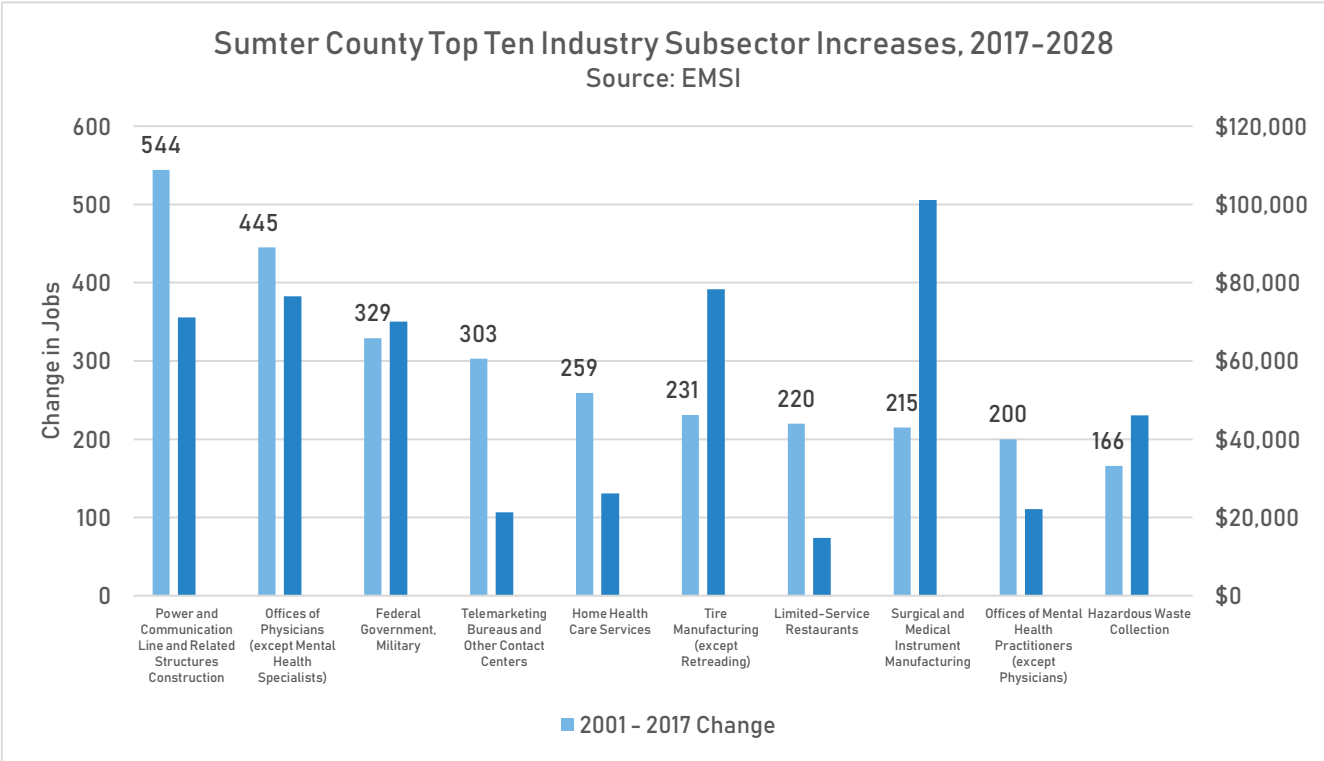
¹³ EMSI, 2019

Figure 17: Top Ten Industry Subsector Increases



Looking forward, between 2017 and 2028 Sumter County is projected to continue seeing employment growth in technical sectors which tend to be higher paying. High growth industry subsectors include Power and Communication (1,410 jobs) and Offices of Physicians (445 jobs), each sector paying an average wage of over \$70,000 per year.

Figure 18: Top Ten Projected Industry Subsector Increases



With regard to job losses, many of losses will come in the lower-end processing and manufacturing sectors.¹⁴ The key difference in the future is that the average wage differential between the top jobs gained versus lost will shrink. The average wage of top ten growth sectors is \$56,371 while the average wage of the top ten declining sectors is \$49,714. This indicates that future employees will not necessarily be able to “trade-up” with regards to employment opportunities. To bridge the skills and wage gap, the city will be required to be proactive with regards to worker training programs, and skills upgrading.

¹⁴ EMSI, 2019

HOUSING MARKET ANALYSIS

The City of Sumter's housing market has changed significantly over the last 100 years as expansion of the city's original downtown core along Main Street shaped new neighborhoods in a westward expansion to bring the city and Shaw Air Force Base (Shaw AFB) closer together. As expansion of the city's housing stock grew to the west, northwest, and southwest, manufacturing jobs in the city's large industrial clusters began to leave. These jobs once provided opportunities for residents on the city's east, southeast and northeast sides to live near jobs. As the city expanded to the west, residents who had economic mobility began to leave the neighborhoods with more modest and affordable housing for larger more expensive housing in new subdivisions. Coupled with the economic changes, social changes also drove the movement of households westward. In 1966, a few new private schools were built on the westside of the city which contributed to "white flight" and began the entrenchment of racial and economic division within the city.

The city grew systematically each decade between 1950 and 2010, adding around 1,000 new owner-occupied housing units every ten years. The result of the continued outward expansion was the hollowing out of the older neighborhoods to the east and closer to Downtown Sumter. Rising vacancy and economic challenges left residents with blocks and neighborhoods dotted with housing units in need of repair and rehabilitation. Today, some of these neighborhoods suffer from a high concentration of vacant housing units, dilapidated structures, and a lack of property maintenance creating the perception of unsafe conditions. These housing challenges were noted throughout the interviews conducted as part of this study and described in more detail in this section of the report.

This housing market analysis section describes the market characteristics associated with both owner-occupied and renter-occupied housing units in the City of Sumter. The subarea housing profiles component of this section contains a description of housing types, price points, and conditions for three submarkets in the city.

City-Wide Housing Market

The City of Sumter has 18,516 housing units of which 16,238 (88 percent) are occupied and 2,278 (12 percent) are vacant. Of the occupied housing units, 52 percent are owner-occupied, and 48 percent are renter-occupied. Housing development patterns have changed over time within the City of Sumter. The historic downtown core experienced a decline in households while the western part of the city experienced growth in both households and housing units. The city-wide housing market analysis examines both the historical and current market conditions and uses that information to inform strategies for addressing future housing needs.

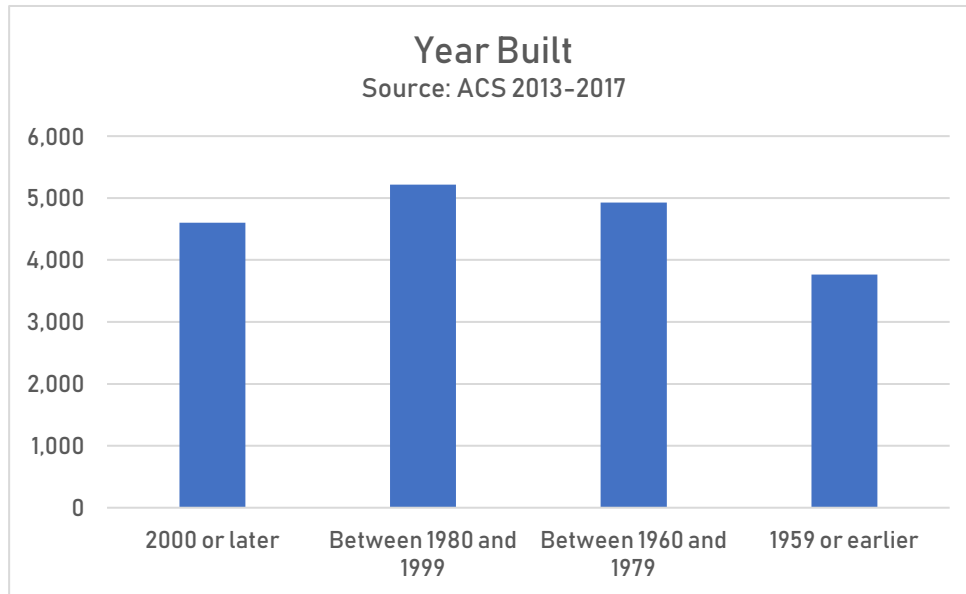
YEAR BUILT AND HOUSING UNIT GROWTH

As noted above, the City of Sumter has a relatively even spread of housing units built by decade between the years 1960 and 2010. The City added on average about 14% of their housing stock in each of those decades.¹⁵ During the period from 1970 to 2000, the city added just over 8,100 units

¹⁵ ACS 2013-2017.

which coincides with the population boom that saw the city grow from about 24,000 residents to almost 41,000. Figure 19 shows year built for housing units highlighting the large number of units constructed after 1960.

Figure 19: Year Built



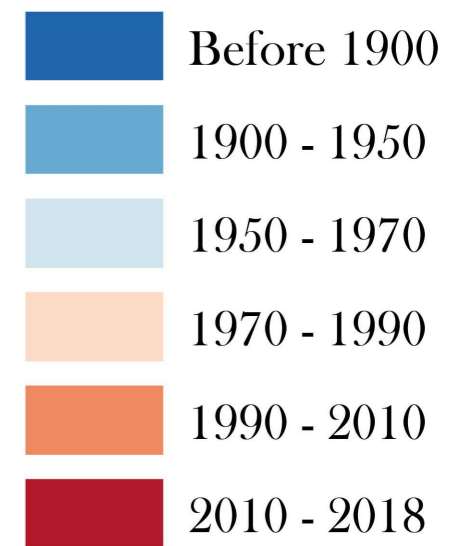
The Year Built Map shows how the city built out and expanded over time from its historic core to the newest subdivisions to the west like Patriot Parkway, Carter Road, and McCray Mills Road. Most of the housing built prior to 1950 are in the neighborhoods immediately surrounding Downtown Sumter, including the area directly to the west where the Hampton Park Historic District has been designated. Development radiated outward to the west and northwest with new rings of subdivisions constructed post-1970 and continuing today. There are many reasons for the outward expansion of the city's boundary which include job loss in the core creating more challenging economic conditions, white flight out of the city's core and into new suburban neighborhoods, access to public and private schools, continued infrastructure expansion to allow new development on cheaper land, and to bring residential and commercial development closer to Shaw AFB.

Building Permit Activity

The City of Sumter permitted on average 167 new single-family detached housing units per year since 2007. Over the same period, the City also issued on average 140 building permits for multi-family units in duplexes, triplexes, quadplexes, and buildings with five or more units. Large numbers of permits were pulled in 2006, 2013, and 2018 to construct garden style multi-family apartment buildings. Interestingly, Sumter County has also issued many single-family building permits although not at the level of the City. Figure 20 shows the number of single-family building permits in the City and County over this time period and the sharp drop that occurred at the start of the Great Recession in 2007/08.

Year Built

Sumter, South Carolina



This map is for general planning purposes only. The data used to create the map are not adequate for making legal or zoning boundary determinations or delineating natural resource areas. Exercise caution when interpreting the information on this map.

Sources: City of Sumter, Sumter County, US Census

Date: 12/18/18

Map Creator: Patrick McCafferty

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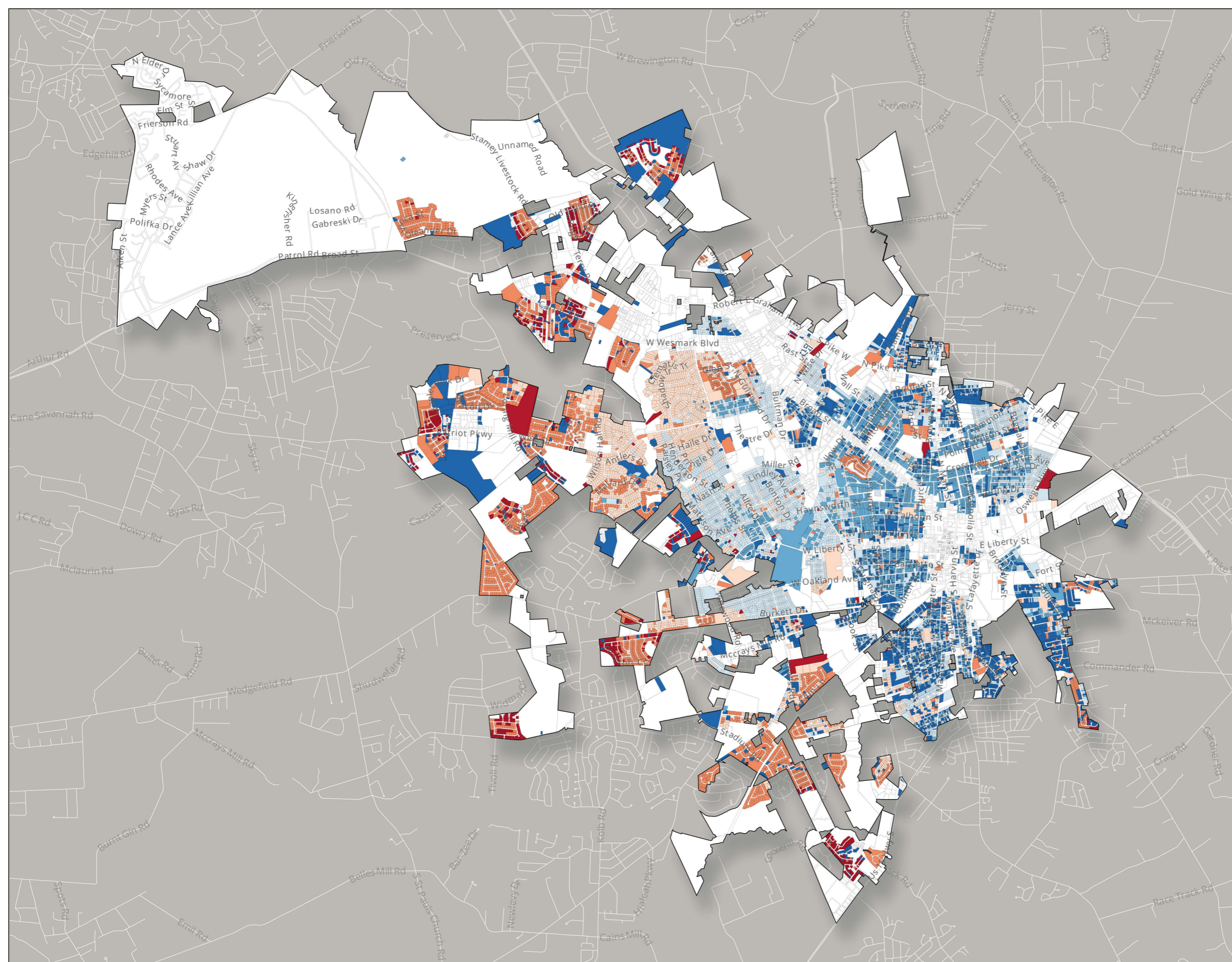
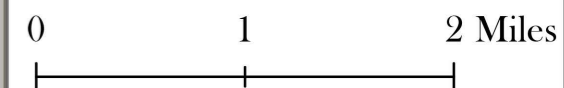
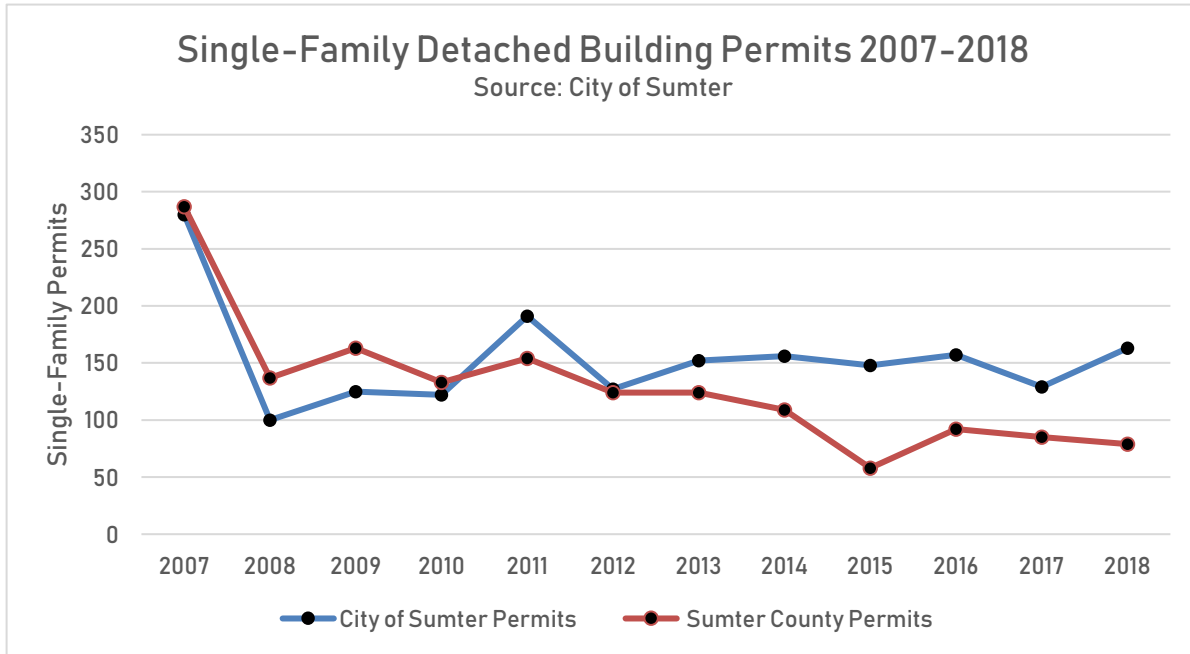


Figure 20: Single-Family Building Permits



Housing Tenure

The City of Sumter’s housing stock is split nearly equally between owner-occupied and renter-occupied units. As of 2017, 46 percent of the city’s housing stock was owner-occupied while 42 percent is renter-occupied. The city’s stock is more balanced than that of the

	City of Sumter	Sumter County	South Carolina
Owner-Occupied	46%	56%	58%
Renter-Occupied	42%	31%	26%
Vacant	12%	13%	16%

Source: ACS 2013-2017

county and the state, which have a greater proportion of owner-occupied housing. The city’s built form, zoning regulations, and market are more conducive to larger-scale multi-family rental than what may be allowed or marketable in Sumter County. Military personnel at Shaw AFB also drive the rental market for single-family, duplex, and multi-family products which is discussed in more detail in the rental housing section. Since 2011, the number of renter-occupied housing units has increased by 6 percent or 488 units and owner-occupied units have increased by 2 percent.

A review of the city’s residential land use patterns shows the concentration of multi-family housing developments¹⁶ just west of Downtown Sumter, to the northwest along North Guignard Drive and Gion Street, and along Carter Road at Broad Street. The Residential Land Use Map shows the location of both multi-family and non-multi-family residential properties throughout the city.

¹⁶ For the purposes of this study, multi-family housing is defined as structures containing more than five units.

Residential Land Use

Sumter, South Carolina

- Multifamily
- Residential Non-Multifamily

This map is for general planning purposes only. The data used to create the map are not adequate for making legal or zoning boundary determinations or delineating natural resource areas. Exercise caution when interpreting the information on this map.

Sources: City of Sumter, Sumter County, US Census

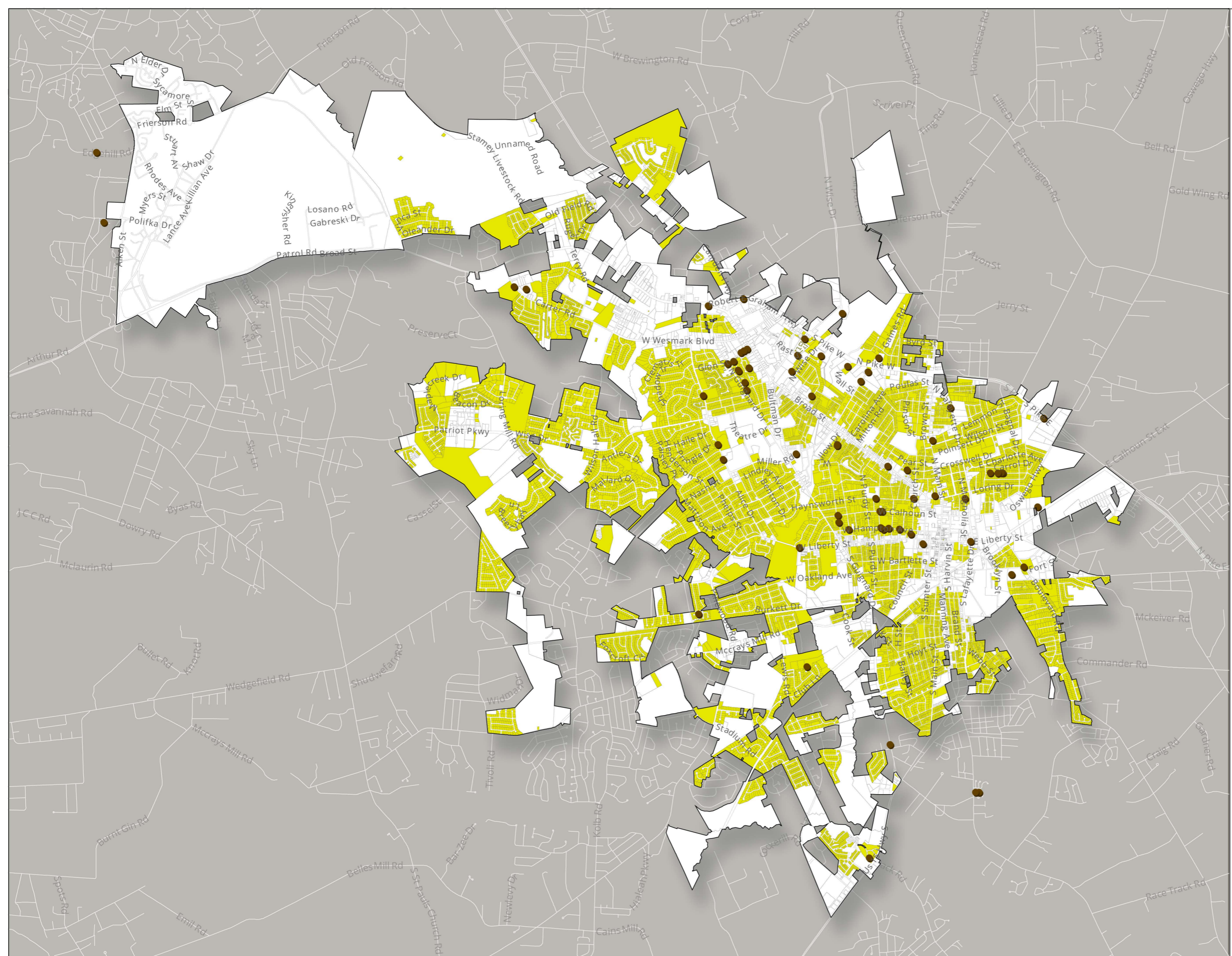
Date: 12/18/18

Map Creator: Patrick McCafferty

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Units in Structure

Within the City of Sumter, most of the residential building stock is comprised of single-family detached units. As of 2017, 65 percent of the city's residential stock was single-family homes.¹⁷ The remainder of the housing stock is evenly distributed between all other residential structure types. The city's housing stock follows a similar pattern to that of the county and the state except for mobile homes. The county and state both have a much higher percentage of mobile homes than the city as should be expected as the county is more rural. As of 2017, the city had approximately 5 percent of its housing stock as mobile homes while the county and state had 24 percent and 17 percent, respectively.

Figure 21: Example Housing Units in Sumter



The breakdown of units in structures changes drastically when comparing owner-occupied units to renter-occupied units. Within the city, 90 percent of owner-occupied units are single-family homes and only 4 percent are in structures containing two or more units. Contrast this with renter-occupied units, where 46 percent are single-family homes and 50 percent are in structures with two or more units. As of 2017, the city did not have owner-occupied units in structures with more than ten units signaling a lack of multi-family condominiums in larger-scale buildings. The city

¹⁷ ACS 2013-2017

does have some condominiums in buildings with five to nine units, but those comprise only 0.25 percent of all owner-occupied units.

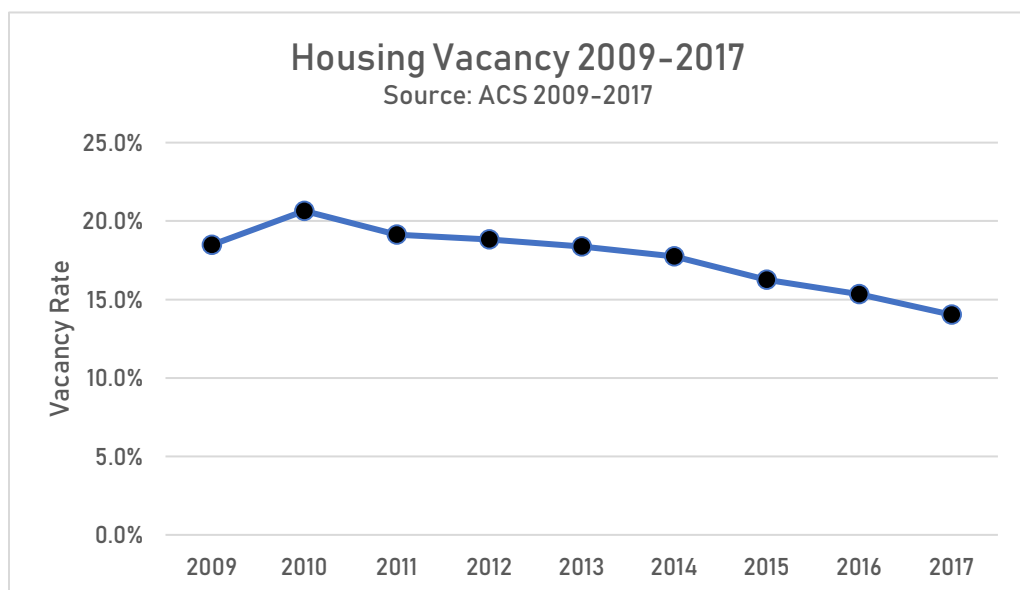
On the rental side, 46 percent of all renter-occupied units in the city are single-family homes. Some of the market dynamics are attributable to turnover in military personnel who have purchased homes in the city and choose to rent them when they are moved to another military base. During interviews, several real estate brokers noted that military personnel will rent their single-family homes and the basic housing allowance (BHA) will cover a substantial portion of the rent, if not in full. The reduction in housing units on Shaw AFB has also driven more military personnel to seek housing off base. The base originally had 1,200 housing units, but due to poor condition and maintenance they were demolished and replaced by 633 new units reducing the housing stock by half.

In addition to the single-family rental stock, the city has several renter-occupied units spread across buildings with two or more units. Unlike with the owner-occupied housing stock, rental units can be found in buildings with more than ten units. The City has permitted several large multi-family rental complexes over the years with a mix of affordability levels. Developers have used Low Income Housing Tax Credits (LIHTC) to help subsidize several rental developments off North and South Pike on the City's north side. These developments are discussed in greater detail later in the report.

Vacancy

The City of Sumter's overall housing vacancy rate has been steadily declining since 2010 when it hit an eight year high of almost 21 percent. As of 2017, the rate has dropped to 14 percent as shown in Figure 22. Drops in renter vacancy and the City's demolition program have attributed to this decrease.

Figure 22: Overall Housing Vacancy



Part of the City of Sumter's housing market story can be told through the Census' Vacancy Table. Vacancy is defined by the Census across seven different categories which include:

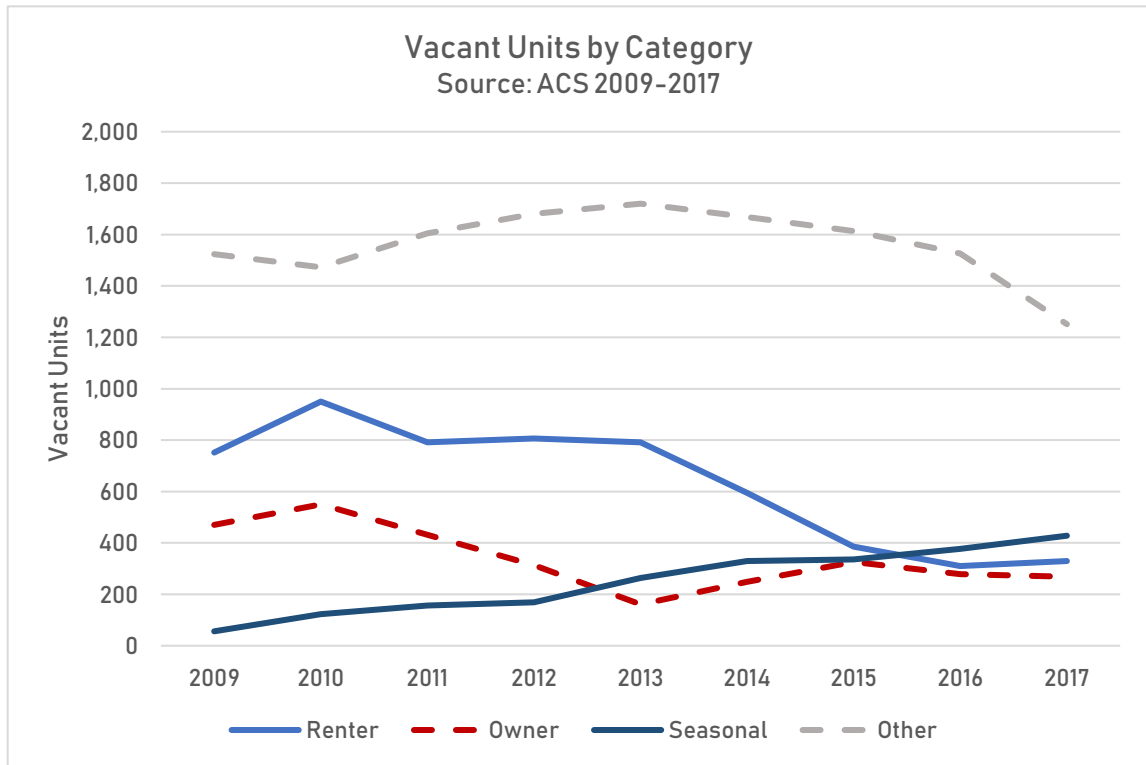
- Units Actively Listed for Rent
- Units Rented, but Not Yet Occupied
- Units Actively Listed for Sale
- Units Sold, but Not Yet Occupied
- Units for Seasonal/Recreational Use
- Units for Migrant Workers
- Other Vacant

To calculate total vacancy across all categories in the City of Sumter, the Census sums each category together and divides by the total number of housing units in the city. This vacancy rate provides an estimate of all housing units that are not occupied at the time the Census interview takes place regardless of whether the unit is actively being marketed or even habitable. In the case of the city, an overall vacancy rate of 14 percent is still quite high, as a healthy owner-occupied vacancy rate is typically around 5 percent and 10 percent for renter-occupied housing.

This leads to the question: What is driving vacancy this high in a market where on average 300 units of housing are being permitted each year? Part of the answer lies in the category of Other Vacant. The Census defines "other vacant" using eleven categories with ones most pertinent to the City of Sumter being: foreclosure, personal/family reasons, legal proceedings, preparing to rent/sell, needs repairs, abandoned/possibly to be demolished or condemned. In 2017, 55 percent of all vacant units in the City of Sumter fell under this category. This equates to 1,250 housing units, which is nearly three times as high as the next highest vacancy category. Figure 23 shows how the number of vacant units in four vacancy categories has changed from 2009 to 2017.

Vacancy for ownership and rental properties that are vacant but actively being marketed has decreased substantially since 2010, particularly on the rental side. The rental vacancy rate in 2017 was 3.1 percent which is very low. The ownership vacancy rate was equally low at 2.8 percent. This leaves many vacant units under the Other Vacant category. Although high, the number of vacant units in this category has dropped since it peaked in 2013, partially due to the City's demolition efforts using grant funding from the State's Neighborhood Initiative Program (NIP). The \$3.4 million grant enabled the demolition of approximately 100 blighted structures in the City's hardest high neighborhoods.

Figure 23: Vacant Units by Category



While progress continues to be made in these neighborhoods, substantial vacancy and blight issues persist. In 2018, the City completed an update to their 2014 Abandoned and Vacant Housing Study, recording the location of all vacant residential properties and the condition of the structure (if one existed) on the site. RKG used the City’s data points to map concentrations of vacant and blighted structures, as well as where those issues overlapped with parcels owned by non-resident owners.¹⁸

¹⁸ Non-Resident Owners are identified when the street address of the property does not match the owner’s mailing address in the County’s property assessment database. It is then assumed that the person who owns the property does not actually reside there.

The Non-Resident Owners, Vacant, and Blighted Structures Map shows residential parcels in red that have been coded as having a non-resident owner. The green dots on the map indicate locations where a parcel has a non-resident owner and the structure has been coded by the City as vacant or blighted with a structural grade of Poor or Hazardous. Blue dots indicate structures that are vacant or graded as Poor or Hazardous, but the owner resides at that location.




Examples of Blighted Structures in Sumter



According to the data, there is substantial overlap between parcels that have a non-resident owner and structures that are vacant and blighted. The map also shows significant concentrations in the neighborhoods to the north, east, and south of Downtown Sumter which were hardest hit by the industrial decline, job loss, and resultant population decline. These neighborhoods experience challenges with foreclosures, tax title sales, and heir properties leading to higher concentrations of non-resident owners and vacancy rates. Neighborhoods and subdivisions with newer houses are not experiencing the same concentrations of non-resident owners, vacancy, or blight.

Non Resident Owners, Vacant & Bighted Structures

Sumter, South Carolina

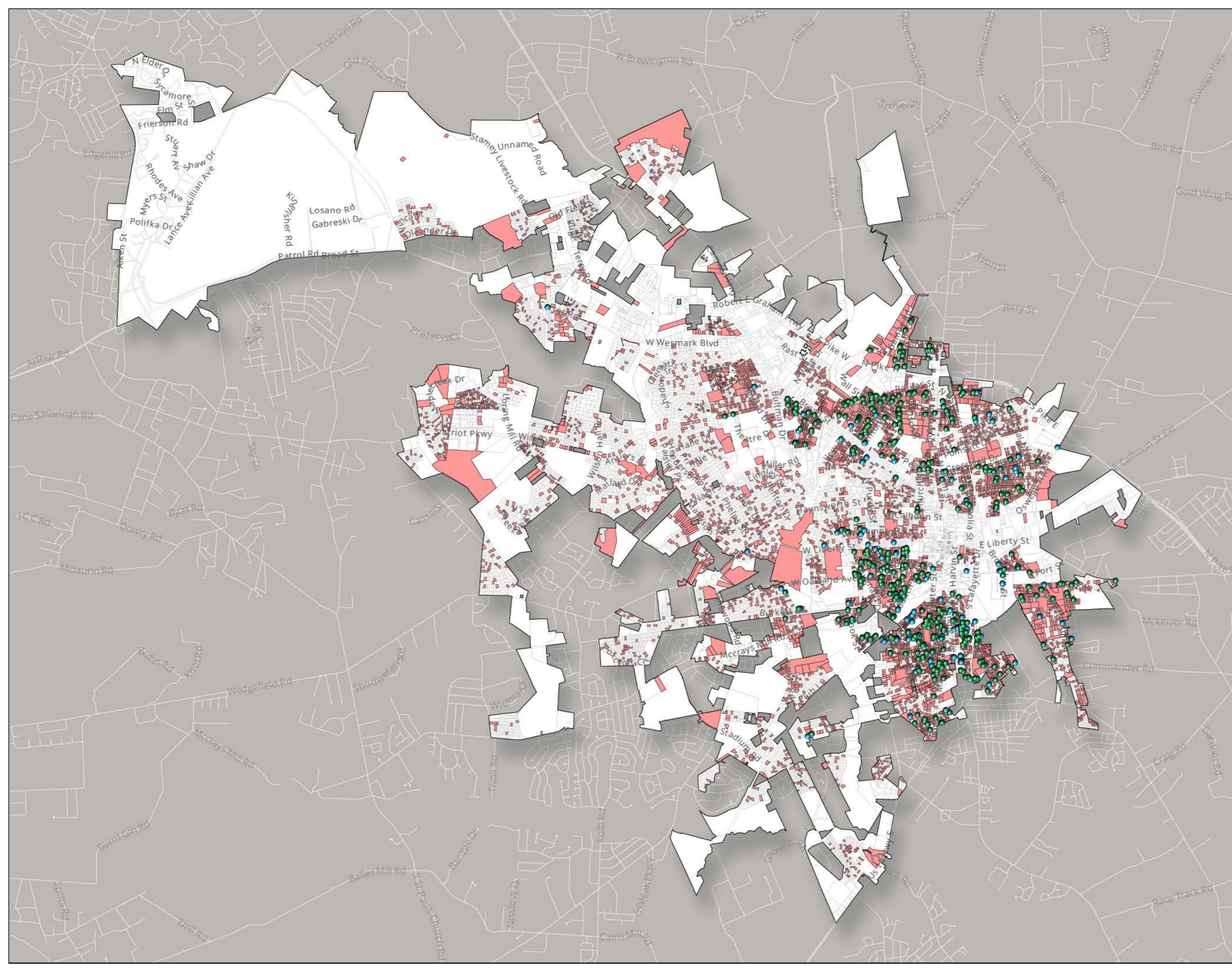
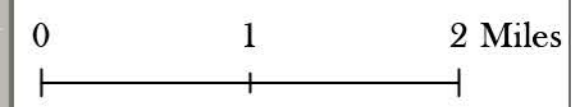
-  Non-Resident Owner (Mailing Address & Owner Do Not Match)
-  Vacant/ Blighted Structure
-  Absent Owner & Vacant/ Blighted

This map is for general planning purposes only. The data used to create the map are not adequate for making legal or zoning boundary determinations or delineating natural resource areas. Exercise caution when interpreting the information on this map.

Sources: City of Sumter, Sumter County, US Census

Date: 12/18/18

Map Creator: Patrick McCafferty



Owner-Occupied Housing Market

This section provides a more in-depth analysis of the owner-occupied housing market including supply, demand, and pricing across the city.

SUPPLY

As was noted earlier, owner-occupied units comprise 46 percent of the city's housing stock with 90 percent of units being single-family homes. As shown in Figure 24, between 2009 and 2017, there were over 450 net new owner-occupied housing units added in the City of Sumter, many of which were marketed towards the higher end of the market.¹⁹ This number accounts for units that may have been vacant, demolished, or turned into renter-occupied units.

Figure 24: Owner-Occupied Housing Units

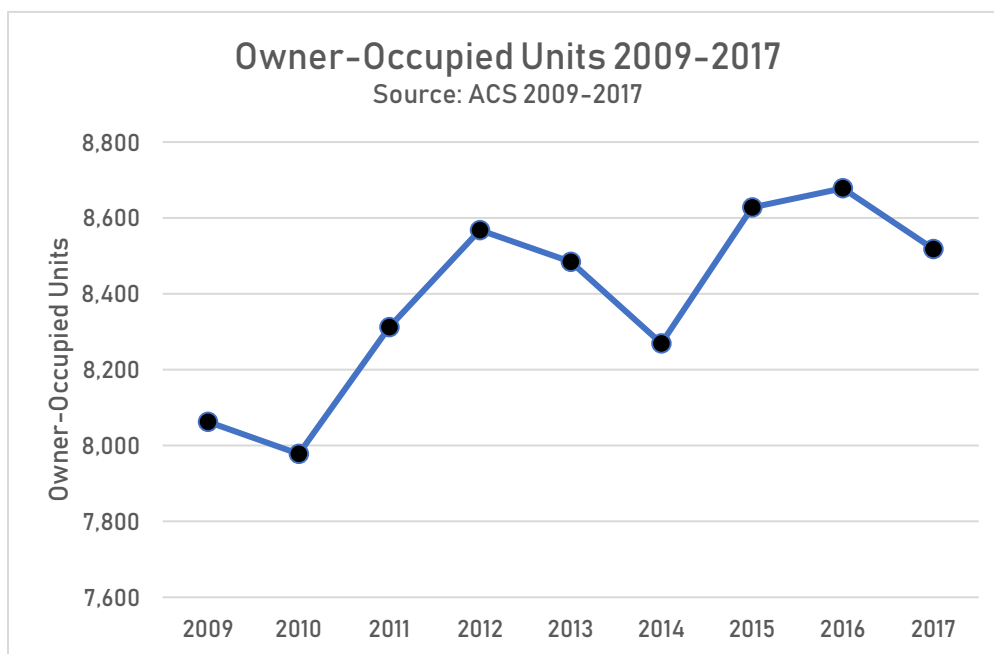
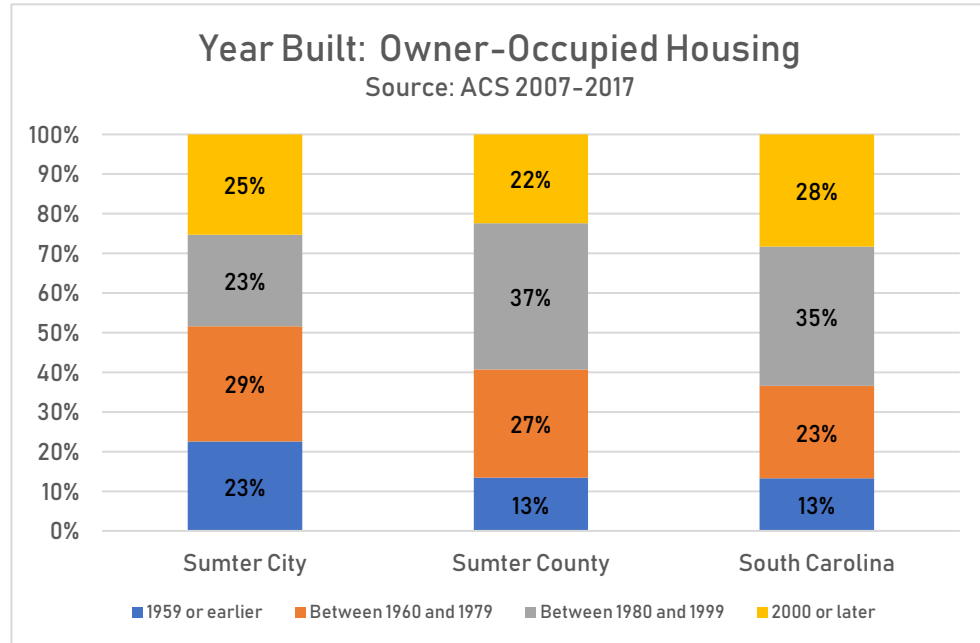


Figure 25 shows owner-occupied housing units categorized by year built. The City of Sumter's owner stock is evenly split between units built before 1960, and those constructed in subsequent twenty-year periods. When compared to the county and state, the city has more units that were constructed prior to 1960, but then closely mirrors the other two jurisdictions for units constructed afterward. This matches closely with the periods after 1960 when the city saw large increases in both housing units, households, and population.

¹⁹ ACS, 2009-2017.

Figure 25: Year Built: Occupied Housing Units



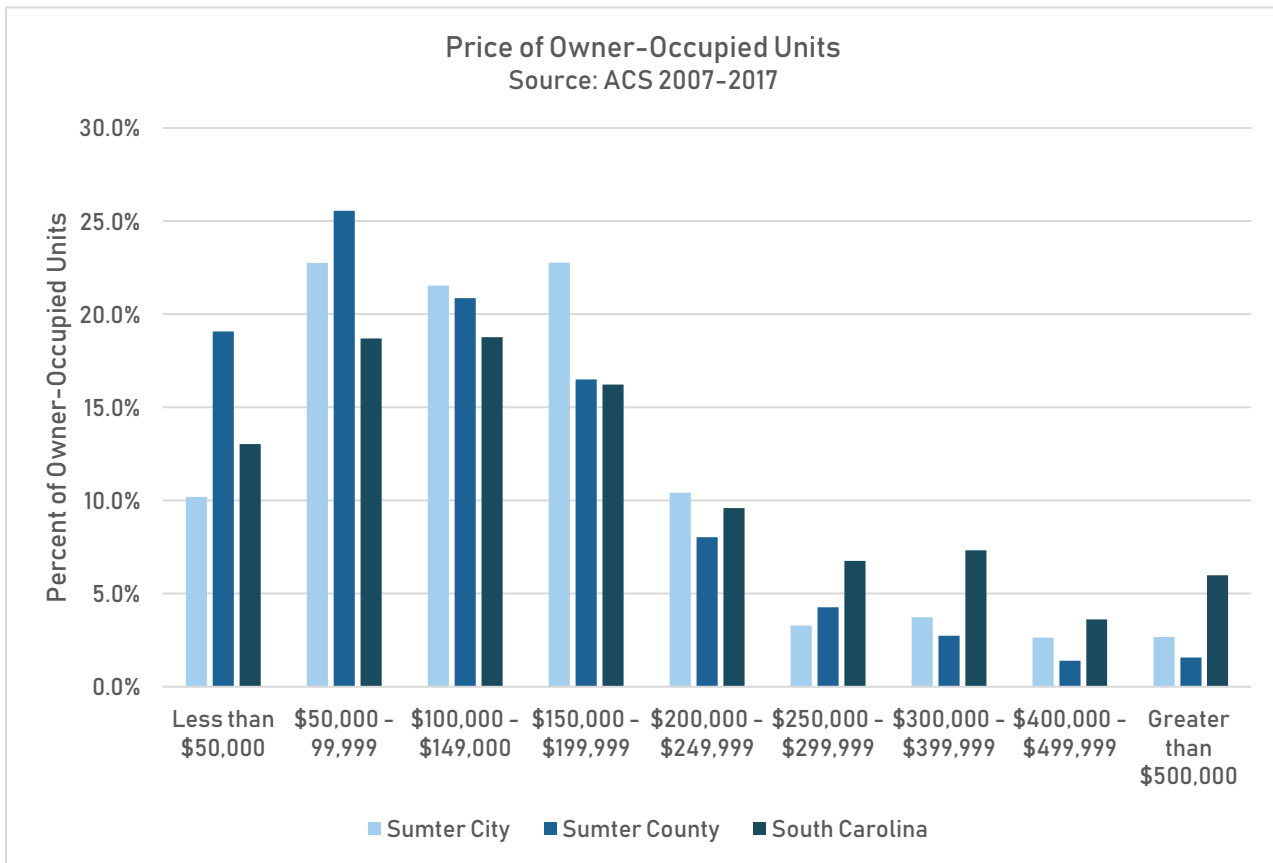
Owner-occupied housing in the city is comprised of mostly three- and four-bedroom units which make up approximately 82 percent of the owner housing stock. This is not surprising considering 90 percent of owner units are single-family homes. Only 13 percent of the owner-occupied stock contains one- or two-bedrooms.

Pricing

In 2017, the median value of an owner-occupied housing unit in the City of Sumter was \$141,000.²⁰ That number is up 14 percent over the median value from 2007 of \$123,900. As new housing continues to be constructed on the city's periphery, the median value has climbed. While prices for owner-occupied units have risen, it is important to note that 77 percent of the city's owner-occupied housing stock is still valued at less than \$200,000 and only 12 percent of that housing stock is valued at over \$250,000. Figure 24 compares the number of owner-occupied housing units by price point across the city, county, and state. The City of Sumter has fewer homes priced below \$200,000 when compared to the county at 82 percent, but more than the state at 67 percent. The county's housing stock is more affordable compared to the city because it encompasses rural areas with modest homes and the county has many more mobile homes than the city. South Carolina has more than double the percentage of homes valued at or above \$250,000 compared to the city.

²⁰ ACS, 2013-2017.

Figure 26: Percent of Owner-Occupied Units by Price Range

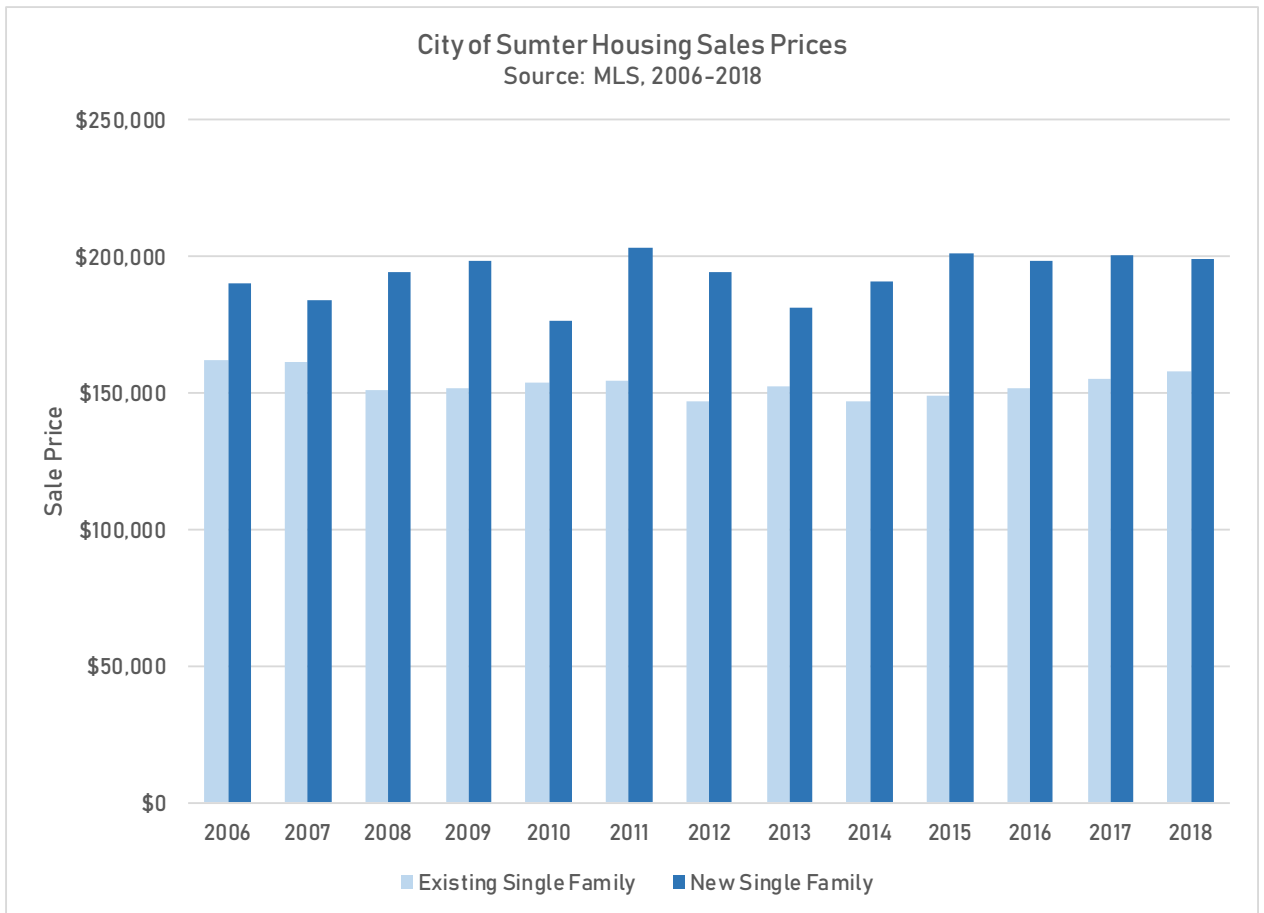


To provide accurate data on owner-occupied sales in the City of Sumter, we analyzed data from the Multiple Listing Service (MLS) for the period 2006 to 2018.²¹ Over the thirteen-year period, there were nearly 12,000 sales with an average of 912 sales per year. The Great Recession impacted the city’s ownership market dropping the total number of yearly sales as well as the median sale price of ownership units. In 2006, sale prices and total sales began to decline bottoming out in 2012 before the recovery began to take place. Sales dropped from a high in 2006 of 1,297 to a low of 684 in 2012. Likewise, median sale price dropped from \$162,375 to \$147,150. Prices, number of sales, and days on market have all improved since then.

RKG also looked at a comparison of sales for existing single-family homes that sold versus brand new single-family homes (ones that were built and sold in the same year) to better understand the price differential between the two. On average, in 2018 new single-family homes sold for 26 percent more than existing single-family homes. The median sale price of a new home in 2018 was \$198,899 compared to \$158,000 for an existing home. Figure 27 shows median sale price for existing and new homes by year sold.

²¹ MLS data provided by Sumter Board of Realtors. 2018 data is through November 15, 2018.

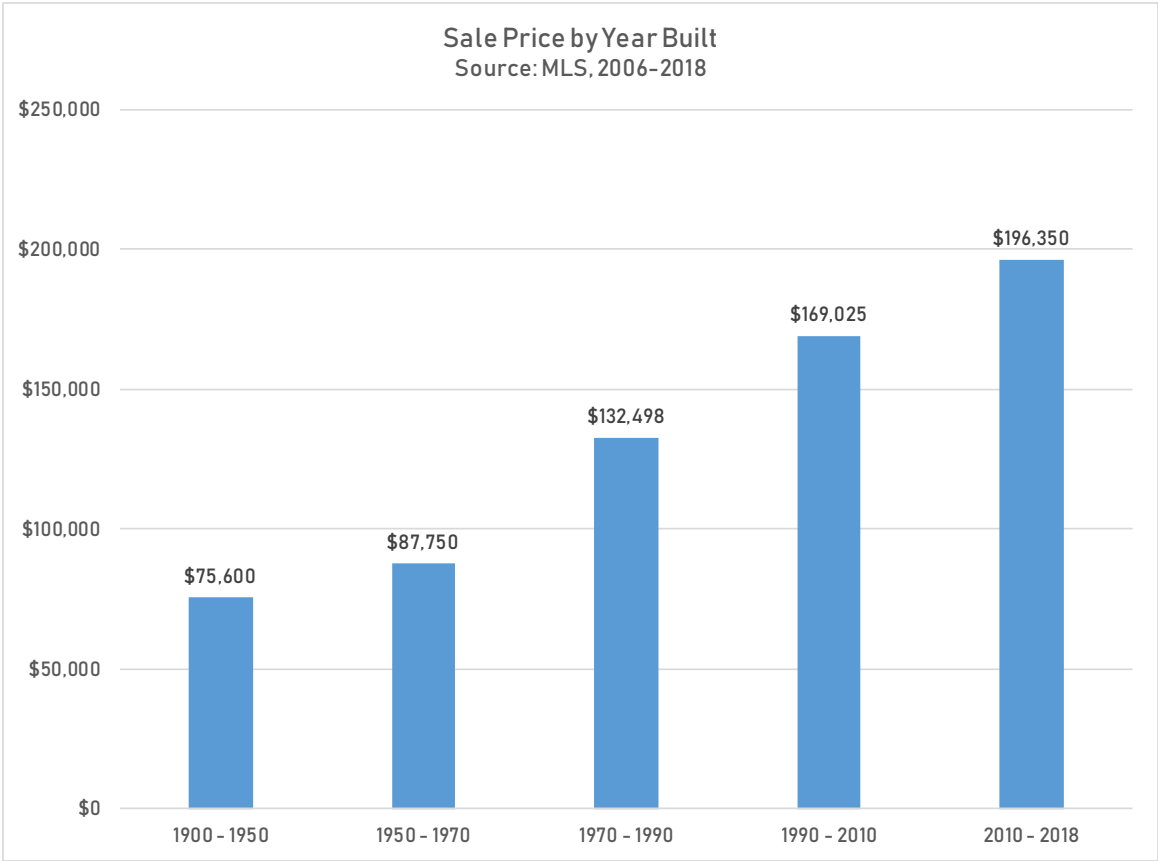
Figure 27: Sale Price



Interestingly, between 2006 and 2018 homes built before 1900 and homes built between 2010 and 2018 sold on average for nearly the same price at just over \$190,000. Homes built before 1900 that sold during this time period averaged 3,300 square feet and likely need upgrades and repairs compared to newer homes built between 2010 and 2018. On a price per square foot basis, the median sales price a home built before 1900 was \$63 per square foot, compared to \$92 a square foot for homes built after 2010. This shows that older homes do not garner a price premium for a variety of reasons including existing homes may need repairs and upgrades, they may not be located in the ideal neighborhood or school district, or they may be located in a neighborhood that has experienced neglect over time which would depress the sales price compared to new homes on the edge of the city.

There is also a difference in pricing and days on market between new homes, those built and sold in the same year, and existing homes. Between 2006 and 2018, new homes sold for an average of \$40,000 higher than existing homes and tended to sell more quickly too. In 2016, there was a shift in that trend where new homes were taking about a month longer to sell compared to existing homes. A price differential of about \$44,000 still remained, but days on market for new homes increased compared to the previous five-year period.

Figure 28: Sale Price by Year Built

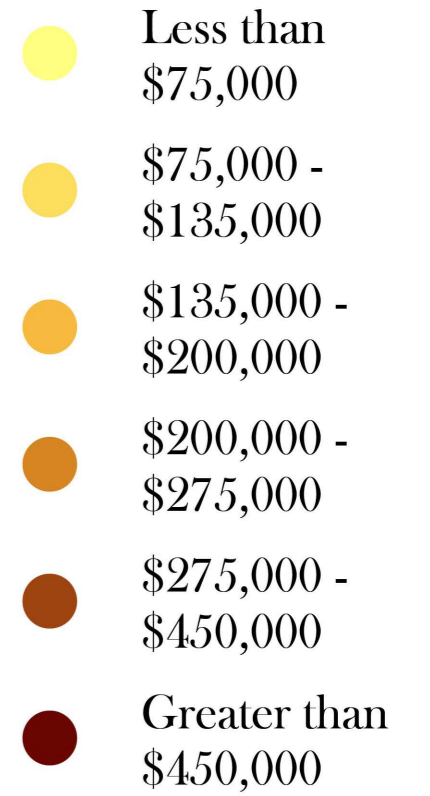


The maps on the following pages show sale prices by location across the city, as well as price per square foot for houses sold. There is a clear pattern of sales price escalation moving from the center of the city out toward the west and northwest where most of the new housing is being constructed. That pattern also holds true for price per square foot indicating the newer housing, although larger in size, is providing a value-add over the smaller, older housing stock closer to the center of the city.

MLS Sales

Sumter, South Carolina

Sale Price (2006 - 2018)

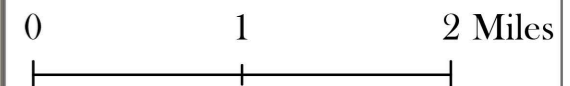


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Sources: City of Sumter, Sumter County, US Census

Date: 12/18/18

Map Creator: Patrick McCafferty



MLS Sales

Sumter, South Carolina

Price per Square Foot (2006 - 2018)



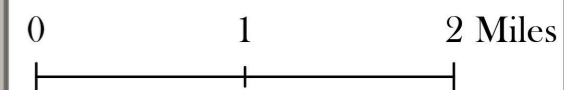
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Sources: City of Sumter, Sumter County, US Census

Date: 12/18/18

Map Creator: Patrick McCafferty

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Construction/Pipeline

The City of Sumter has issued on average 150 single-family building permits per year over the last ten years. Many of those permits are for lots in approved subdivisions on the city's west side. According to the City's Planning Department, the construction time line for a single-family home is somewhere in the range of six to eighteen months depending on the builder and type of home.²²

Using building permits as a proxy for new housing supply, it is assumed there have been about 150 new single-family homes added to the market each year over the last ten years. As of the end of 2018, the city had twenty-three subdivisions that had already been approved but not yet built-out. Within these subdivisions, there are 1,777 lots that have not yet been built on. Using the City's 150 permits per year average, this equates to a ten-year supply of single-family homes that are already approved but not yet constructed.

Table 11 highlights the top eight subdivisions that have the highest number of lots remaining, some of which date back as early as 1998. These eight subdivisions alone hold capacity for an additional 1,439 units of owner-occupied housing. Without approving another subdivision, the city has the capacity to increase total owner-occupied housing supply by 17 percent. At an average household size of 2.5, this build-out could result in an additional 3,600 residents.

Table 11: Residential Subdivisions with the Highest Remaining Unit Count					
Subdivision Name	Units Approved	Units Built	Units Remaining	% Complete	Established
Timberline Meadows	380	165	215	43%	1998
Williamsburg	220	107	113	49%	2000
Beach Forest	446	215	231	48%	2002
Hunters Crossing	540	381	159	71%	2004
Ashbrook Plantation	441	97	344	22%	2006
Pocalla	320	212	108	66%	2007
The Cove	153	32	121	21%	2007
Heritage Bay	190	42	148	22%	2013
TOTALS	2,690	1,251	1,439	47%	

Source: City of Sumter Planning Department, 2018.

The subdivision map on the following page shows the location of all approved subdivisions across the City of Sumter.

²² Interview with City's Zoning Administrator.

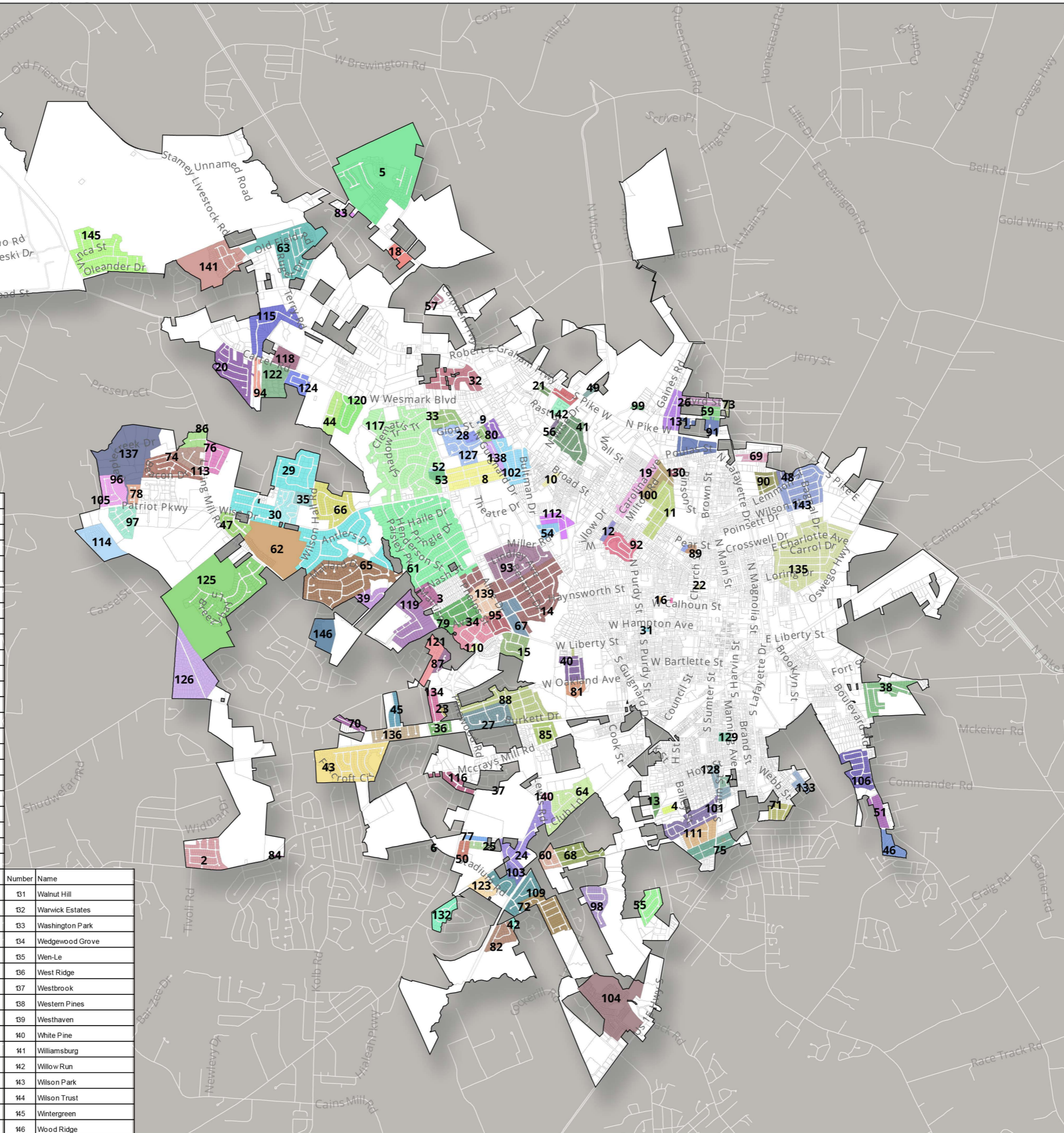
Subdivisions

Sumter, South Carolina

RKG
ASSOCIATES INC



Number	Name
1	Archdale
2	Ashbrook
3	Audobon Park
4	Bates
5	Beach Forest
6	Beckridge Park
7	Belton Court
8	Bon Air Terrace
9	Brentwood
10	Broad Manor
11	Broad Street Place
12	Broad Terrace
13	Burgess
14	Burns Downs
15	Burr-Dale
16	Calhoun Place
17	Calhoun Townhouses
18	Camden Heights
19	Carolina Gardens
20	Carolina Palms
21	Cascades
22	Church Court
23	City Homes
24	Club Forest
25	Country Club Estates
26	Cribb
27	Curtis Park
28	Deer Manor
29	Deerfield
30	Deerfield Courtyard
31	Delorme Court
32	Dinkins Development
33	East Sunway Knolls
34	Edgewater
35	English Turn
36	Essex Park
37	Fair View
38	Falcon Crest
39	Feathers Down
40	Flowers Heights
41	Folsom Park Estates
42	Forest Hill
43	Foxcroft
44	Foxridge
45	Freedom Forge
46	Fuller Gardens
47	Garden Gate
48	Garris Park
49	Gate-Wood Park
50	Golfair
51	Green Acres
52	Greystone
53	Greystone Garden Homes
54	Guignard Heights
55	Guignard Park
56	Hackberry Place
57	Hampshire Estates
58	Hampton Park Townhouses
59	Hatfield
60	Haywood
61	Heathley Wood
62	Heritage Bay
63	Hunters Crossing
64	Huntington
65	Idlewild
66	Indian Hills Deerfield
67	Iris Heights
68	Ivey Hall
69	Joe Lewis Park
70	Kendal Estates
71	Kingman Heights
72	Knights Village
73	Lafayette Heights
74	Landmark Pointe
75	Lincoln Home Sites
76	Loringwood
77	Madison Park
78	Magnolia Courtyard
79	Mahon
80	Mallwood Estates
81	Marigold Heights
82	Mariners Cove
83	Mason Acres
84	Meadowcroft
85	Midfield
86	Mill Pond Estates
87	Mill Run
88	Milwood Gardens
89	North Westside Villas
90	Oakdale
91	Oaklawn
92	Old Towne Landing
93	Palmetto Park
94	Park Place
95	Parkwood Estates
96	Patriot Landing
97	Patriot Village
98	Peperidge Acres
99	Pinckney Heights
100	Pine Forest
101	Pinedale
102	Pinefield
103	Pinnacle Court
104	Pocalla Springs
105	Ramsey
106	Rolling Creek
107	Roosevelt Court
108	Rowland Development
109	Salisbury
110	Saresden
111	Sedge Field
112	Shot Pouch Heights
113	Southern Hills
114	Stafford Meadows
115	Stillwater
116	Sunset Homes
117	Sunway Knolls
118	The Arbors
119	The Cove
120	The Oaks
121	The Reserve
122	The Summit
123	The Vintage
124	The Willows
125	Timberline Meadows
126	Trailwood
127	Tudor Place
128	Victory Heights
129	Villa Sites
130	Vining Pines
131	Walnut Hill
132	Warwick Estates
133	Washington Park
134	Wedgewood Grove
135	Wen-Le
136	West Ridge
137	Westbrook
138	Western Pines
139	Westhaven
140	White Pine
141	Williamsburg
142	Willow Run
143	Wilson Park
144	Wilson Trust
145	Wintergreen
146	Wood Ridge

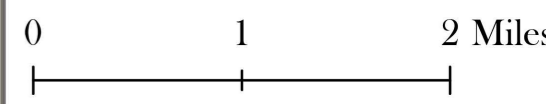


This map is for general planning purposes only. The data used to create the map are not adequate for making legal or zoning boundary determinations or delineating natural resource areas. Exercise caution when interpreting the information on this map.

Sources: City of Sumter, Sumter County, US Census

Date: 12/18/18

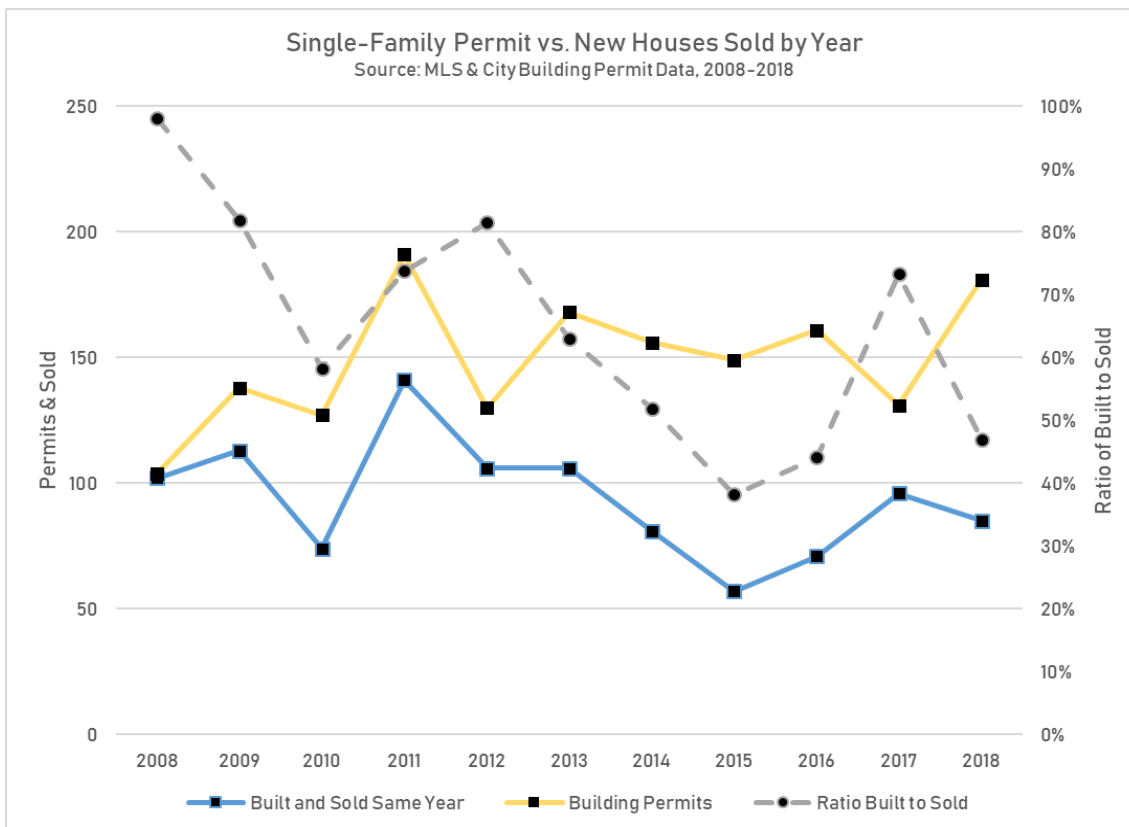
Map Creator: Patrick McCafferty



DEMAND

Using recent sales trends as a proxy for demand, sales of owner-occupied housing have increased by 54 percent between 2012 and 2018. Sales are almost back to levels seen in 2006 before the Great Recession. However, sales of new homes (those built and sold in the same year) are down 9 percent over that same period. Figure 29 provides a comparison of building permits per year and sales of new owner-occupied housing per year to provide an estimate of how many new units are built versus sold in a given year.²³ The ratio of built to sold has dropped from 82 percent in 2012 to 47 percent in 2018. While overall sales of owner-occupied housing have increased since 2012, the number of new sales is not keeping pace with the number of building permits being issued for new homes. This seems to indicate two key points: builders are pulling permits but not necessarily constructing new homes and new homes are not selling at same pace as they are being constructed. If this continues unchecked, the city will likely see further decline in existing neighborhoods as residents (new and existing) move to newer housing on the city’s periphery.

Figure 29: Sale Price by Year Built



Looking at projected demand data by change in income and age groups through the year 2023 shows an increase in demand for households earning over \$50,000 a year and shrinking demand for those earning less than \$35,000. Demand is projected to grow for householders ages 35 to 44 and those over 65. This is reflective of homeowners tending to purchase during typical family

²³ The build and sold data is based on the calendar year.

formation years and the growing share of older residents in the City of Sumter, potentially those retiring from the military as well.

Table 12 also shows the home value ranges for each income group based on the assumption that a household spends no more than 30 percent of their income on housing costs. While the home price ranges for households earning over \$75,000 are higher than most home prices in the city, the trend matches what we see in the MLS sales data. A quarter of all sales in 2018 were for houses priced at or above \$200,000 and that trend has been increasing since 2012. Most sales, 55 percent, are still occurring in the price range of \$100,000 to \$200,000 which is where much of the owner-occupied housing stock (existing and new) is priced. As employment continues to grow and change in the city and the county, it is anticipated household incomes will grow providing additional purchasing power for ownership units.

At the same time, ownership demand from households with incomes less than \$35,000 is projected to drop by 9 percent. This change could be the result of an escalation in housing prices driving these households toward renting instead of owning, or it could mean there will be a decline in the number of these households in the City of Sumter.

Table 12: Annual Owner Demand by Age, Income, and Value (2018 – 2023)

Income Range	Age Groups					Total	% Change From 2018	Home Values Based on Income
	Under 35	35 to 44	45 to 54	55 to 64	Greater than 65			
Less than \$35,000	(141)	(21)	(96)	(124)	17	(366)	-9%	Up to \$122,000
> \$35,000 and <=\$50,000	(13)	5	(20)	(16)	53	11	1%	\$122,000 to \$174,000
> \$50,000 and <=\$75,000	12	32	(5)	(2)	76	113	8%	\$174,000 to \$261,000
> \$75,000 and <=\$100,000	36	38	11	15	61	161	17%	\$261,000 to \$348,000
Greater than \$100,000	56	68	37	49	117	326	22%	More than \$348,000
Aggregate Total	(49)	122	(73)	(78)	324	246	3%	
% Change From 2018	-2%	9%	-5%	-5%	12%			

Source: ESRI Business Analyst, and RKG Associates, Inc. 2019

Renter-Occupied Housing Market

This section provides a more in-depth analysis of the renter-occupied housing market including supply, demand, and pricing across the city.

SUPPLY

In 2017 42 percent of the city’s households were renter-occupied with 46 percent of rental units being single-family homes and another 50 percent in multi-unit structures. The City of Sumter has more rental housing located in multi-unit structures than the County (27 percent) and the State (42 percent).

Table 13: Housing Tenure

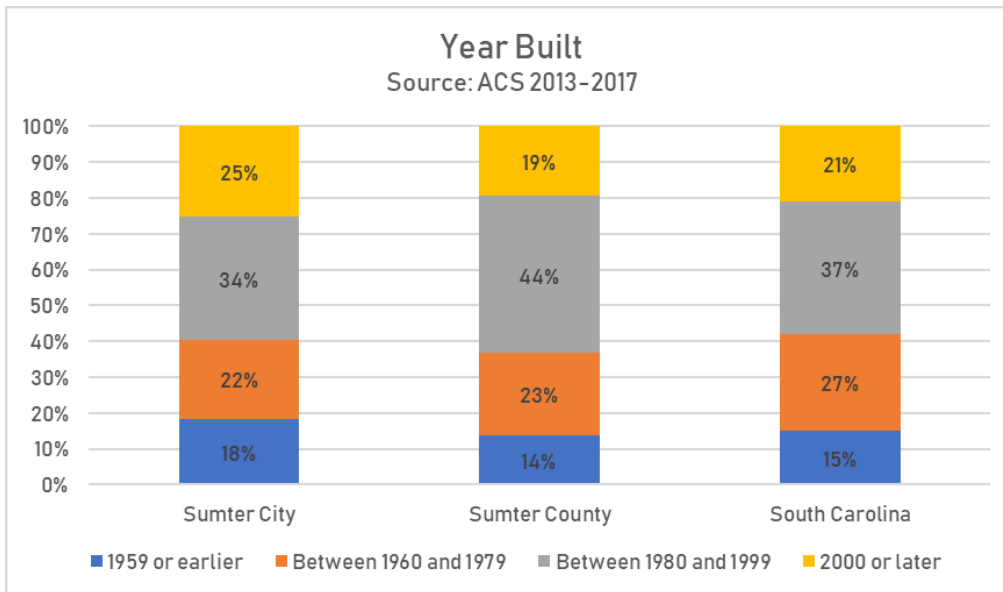
	City of Sumter	Sumter County	South Carolina
Renter Occupied			
Single Family	46%	46%	40%
Multifamily	50%	27%	42%
Mobile Home/RV/Other	4%	27%	18%

Source: ACS 2013-2017

Rental housing in the city takes the form of many different building types. The most common structure type for rental housing units are single-family homes (46 percent), but the city also has a mix of duplexes, quadplexes, garden style apartment buildings, and multi-story apartment

buildings. There are several senior housing rental developments around the city as well. As shown in Figure 30, 59 percent of the city's rental stock was constructed after 1980 which is on par with the county and the state.

Figure 30: Rental Structures by Year Built



Referring back to the Residential Land Use Map in the city-wide market analysis section, much of the multi-family housing located in buildings with more than five units in a few primary locations. Several complexes were built along West Hampton Street near Downtown Sumter, some of which are senior rental housing. Other areas include North Guignard Drive near Gion Street, the stretch along North and South Pike where several affordable rental housing developments were constructed, and the area along Carter Road at Broad Street.

The City of Sumter's rental housing market has been driven by a few key factors that are important to mention:

- The presence of military personnel from Shaw AFB in the community has driven rental demand upward, especially since the demolition of half the housing on the base. This pushed military personnel from the base into the city and surrounding areas. The relocation of the third army and the UAV squadron have brought additional personnel to Shaw, many of whom are finding housing in the City of Sumter. The military's BHA is enough to cover rent in most apartment complexes in the city. There are also many single-family and duplex units for rent across the city. Some of these units are owned by military personnel who have been relocated but kept the house as a rental property. The Automated Housing Referral Network (AHRN), is a website for military personnel to help them locate a rental unit near where they are stationed. More information from this site is offered under the pricing section of this report.

- Recently there have been eleven multi-family rental developments built in the city using Low Income Housing Tax Credits (LIHTC) which created 683 new units restricted to households earning no more than 60 percent of the area median income (AMI).²⁴ This equates to a maximum rent of about \$675 a month for a family of three, or \$750 for a family of four. One challenge for the city has been the location of these developments along North and South Pike, which have LIHTC Qualified Census Tracts where low income households and poverty rates meet or exceed the programs thresholds. These developments are not well-connected for households without cars, they are not within walking distance to job centers, and are not served well by public transit.
- The final factor is the recovery for homeowners coming out of the Great Recession. The city's housing values took a hit during this period, but many parts of the city recovered. In other parts of the city, particularly on the east side, recovery has not taken place and the Great Recession exacerbated issues that existed from the loss of employment and out migration of residents from these neighborhoods. Residents who were foreclosed upon or forced to sell may have transitioned into rental housing if they did not leave the community altogether. It is also plausible that the addition of deed restricted affordable housing in the city may have offered a better housing alternative to residents living in blighted structures that were in need of rehabilitation beyond what they could reasonably afford.

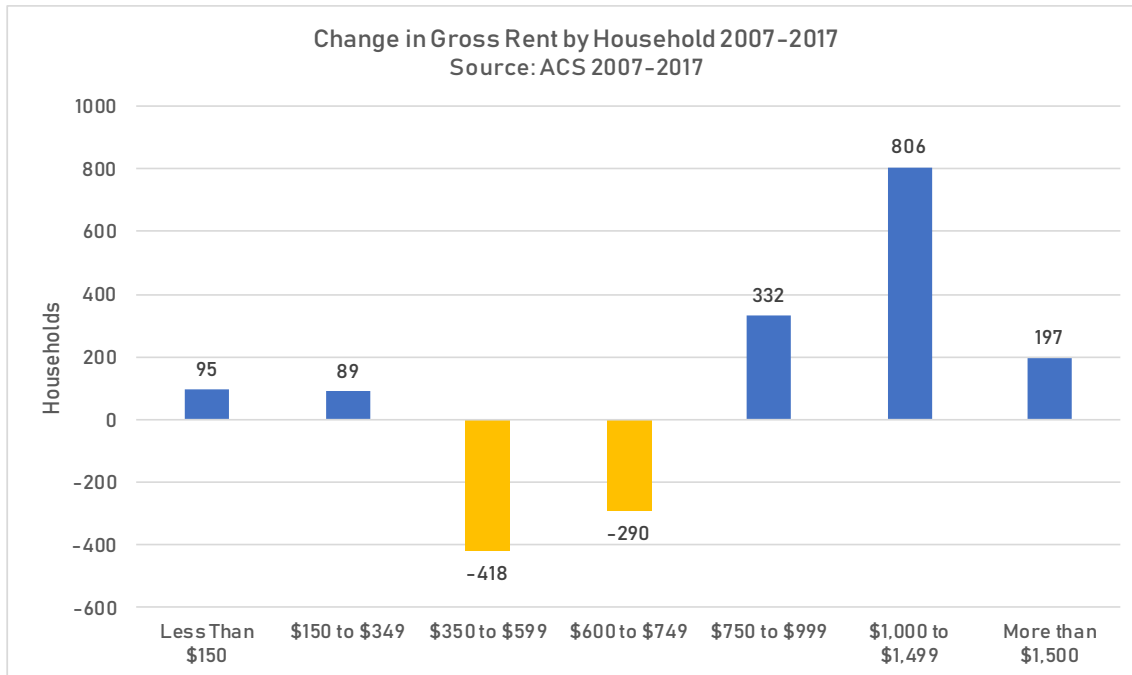
Pricing

In 2017, the median gross rent in the city was \$765 which is an increase of 13 percent since 2007.²⁵ Figure 31 shows the change in gross rent by price category between 2007 and 2017. The number of households paying rent at the very low end (less than \$150 a month) and at the high end (over \$1,000 a month) have grown, while households paying rents between \$350 and \$749 a month have shrunk. This is likely the result of some larger multi-family rental complexes coming on line during this time which charge higher rents than some of the older garden style apartments in the city. Rents at the top end may also be driven by larger, more expensive single-family homes being rented as military personnel were transferred to another base and decide to rent their home rather than sell it. During the interview process for this project, we heard about this trend from several brokers and property managers. Rents for some of the new larger single-family homes can range from \$1,300 to \$1,800 a month, which can be covered by a BAH from higher ranking officers or several military members could live together and pool their BAHs to pay the rent.

²⁴ HUD, 2018.

²⁵ ACS 2011 and 2017.

Figure 31: Change in Gross Rent



A recent scan of rental listings showed the average rent for a single-family home to be \$1,135 per month, rentals in buildings with two to four units averaged \$686 per month, and rentals in buildings with five or more units averaged \$827.²⁶ Rental prices in the larger apartment complexes vary significantly depending on the location, quality, and amenities offered. Newer complexes such as the Retreat at Sumter, Piedmont Plantation, and Companion at Carter Mill offer a range of one-, two-, and three-bedroom units in a managed building with amenities such as a pool and gym. These complexes are generating rents for a one-bedroom of around \$1.00 a square foot, two-bedrooms at \$0.92, and three-bedrooms at \$0.90 a square foot. That compares to other multi-family rental complexes like Dillon Trace Apartments and Magnolia Manor where rents for a two-bedroom range from \$0.65 to \$0.85 a square foot.

As noted earlier, the AHRN produces a website listing rental properties for military personnel near the base they are stationed. A scan of the properties listed showed ninety-one off-base listings, with 35 percent of the listings in apartment units, 20 percent in duplex units, and 32 percent in single-family homes²⁷. Prices for apartments averaged \$550 for a one-bedroom to \$930 for three-bedrooms. Prices for single-family homes ranged from \$618 for a one-bedroom to \$1,600 for a four-bedroom. It appears that some of these listings are also out on public sites like Zillow or Apartments.com, but others like single-family homes and duplexes are exclusive to the AHRN website.

²⁶ Apartments.com, January 2019.

²⁷ www.ahrn.com. December 2018.

Affordable Rental Units

In addition to market rate rental units, city also has many income restricted affordable units. As of 2018, the city has 933 rental apartment units that set rent based on income.²⁸ Approximately 593 of these income restricted rental units were constructed utilizing the LIHTC program which limits rents to what is affordable to a household earning no more than 60 percent of AMI. For a household of three, the expected rent would be no more than \$561 for a two-bedroom or \$648 for a three-bedroom unit.

The Sumter Housing Authority also owns and operates 286 apartments in the City of Sumter, as well as administering the project based and rental voucher program which issues 925 vouchers.²⁹ The public housing units are available to households at or below 50 percent of AMI, and the vouchers are available to households at or below 30 percent of AMI. Housing assistance is contingent upon compliance with rules related to criminal behavior and timely payment of rent. According to the Housing Authority, there is a seven to twelve month wait for one-bedroom units and a six month wait for two-bedroom units. The Housing Authority currently has 780 people on the waiting list for the voucher program, which is a six to seven month wait. The number of people on the waiting list is currently much lower now than in other points in time.

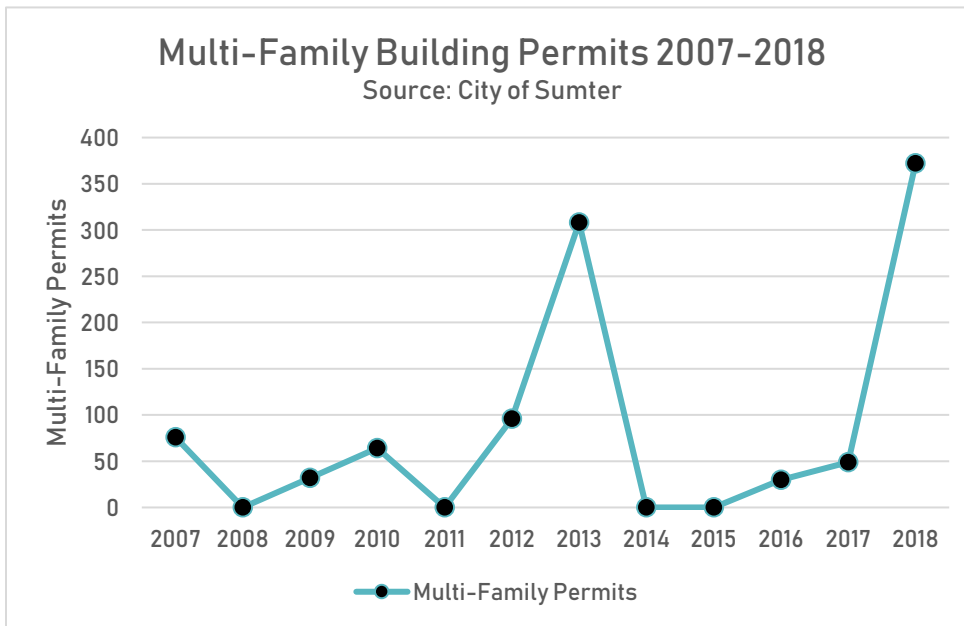
Construction/Pipeline

Multi-family building permits have fluctuated substantially year-over-year between 2007 and 2018. The largest spikes in permits issued came when larger garden-style apartment complexes with multiple buildings were issued permits. In 2013, permits for just over 300 units were issued in one year. The same is true in 2018 when over 350 permits were issued for the Retreat at Sumter which will have these units spread over fourteen separate buildings. Figure 32 shows the number of multi-family units permitted by year from 2007 to 2018.

²⁸ Affordable Housing Online. www.affordablehousingonline.com. December, 2018.

²⁹ Sumter Housing Authority, 2018.

Figure 32: Multi-Family Building Permits by Year



The Retreat at Sumter (3290 Broad Street) is the most recent large-scale multi-family to be green lighted by the City. Permits for all fourteen buildings were pulled in mid-2018 and construction has begun on several of the buildings. Permits were also pulled in April 2018 for thirty-six units along Patriot Parkway adjacent to Patriot Park. These units are also under construction.

DEMAND

Looking at projected demand data through the year 2023 by change in income and age groups shows an increase in demand for renter households earning over \$50,000 a year and shrinking demand for those earning less than \$50,000. Demand is projected to grow for householders ages 35 to 44 and those over 65. This is reflective of a growing senior population who may be looking to downsize or have less maintenance compared to a single-family home.

Table 14 also shows the rent ranges for each income group based on the assumption that a household spends no more than 30 percent of their income on rental housing costs. While the rent price ranges for households earning over \$75,000 are higher than many market rate rents in the city, the trend matches what we see in the ACS gross rent data. Between 2007 and 2017, gross rent increased 13 percent with the largest percentage increases occurring in monthly rents over \$1,000. Loss was seen for middle-market rents between \$350 and \$749 a month. As new multi-family rental product enters the market in 2019 and 2020, it is expected those rents will continue to push market rents higher and increase the supply at the top of the market.

Table 14: Annual Renter Demand by Age, Income, and Value (2018 – 2023)

Income Range	Age Groups					Total	% Change From 2018	Rents Based on Income
	Under 35	35 to 44	45 to 54	55 to 64	Greater than 65			
Less than \$35,000	(120)	(24)	(79)	(103)	(10)	(335)	-11%	Up to \$875
> \$35,000 and <=\$50,000	(15)	1	(17)	(15)	33	(15)	-1%	\$875 to \$1,250
> \$50,000 and <=\$75,000	3	20	(8)	(5)	49	59	5%	\$1,250 to \$1,875
> \$75,000 and <=\$100,000	23	25	6	8	41	103	14%	\$1,875 to \$2,500
Greater than \$100,000	37	45	22	30	81	216	19%	More than \$2,500
Aggregate Total	(73)	67	(76)	(85)	194	27	0%	
% Change From 2018	-4%	7%	-7%	-7%	10%			

Source: ESRI Business Analyst, and RKG Associates, Inc. 2019

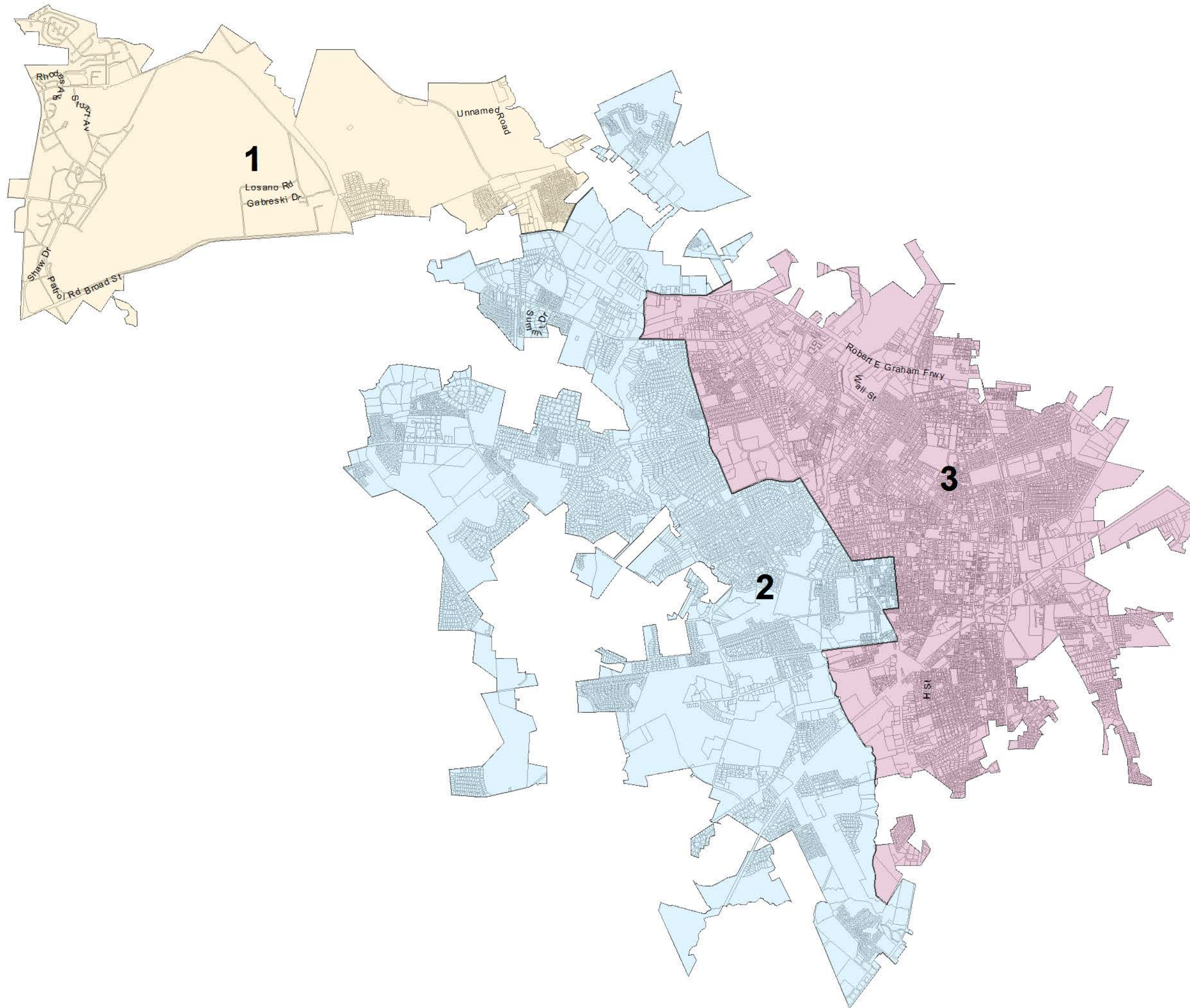
Subarea Housing Profiles

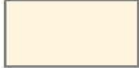


This report section provides a more detailed look at three market subareas within the City of Sumter. Working with City staff, we divided up the city into three areas based on housing and market conditions, development patterns, and demographic and economic similarities. For each subarea there is a brief description of area demographics, sales trends, rent levels, and general housing characteristics, as well as maps showing sale prices and property ownership challenges.

The subarea map on the following page shows the boundaries for each of the three subareas. Subarea 1 covers the area we will refer to as North Sumter. Subarea 2 covers the area we will refer to as West Sumter. Subarea 3 covers the area we will refer to as East Sumter.

Subarea Map

Sumter, South Carolina



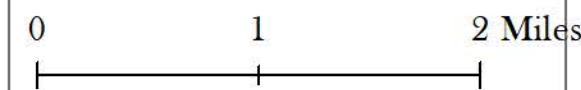
-  Subarea 1
-  Subarea 2
-  Subarea 3

This map is for general planning purposes only. The data used to create the map are not adequate for making legal or zoning boundary determinations or delineating natural resource areas. Exercise caution when interpreting the information on this map.

Sources: City of Sumter, Sumter County, US Census

Date: 12/18/18

Map Creator: Patrick McCafferty

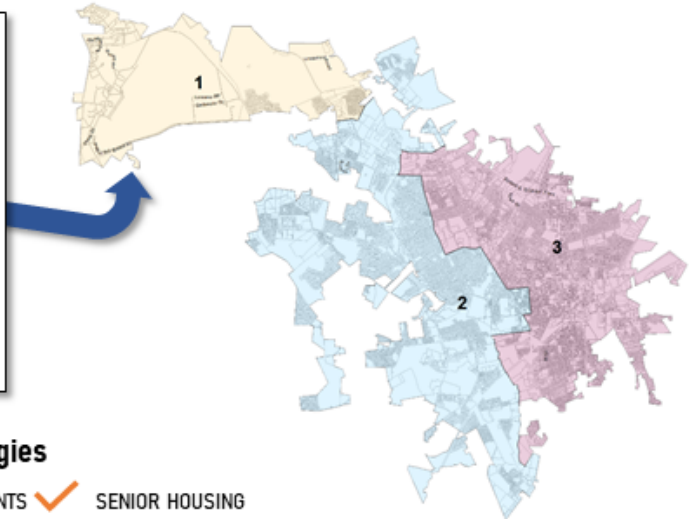


Subarea Analysis:

Area 1: North Sumter

Sumter Affordable Housing Study

North Sumter is defined by Shaw Air Force Base which dominates the western half of the subarea. The majority of the housing is single-family built after 1990, with very few, if any multi-family units. Shaw AFB provides some of the only multi-family rental units in the subarea, but they are reserved for military personnel. This area has very few issues with vacancy or blight, but does have several non-resident owner units in the subdivisions on the east side of the base.



North Sumter Housing Typologies

SINGLE-FAMILY ✓ DUPLEX QUADPLEX APARTMENTS ✓ SENIOR HOUSING

Demographic and Housing Market Overview for North Sumter



Sources:
ACS, 2013-2017
MLS 2006-2018
Apartments.com

2017 POPULATION:
6,625

MEDIAN HOUSEHOLD INCOME:
\$58,932

PERCENT NON-WHITE
44%

HOUSING UNITS:
2,355

TENURE:
55% OWNER,
30% RENTER,
15% VACANT



NUMBER OF SALES 2006-2018:
480



AVG. SQFT OF HOMES SOLD:
2,016



NUMBER OF NEW HOMES BUILT SINCE 2010:
132 @ avg sale price of \$161,711



2018 AVERAGE RENTAL PRICE:
Single Family: \$1,567/month
2-4 Unit Building: \$525/Month
5+ Unit Building: n/a

Note: Census Block Groups were used for demographic and household statistics. Block Groups do not align exactly with Sumter's city boundary line.

Examples of Housing Types in North Sumter



Subarea 1 Property Challenges

Sumter, South Carolina



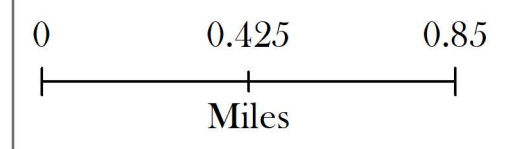
- Non-Resident Owner, Vacant & Blighted
- Vacant & Blighted
- Non-Resident Owners

This map is for general planning purposes only. The data used to create the map are not adequate for making legal or zoning boundary determinations or delineating natural resource areas. Exercise caution when interpreting the information on this map.

Sources: City of Sumter, Sumter County, US Census

Date: 12/18/18

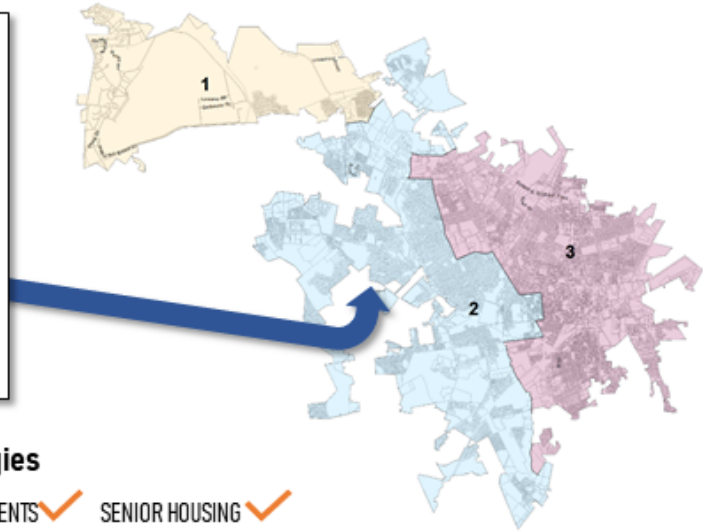
Map Creator: Patrick McCafferty



Subarea Analysis: Area 2: West Sumter

Sumter Affordable
Housing Study

West Sumter is an area where the City saw rapid housing expansion through subdivision development and annexation. There are a mix of housing types in this subarea, but single-family homes dominate the landscape. There are some multi-family buildings along Guignard Drive and Carter Road. Home prices in this area are some of the highest in Sumter and most of the real estate activity is happening here. This area does not have many issues with vacancy and blight with the exception of the area between South Liberty and Oakland Avenue.



West Sumter Housing Typologies

- SINGLE-FAMILY ✓
- DUPLEX ✓
- QUADPLEX ✓
- APARTMENTS ✓
- SENIOR HOUSING ✓

Demographic and Housing Market Overview for West Sumter



Sources:
ACS, 2013-2017
MLS 2006-2018
Apartments.com

Note: Census Block Groups were used for demographic and household statistics. Block Groups do not align exactly with Sumter's city boundary line.

2017 POPULATION:
21,044

MEDIAN HOUSEHOLD INCOME:
\$60,798

PERCENT NON-WHITE
35%

HOUSING UNITS:
9,401

TENURE:
70% OWNER,
21% RENTER,
9% VACANT



NUMBER OF SALES 2006-2018:
2,587



AVG. SQFT OF HOMES SOLD:
2,095



NUMBER OF NEW HOMES BUILT
SINCE 2010:
518 @ avg sale price of \$203,752



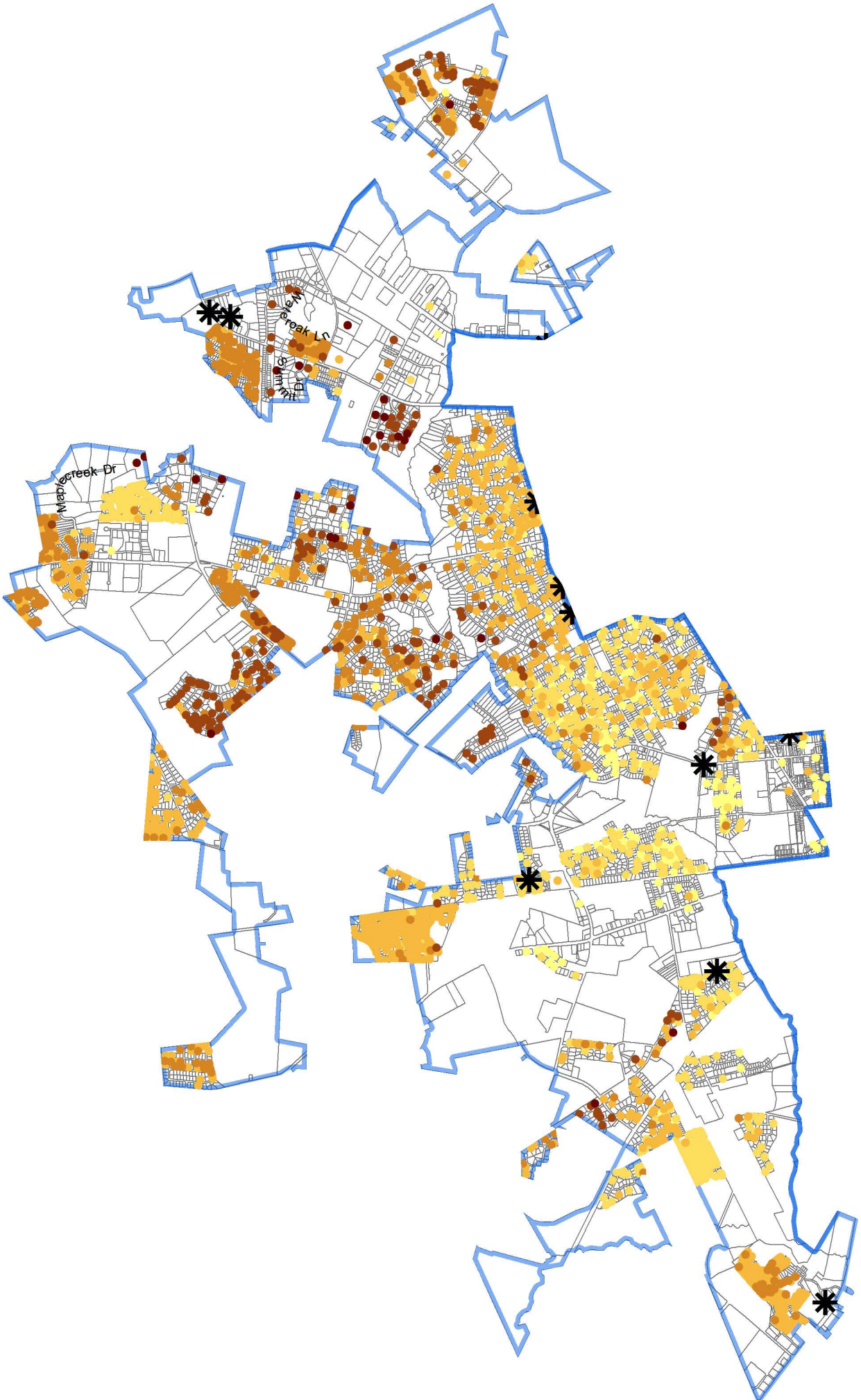
2018 AVERAGE RENTAL PRICE:
Single Family: \$1,217/month
2-4 Unit Building: \$721/month
5+ Unit Building: \$917/month

Examples of Housing Types in West Sumter



Subarea 2 Sale Prices

Sumter, South Carolina



* Multi-Family Property

Sale Price (2006 - 2018)

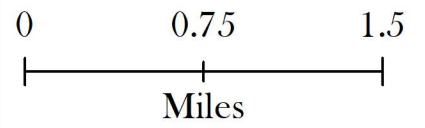
- Less than \$75,000
- \$75,000 - \$135,000
- \$135,000 - \$200,000
- \$200,000 - \$275,000
- \$275,000 - \$450,000
- Greater than \$450,000

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Sources: City of Sumter, Sumter County, US Census

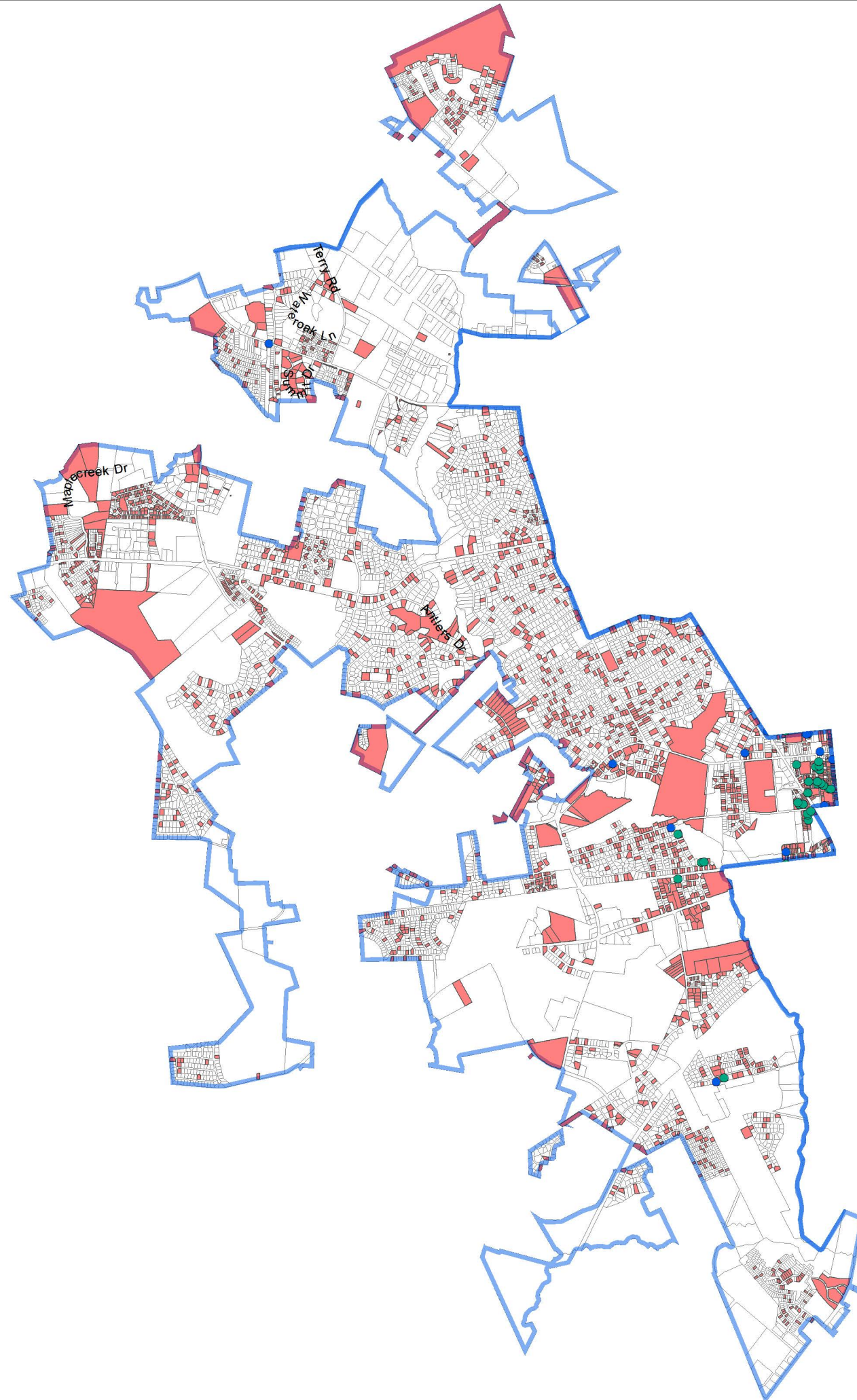
Date: 12/18/18

Map Creator: Patrick McCafferty



Subarea 2 Property Challenges

Sumter, South Carolina



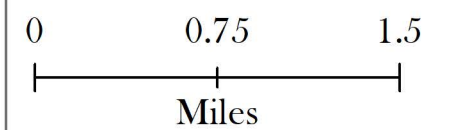
- Non-Resident Owner, Vacant & Blighted
- Vacant & Blighted
- Non-Resident Owners

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Sources: City of Sumter, Sumter County, US Census

Date: 12/18/18

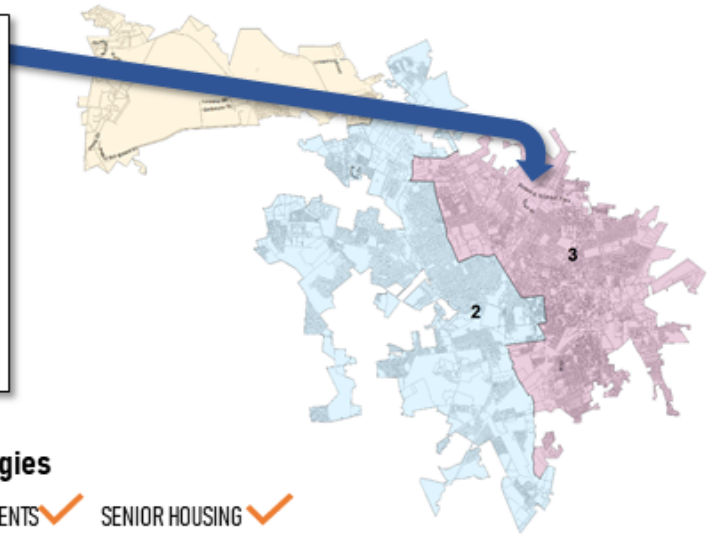
Map Creator: Patrick McCafferty



Subarea Analysis: Area 3: East Sumter

Sumter Affordable
Housing Study

East Sumter is the city's most challenged area. While there is a large diversity of housing types, there are heavy concentrations of vacancy and hazardous structures. These issues are keeping prices down and creating the perception of unsafe conditions. The subarea has the highest concentration of rental households located along Guignard Drive, North and South Pike, and West Liberty Street. Older homes in the historic district are selling for the highest prices in this subarea.



North Sumter Housing Typologies

- SINGLE-FAMILY ✓
- DUPLEX ✓
- QUADPLEX ✓
- APARTMENTS ✓
- SENIOR HOUSING ✓

Demographic and Housing Market Overview for East Sumter



Sources:
ACS, 2013-2017
MLS 2006-2018
Apartments.com

2017 POPULATION:
22,901

MEDIAN HOUSEHOLD INCOME:
\$29,720

PERCENT NON-WHITE
75%

HOUSING UNITS:
10,641

TENURE:
36% OWNER,
47% RENTER,
17% VACANT



NUMBER OF SALES 2006-2018:
1,221



AVG. SQFT OF HOMES SOLD:
1,625



NUMBER OF NEW HOMES BUILT SINCE 2010:
9 @ avg sale price of \$113,239



2018 AVERAGE RENTAL PRICE:
Single Family: \$798/month
2-4 Unit Building: \$648/Month
5+ Unit Building: \$737/month

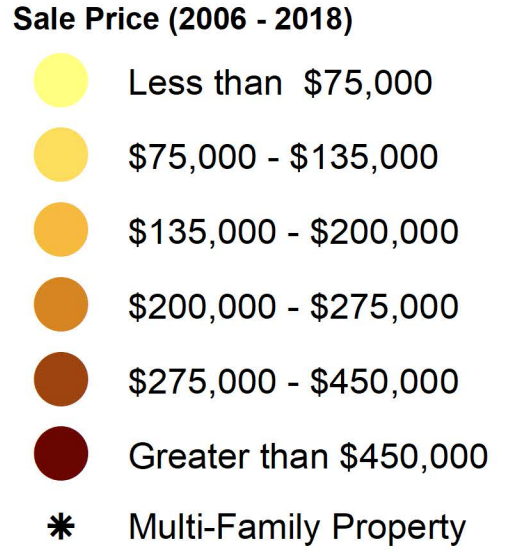
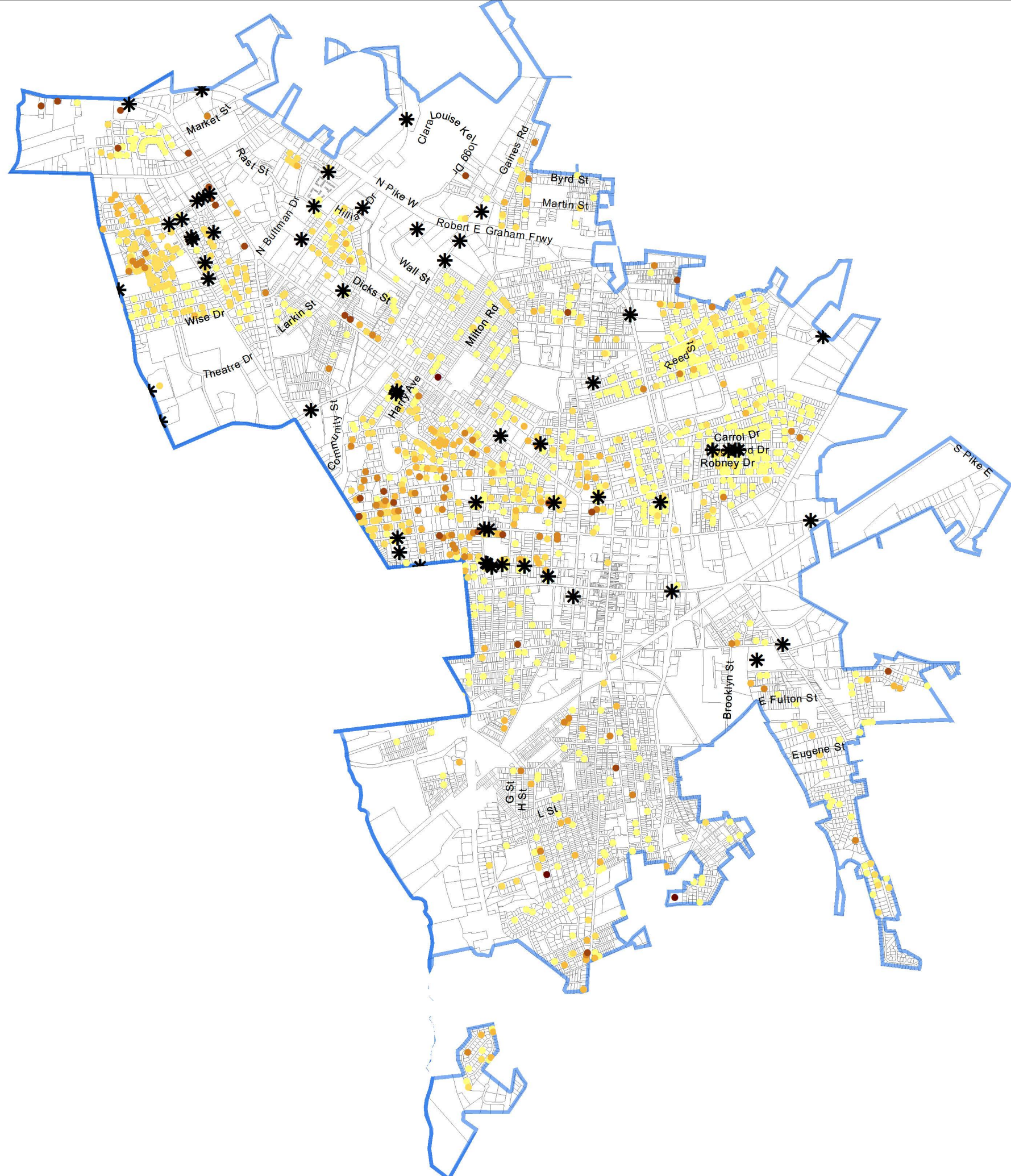
Note: Census Block Groups were used for demographic and household statistics. Block Groups do not align exactly with Sumter's city boundary line.

Examples of Housing Types in East Sumter



Subarea 3 Sale Prices

Sumter, South Carolina

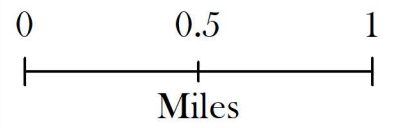
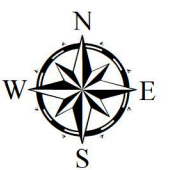


This map is for general planning purposes only. The data used to create the map are not adequate for making legal or zoning boundary determinations or delineating natural resource areas. Exercise caution when interpreting the information on this map.

Sources: City of Sumter, Sumter County, US Census

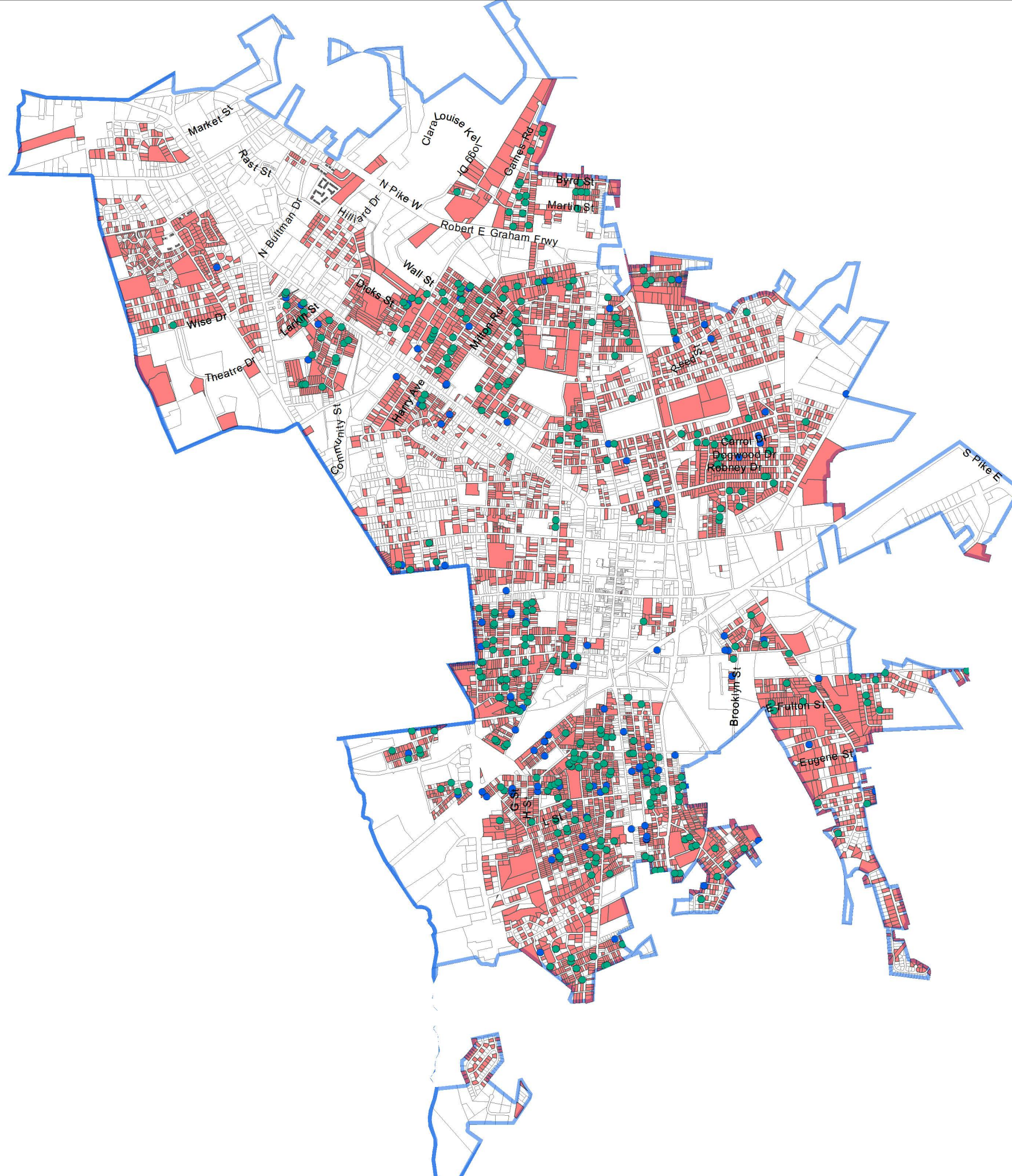
Date: 12/18/18

Map Creator: Patrick McCafferty



Subarea 3 Property Challenges

Sumter, South Carolina



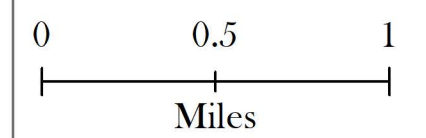
- Non-Resident Owner, Vacant & Blighted
- Vacant & Blighted
- Non-Resident Owners

This map is for general planning purposes only. The data used to create the map are not adequate for making legal or zoning boundary determinations or delineating natural resource areas. Exercise caution when interpreting the information on this map.

Sources: City of Sumter, Sumter County, US Census

Date: 12/18/18

Map Creator: Patrick McCafferty



SUMTER AFFORDABLE HOUSING STUDY

HOUSING MARKET GAPS

This section explores key housing market gaps based on the demographic analysis and owner and renter market analysis. Gaps focus on affordability, product type, and other housing challenges that may be keeping some housing product out of the marketplace.

Low and Moderate-Income Limits and Affordable Housing Costs

Most communities have some modestly priced housing that is more affordable to low- and moderate-income households: small, older single-family homes that are less valuable than new homes; multi-family condominiums; or apartments that can be leased for relatively low monthly rents. This type of affordable housing often stays affordable if the market will allow. In the city, there is a mix of housing at a variety of price points some of which is income restricted.

Permanently affordable housing for low-income households provides protection from price increase in robust market conditions. These units remain affordable because their resale prices and rents are governed by a deed restriction that lasts for many years, if not in perpetuity. There are other differences, too. For example, any household – regardless of income – may purchase or rent an unrestricted affordable unit, but only a low- or moderate-income household is eligible to purchase or rent a deed restricted unit. Both types of affordable housing meet a variety of needs. The crucial difference is that the market determines the price of unrestricted affordable units, while a recorded legal instrument determines the price of deed restricted units.

Low and moderate incomes are based on percentages of the HUD Area Median Family Income (HAMFI), adjusted for household size in the City of Sumter. To determine what this looks like in Sumter, Table 15 reports HUD’s current housing program income limits by household size and the maximum housing payment that is affordable in each tier.

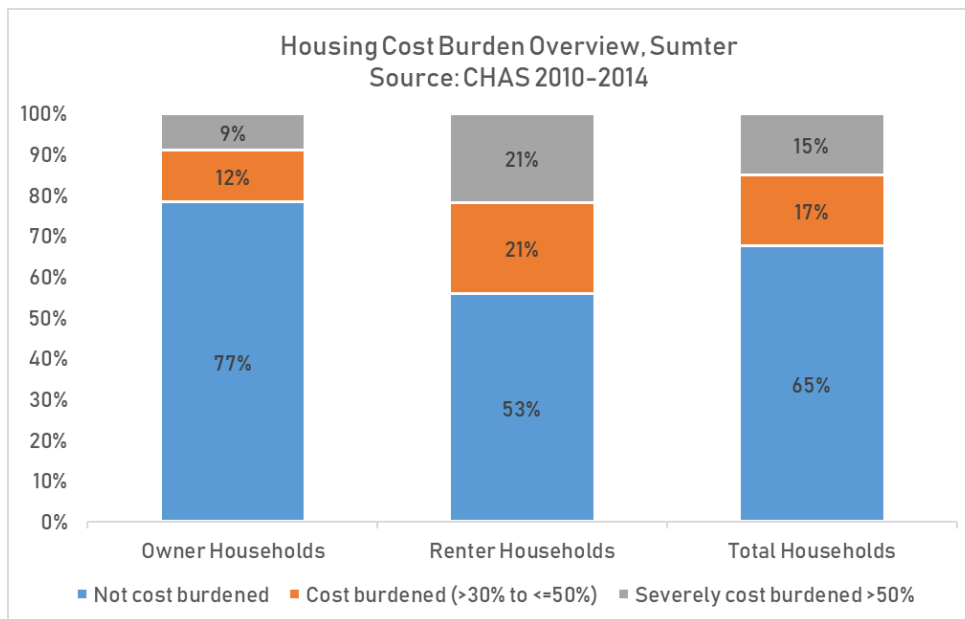
Table 15: HUD Income Limits	Persons in Family							
	1	2	3	4	5	6	7	8
FY 2018 Income Limit Category								
Extremely Low (30%) Income Limits (\$)	\$12,140	\$16,460	\$20,780	\$24,900	\$26,900	\$28,900	\$30,900	\$32,900
Very Low (50%) Income Limits (\$)	\$17,450	\$19,950	\$22,450	\$24,900	\$26,900	\$28,900	\$30,900	\$32,900
Low (80%) Income Limits (\$)	\$27,900	\$31,900	\$35,900	\$39,850	\$43,050	\$46,250	\$49,450	\$52,650

For example, in Sumter if a unit is deed restricted for a low-income household, for a family of four to qualify for such a unit, its annual income cannot exceed \$39,850, with the maximum dollar value spent on housing being \$996 per month, which translates into 30 percent of income. The income limitations and maximum payment thresholds ensure that households are not unduly burdened with housing expenses.

Affordability Analysis

Rapid growth in housing prices coupled with sluggish growth or an outright decline in incomes, contributes to a housing affordability problem known as housing cost burden. The U.S. Department of Housing and Urban Development (HUD) defines housing cost burden as the condition in which low- or moderate-income households spend more than 30 percent of their gross income on housing. When low- or moderate-income households are spending more than 50 percent of their income on housing costs, they are said to be severely housing cost burdened.

Figure 33: Housing Cost Burden



In the City of Sumter, only 12 percent of all households are considered cost burdened under HUD's definition and 9 percent are considered severely cost burdened. This compares favorably to the county and the state. In Sumter County, 42 percent of households are considered cost burdened or severely cost burdened. Table 16 shows the percentage of cost burdened households by owner and renter. Renters in the City of Sumter have a higher tendency to be cost burdened than owners which is fairly common as more renters tend to be lower-income households. In the case of the city, renter households are cost burdened and severely cost burdened at nearly double the rate of homeowner households.

Table 16: Housing Cost Burden Overview, City of Sumter, 2010–2014						
Cost Burden	Owner Households		Renter Households		Total Households	
	Est.	% of Total	Est.	% of Total	Est.	% of Total
<= 30%	6,350	76.9%	4,125	53.3%	10,475	65.5%
>30% to <=50%	1,030	12.5%	1,660	21.5%	2,690	16.8%
>50%	730	8.8%	1,610	20.8%	2,340	14.6%
Cost burden not avail	150	1.8%	340	4.4%	490	3.1%
Total:	8,260	100.0%	7,735	100.0%	15,995	100.0%
Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Data; Note: Totals may not sum due to statistical error in CHAS data; and RKG Assoc.						

RENTER AFFORDABILITY MISMATCH

While most communities have some older, more modestly priced homes and apartments with lower monthly rents, due to the housing's age, condition, limited amenities or location, these units are not necessarily occupied by low- or moderate-income people. HUD reports data for an affordable housing barrier known as affordability mismatch, or housing units that are affordable but unavailable to lower-income households because higher-income households already live in the units. Affordability mismatch measures:

- The number of housing units in a community with rents or home values affordable to people with very low incomes (at or below 30 percent AMI), low incomes (between 31 and 50 percent AMI), and moderate incomes (between 51 and 80 percent AMI);
- The number of households in each income tier;
- How many of those households live in units they can afford; and
- How many of the affordable units have a high probability of housing problems in addition to housing costs, e.g., substandard or otherwise inadequate housing.

Viewing housing affordability in terms of income and cost (affordability threshold) serves as a proxy for understanding the overall quality of life in a community and estimating populations at risk of homelessness. To gauge whether owner and renter units in the city are aligning with household AMI and affordability, we looked at the number of households that fell into each AMI category and compared it to the number of owner and renter units affordable at those income limits. Table 17 shows a relatively low deficit of owner units for incomes at or below 50 percent of AMI, but a large deficit for houses priced over 120 percent of AMI. The majority of homes in the city are priced between \$100,000 and \$200,000 making the ownership market affordable to a wide range of incomes. Just because a household can afford to spend more does not mean that they will; households chose to live below their means in the city because sufficient housing is available. Households at the low end of the income spectrum must spend greater amounts of their income on housing because there is limited choice based on their purchasing power.

Table 17: Owner Price to Affordability Comparison

Category	Income Threshold	Owner Households	Percent	Fee Simple Home Value	Owner-Occupied Units	Surplus/Deficit
Below 50% AMI	\$24,900	1,800	21.1%	\$73,913	1,715	-85
80% AMI	\$39,850	1,348	15.8%	\$118,291	1,646	298
100% AMI	\$49,800	796	9.3%	\$147,864	1,265	469
120% AMI	\$59,775	665	7.8%	\$177,437	1,365	700
200%+ AMI	\$99,625	3,909	45.9%	\$295,728	2,513	-1,396

Source: ACS 2013-2017, HUD

On the rental unit side, Table 18 shows a very large deficit for units priced for households earning at or below 50 percent of AMI. There is a deficit of almost 1,000 units this price point. There is also a deficit of nearly 1,400 units priced for households at or above 120 percent of AMI. Again, this is the result of most rental units being priced between \$650 and \$1,300 a month. While there may be a number of households that could afford higher rents, it does not mean they are going to pay those rents especially when high end multi-family product has not entered the market. In the city, it is also possible to rent a 2,500 square foot single-family home for around \$1,600 a month which is also likely to keep out higher end multi-family developments.

Table 18: Renter Price to Affordability Comparison

Category	Income Threshold	Renter Households	Percent	Monthly Rent	Rental Units	Surplus/Deficit
Below 50% AMI	\$24,900	3,336	21.1%	\$623	2,349	-987
80% AMI	\$39,850	1,801	15.8%	\$996	3,021	1,220
100% AMI	\$49,800	552	9.3%	\$1,245	1,207	655
120% AMI	\$59,775	435	7.8%	\$1,494	201	-234
200%+ AMI	\$99,625	1,596	45.9%	\$2,491	440	-1,156

Source: ACS 2013-2017, HUD

From an affordability standpoint, households in the city are generally not cost burdened but there is a need for additional housing on the rental side affordable to households earning at or below 50 percent of AMI. We also know from speaking with the Housing Authority there are wait lists for affordable housing units and rental vouchers which speaks to the pent-up demand for affordable rental units.

Unit Size and Mixed-Use Development

In the City of Sumter, most rental units are comprised of two- and three-bedrooms. As of 2017, only 12 percent of rentals were one-bedroom units.³⁰ This leaves few options for single-person households, young professionals, and seniors who may be looking for a smaller housing unit. Looking back between 2011 and 2017, the number of non-family one-person households grew by

³⁰ ACS, 2013-2017.

7 percent. Population projections out to the year 2023 show the number of residents in the city over the age of 65 growing by 12 percent. Apartment complexes with one-bedroom units tend to be located on the periphery of the community further from transportation and services.

Sumter's Downtown offers opportunities to provide a multitude of housing typologies to meet owner and renter demand and bring more residents and activity to the area. A mix of housing types and densities radiating out from the Downtown core and transitioning into the single-family neighborhood would provide housing choice for residents. Housing types could include mixed-use residential above commercial along Main Street, townhouses or smaller multi-unit structures in the blocks surrounding Main Street, and smaller single-family homes that would knit the Downtown with nearby neighborhoods. Specific to the mixed-use development typology, this type of development could provide amenity rich living in either smaller rental units or for-sale condominium units. During the interview process, we heard about the difficulty of converting upper story space in Downtown to residential. Structural, fire code, and ADA issues make converting these spaces very expensive and rents and sale prices are not to the point where it makes financial sense to do so.

Rehabilitation of Older Homes and Neighborhoods

The outward expansion of the city's boundary over the last sixty years has left many older neighborhoods on the east side with pockets of vacant and blighted structures and housing in need of substantial rehabilitation. Due to a whole host of challenges, these neighborhoods have been largely left behind with the exception of periodic demolition of blighted structures and infrastructure projects. These neighborhoods are the city's most affordable and rehabilitation of the neighborhoods could unlock a new stock of market-rate affordable housing to fill a wide range of needs. Funding would be needed to raze structures, rehabilitate homes, and build new infrastructure. Interviews revealed there are also limited housing options for seniors in these neighborhoods, as most of the newer senior housing has occurred near Downtown and to the northwest.

Small-Scale Development Capacity

Throughout the interview process we heard from several members of the community about the lack of smaller-scale local developers in the city. Prior to the Great Recession there were a number of local home builders who were working in existing neighborhoods to fix up older homes and build custom homes for certain segments of the market. Unfortunately, many of these builders did not make it through the Great Recession and home building demand was absorbed by a number of tract home builders from outside the City of Sumter. This has reduced the capacity of construction labor in the city and focused the efforts of remaining builders on constructing homes in the already-approved subdivisions. This shift to builders from outside the community is challenging for neighbors who may be trying to make small improvements to maintain their homes.

Sumter Housing Authority

The Sumter Housing Authority provides access to both affordable housing units and rental vouchers where recipients can use those vouchers to pay for housing not owned by the Housing Authority. Their resources are limited and demand for units and vouchers has outpaced the Authority's supply. Public housing units and vouchers target very low-income households, a segment of the community often missed by tax credit programs developers most often use to construct affordable housing. The Housing Authority has not constructed many new units as of late, focusing more on the maintenance and rehabilitation of the units they currently own and operate. The need for deeply affordable units in the City of Sumter already exists and projections forecast that need to continue to grow.

SUMTER AFFORDABLE HOUSING STUDY

BARRIERS TO ADDRESSING HOUSING

To address gaps across the City of Sumter's housing market several barriers will need to be addressed. For the purposes of this analysis and to inform future strategies, we have organized current barriers into four categories: Market, Financial, Regulatory, and Political.

Market Barriers

Market barriers refer to constraints placed on the housing market or factors that drive the market to respond in a certain way. In the City of Sumter, there are several market-based barriers that are driving development out toward the periphery at the expense of reinvestment in the core. These barriers include:

- **Oversupply of Housing** – The approval of new subdivisions and annexations have created a relatively unconstrained supply of new housing on the city's periphery over the last two to three decades. The City now faces a potential ten year supply of approved lots and subdivisions at a time when population has not changed since the early 1990's. Vacancy in core neighborhoods remains high with no incentive for owners or builders to invest in the existing housing stock or build new units on vacant lots. Constraints need to be placed on the housing market for a period of time to allow for a rebalance.
- **Influence of Shaw AFB** – There is no doubt that Shaw AFB plays an extremely important role in the vitality and economy of the City of Sumter. At the same time, the fluctuations in the military population over time, turnover in military personnel every few years, and reductions in on-base housing have played a role in the current imbalance within the local housing market. As new personnel enter the market, there is a desire for new product (both ownership and rental) which continues to fuel speculative development at the edges of the city. So long as new product continues to be built at today's levels, price stratification will remain flat and newer units will continue to fill up at the expense of older sections of the city.
- **Reduction in Local Building Capacity** – The Great Recession did have some price impacts on the housing market in the City of Sumter, but by-in-large prices and rents have rebounded back to pre-recession levels. A bigger impact of the recession that continues today is the reduction in local building capacity as Sumter-based builders either left the business or went out of business when the economy slowed. Home construction has largely been backfilled by contractors from outside Sumter County who are focused on the tract home and subdivision market leaving a gap for the interior neighborhood and infill market that smaller local builders



could fill. If the City determines that refocusing efforts on stabilizing and revitalizing older existing neighborhoods is important, there may be a construction labor barrier that has to be overcome.

Financial Barriers

Financial barriers refer to the access to capital needed to fund housing development, access to financing to purchase a home, resources to address housing inequities and challenges, and the financial feasibility of rehabilitating the existing housing stock in certain parts of the city. Financial barriers to housing development include:

- Rehab and Acquisition** - Rehabilitation of the older housing stock is difficult to execute because it requires a concerted effort on the part of homeowners, the availability of financing, and coordinated efforts by municipal officials. Rehabilitation is difficult from the homebuyer side because financial resources are not always available for renovation projects. While some lenders offer construction financing, lending terms may not be favorable to low- to moderate-income households who are unable to pay the loan back on top of an existing mortgage. While there are city, county, state, and non-profit programs which help homeowners finance rehabilitation costs, these funds are limited, and demand is high.



There are also challenges for potential buyers of homes that need rehabilitation work. In neighborhoods where housing rehabilitation has not occurred and prices are depressed, it can be difficult for lenders to find comparable properties to justify a combined rehab and acquisition loan. Oftentimes, gap financing is needed through a flexible funding source to help make up the difference between what a lender is willing to offer and the amount the homebuyer needs for repairs.

- Development Feasibility** – The financial feasibility of revitalizing and redeveloping older neighborhoods in the city will be a key barrier. The cost of land, materials, and construction are likely too high and risky for traditional builders to act first. A neighborhood revitalization strategy may need to include a partnership between non-profits and the City to begin proving the market in neighborhoods where housing values have been depressed. As the market begins to materialize and risk is mitigated either through value increases or public incentives, builders may then start to invest in neighborhood infill and rehabilitation projects.
- City/State/Federal Resources** – Funding to support housing programs and initiatives is limited in many cases to those available through local taxation or development fees, state funding dedicated to housing, and federal housing programs like CDBG or HOME funds. Providing new affordable housing options and revitalizing existing neighborhoods will take a concerted effort and additional funding resources. This will be a key barrier to

implementation and one that will require a coalition of government, non-profits, faith-based organizations, and private investors.

- **Lending Criteria and Access to Financing** – Homebuyers are challenged by increasing levels of personal debt, diminished savings, and stricter lending requirements by financial institutions due to the housing crisis. Purchasing power constraints limit the ability of households to buy homes or undertake major renovations to existing homes. Younger householders who carry large student loan debt coupled with price escalations in the housing market make homeownership difficult to attain and result in greater numbers of renter households. For low- and moderate-income households, obtaining and maintaining a qualifying credit score can also be a challenge to accessing financing.

Regulatory Barriers

Regulatory barriers refer to the policies and regulations placed on residential development by local, county, and/or state government that may be impeding the construction of certain types of housing product. This may be related to zoning, subdivision controls, permitting, or building codes. Regulatory barriers to housing development include:

- **City Zoning Ordinance** – The City’s Zoning Ordinance currently offers property owners quite a bit of flexibility from a residential perspective, including allowing a range of housing types in the higher density residential districts. The City should take note of any dimensional or parking regulations that could create a barrier to new housing in existing neighborhoods such as large minimum lot sizes, setbacks, or use restrictions. For example, in the R-6 residential district, the minimum lot area for townhomes, triplexes, and quadplexes is two acres. It could be challenging to find a two acre site in these tight knit neighborhoods where parcels tend to be in the 8,000 to 9,000 square foot range. Providing for a small increase in density through a variety of housing types could be important to creating a wider range of housing choice at a lower price point.
- **Historic District Compliance** – Rehabilitating and preserving buildings in the city’s historic districts is very important to maintaining the historic qualities that make Downtown and the Hampton Park areas unique. While the revitalization of Downtown is well underway, the Hampton Park Design Review District still has a mix of houses in varying conditions. Throughout the study process we heard about the challenges of purchasing an historic home and bringing it back to its original state, and the significant upfront cost for both interior and exterior improvements. It is important for the city to preserve a piece of its history, but to also be careful that regulations do not preclude existing homeowners or future buyers from making investments in these homes.



- **Adaptive Reuse and Code Compliance** – Adapting older buildings to meet today’s building codes and accessibility requirements can be very expensive, particularly for those buildings that could host a mix of uses. Improvements such as adding sprinklers, providing elevator access to upper floors, and making accessibility improvements often require a large amount of upfront capital that may take a long time to recapture in an area with lower residential and commercial rents. These required improvements can sometimes force property owners to keep upper stories vacant or limit the ability to fit out spaces for a different mix of tenants.

Political Barriers

Political barriers refer to the ability of elected leaders to come together and focus efforts and resources to help with the City’s housing challenges. Change is never easy nor is identifying funding to address challenging issues, but both require elected officials to come together and agree on priorities and direction. Potential political barriers include:

- **Refocus Efforts on Stabilization and Revitalization** – For decades the City has had a policy of annexation and expansion which has created opportunities for new housing and commercial development and added tax revenues. At the same time, sections of the city have seen disinvestment, decreasing property values, and higher service demands placed on police, fire, social services, and code enforcement. With a housing supply pipeline that outpaces recent changes in population and households, elected leaders should shift the focus to reinvigorating core neighborhoods in the city’s center to help raise property values and bring vacant lots and structures back onto the tax rolls.
- **Identify Funding Sources** – To address issues of vacancy, blight, demolition, and revitalization, additional funding sources are going to be needed. The housing market is not likely to course correct on its own in the short-term and there may be a need to identify subsidies to prime the market in neighborhoods that have not seen new investment in a long time. Raising additional funds or reallocating existing funding is never easy but may be necessary to incentivize the revitalization of older neighborhoods.

SUMTER AFFORDABLE HOUSING STUDY

HOUSING RESOURCES AND INPUTS

In a housing plan, resources and inputs are the tools communities can use to carry out and monitor the plan. The resources the City can devote to addressing housing needs are almost exclusively existing resources, at least in early stages of implementation. This may mean a reprioritization of resources to align with the city's priorities. The resources discussed in this section includes staff, organizations, programs, and funding sources that touch housing in different ways across the City of Sumter. While not all are responsible for carrying out the City's housing plan, partner organizations bring resources, ideas, and expertise to the table that can help meet needs the city on its own cannot meet.

City Departments

COMMUNITY DEVELOPMENT DEPARTMENT

The Community Development Department is the primary department dealing with housing issues across the city and serves as the conduit for the City's allocation of Community Development Block Grant (CDBG) funds and HOME dollars. The City received nearly \$300,000 in CDBG funding in Fiscal Year 2018 which was allocated across six program areas including:

- Demolition - \$20,000 toward the demolition of up to six structures which have been condemned and deemed substandard for inhabitancy.
- YMCA Youth Services - \$2,500 to provide a grant to the YMCA for mentoring, educational, and life skills programs during the summer for youth from low- and moderate-income households.
- Youth Employment Program - \$41,946 to provide employment opportunities for younger residents coming from low- and moderate-income households. This program typically provides forty or more summer jobs for younger residents across the city.
- Façade Treatment Program – \$10,000 to assist up to three businesses in the Central Business District with improvements to the exterior of the building or storefront.
- Homeowner Rehabilitation Program – \$138,895 to provide rehabilitation funding to low- and moderate-income households for major housing repairs. This funding amount is typically enough to benefit six households. The City also provides \$24,500 to United Ministries as a matching grant to support their annual minor rehabilitation program.
- Program Administration and Education - \$59,460 to support the administration of CDBG programs and to undertake Fair Housing and Affordable Housing education seminars throughout the city.

The City also receives about \$85,000 per year in HOME funding through the Santee-Lynches Council of Governments which the City puts toward assisting with the construction of a new home for a qualified low- to moderate-income household. Interviews with staff indicated challenges in finding qualified buyers due to credit score issues, but they do have a waiting list of approximately five households.³¹

The Community Development Department has several partners across the city and county that help with housing issues, especially rehabilitation requests from homeowners. The City has prioritized about 55 percent of their annual CDBG funding allocation to support both major and minor rehabilitation programs. The City runs their own major rehab program that helps five to six homeowners a year and gives matching grant money to United Ministries to help support their minor rehab program that helps twenty to twenty-five homeowners a year. Rehabilitation is a major challenge in the City of Sumter, and even with the allocation of existing resources the Community Development Department still maintains a waitlist of fifty homeowners looking for financial assistance for rehabilitation projects.

PLANNING DEPARTMENT

The Sumter City-County Planning Department is the lead department for rezoning and land use, subdivisions, floodplain management, mobile home zoning, temporary uses, and signs. The Planning Department is responsible for both short-term and long-term projects ranging from development reviews to forward-looking plans like the twenty-year city-wide comprehensive plan. Planning staff work on “developing tools, strategies, and regulations for growth and revitalization that are sensible, economically sustainable, and environmentally sensitive”. This work includes developing an understanding of the city’s housing market and recommending policies and regulations to ensure different types of housing are available at a variety of price points.

Zoning is the primary tool the Planning Department uses to direct growth and redevelopment efforts across the city. Zoning is used to determine where residential, industrial, commercial or recreation uses can be developed and operated. Zoning also regulates the dimensional requirements for parcels of land and buildings. These requirements determine how tall a building can be, where it is located on a parcel of land, how much parking is required, and how much land a building can occupy. Zoning regulations can have a significant impact on the types of housing constructed and what segments of the market that housing serves.

Code Enforcement

The City’s Code Enforcement Department is nested within the Planning Department and is responsible for dealing with issues of zoning and code compliance. This includes issuing citations for structural conditions, vacancy issues, and property maintenance. Code Enforcement staff are also responsible for administering and overseeing the City’s demolition programs. This includes the on-going Sumter Pride Program and the now expired Neighborhood Initiatives Program. The Department currently employs seven staff members to monitor and respond to property and

³¹ Interview with Community Development staff on February 8, 2019.

building issues, including 895 vacant homes that are currently on the vacant property registry. Interviews indicated that current staff can complete the duties they are assigned, but it does not leave room for additional tasks that could be undertaken to help with compliance and maintenance issues.³²

BUILDING DEPARTMENT

The Building Department is responsible for ensuring the health, safety and welfare of Sumter residents through a thorough residential and commercial inspection process. Staff in the Building Department are responsible for code and ordinance enforcement for all residential and commercial structures in the city covering both new construction and the rehabilitation of existing structures. In the City of Sumter, residential construction and rehabilitation plays a major role in the day to day workload of staff in the Building Department. The five current staff members are all 100 percent certified through the State and the International Code Council (ICC) and are able to complete both residential and commercial inspections. The Department prides itself on timely inspections with the ability to cover up to thirty-two inspections per day county-wide. While the department lost two inspectors through cuts in the City's budget process, the current inspection load is manageable. If development and inspection activity were to pick up, the staffing level or level of service expectations would need to be adjusted.³³

County and Regional Partners

SUMTER COUNTY

Sumter County, as a non-entitlement county, is eligible to receive CDBG funding through a competitive process administered by the State of South Carolina. Most recently, Sumter County was awarded a grant to conduct a demolition program in the Shannontown area of the county. Sumter County also receives an annual allocation of HOME dollars. In 2018, the County received \$776,000 which was distributed across several program areas supporting both rental and ownership households.

SUMTER HOUSING AUTHORITY

The Sumter Housing Authority is the organization assisting low-income households in accessing affordable housing opportunities. The Housing Authority owns and operates 327 affordable rental apartments, five single-family homes, and manages 925 Section 8 vouchers. Households at or below 50 percent of AMI are eligible for entry into the housing units, while households at or below 30 percent of AMI are eligible for the voucher program. While the public housing units are all located in the City of Sumter, the voucher program allows the recipient more flexibility and can be used anywhere they are accepted across Sumter County.

SANTEE-LYNCHES COUNCIL OF GOVERNMENTS

The Santee-Lynches Council of Governments (COG) serves as the program manager for the Sumter County Regional HOME Consortium which is responsible for the housing assistance program and utilizing planning assistance and funds from HUD. Funds are distributed using a

³² Interview with Code Enforcement staff on February 8, 2019.

³³ Interview with Building Department staff on February 8, 2019.

formula allocation that includes 10 percent for administration, 15 percent set aside for community housing development organizations, and 75 percent for the City of Sumter, Sumter County, Kershaw County, Clarendon Count, and Lee County. HOME funds can be used for acquisition, demolition, conversion of a structure to affordable housing, various forms of housing assistance, development assistance for affordable housing. The COG also assists communities with housing market studies, grant applications and administration, planning studies, and zoning assistance.

Non-Profit Organizations

UNITED MINISTRIES

Sumter United Ministries provides a platform for Sumter churches to meet the needs of elderly, working poor, disabled, and homeless residents across the city. United Ministries services do include home repair and construction, emergency shelter, crisis relief services, and medical and education assistance. From a housing perspective, the United Ministries construction and home repair services are critical to helping city residents gain access to additional housing rehab resources. The organization offers two levels of assistance: the weekend home repair program which handles small jobs that can be completed in a weekend, and the restore projects which are substantial home repairs handled over a two week period in June each year. The restore projects include roofs, doors, windows, floors, and more. The United Ministries pools money from several churches and from the City of Sumter to coordinate the restore program which brings in volunteer contractors to help up to twenty to twenty-five households with major repairs.

SOUTH SUMTER RESOURCE CENTER

The South Sumter Resource Center uses a combination of state funding and funding from the Bank of Atlanta to undertake major rehab projects costing more than \$8,500. The organization also has an emergency rehab program for smaller projects costing less than \$8,500. The Resource Center is one of the few organizations that undertakes HVAC projects across the city and county which is very popular.

WATEREE COMMUNITY ACTIONS

Founded in 1970, the organization administers several programs that can assist low-income households with housing-related issues. Wateree administers the federal Low Income Home Energy Assistance Program (LIHEAP) which assists low-income households to meet their heating and/or cooling needs including bill payment assistance. The organization also administers the Weatherization Assistance Program (WAP) which provides funding for low-income households to improve the energy efficiency of their home.

HABITAT FOR HUMANITY

Habitat for Humanity's Sumter office focuses on providing homeownership opportunities to those households that need assistance and are prepared to take on homeownership. The organization works through volunteers to construct new affordable ownership housing for low-income households.

SUMTER AFFORDABLE HOUSING STUDY

HOUSING STRATEGIES

To address some of these issues, RKG compiled a set of strategies each informed by the city-wide and subarea data analyses, interviews and focus groups, and an assessment of existing housing programs. The strategies presented are targeted toward addressing the identified gaps and barriers in the current housing market and have been organized by short-, mid-, and long-term timeframes. Within each timeframe category, the strategies are ordered in a logical progression to provide a linear set of accomplishments that build upon each other to provide for the greatest chances of success.

It is crucial that short-term strategies focus on initiatives the city can undertake within the first few years without large commitments of funds or time. Undertaking incremental steps in the beginning stages of an implementation strategy can build momentum and give residents and investors the confidence in the potential of the plan. Short-term implementation recommendations can include organizational restructuring, policy and regulatory changes, realignment or consolidation of funding sources, or small investment projects. Mid- and long-term recommendations may take more time, additional or creative financing, complex partnerships, political will, and patience as the market adjusts to changes in policy, regulation, and/or funding priorities.

Short-Term Strategies

STRATEGY ONE: GROWTH MANAGEMENT TOOLS

To deal with the current over supply of approved lots and subdivisions in the city, and to encourage redevelopment and reinvestment in Downtown and Sumter's older neighborhoods, the City should consider growth management tactics limiting new westward residential growth opportunities.

The City has already permitted ten years of new housing supply based on current permitting and absorption levels. These tools will allow the City housing market to balance out supply and demand and curb the westward expansion that has come at the expense of disinvestment in many older neighborhoods in the City. These policies may also help constrain longer-term supply which could lead to more price stratification in the market, encourage redevelopment of existing neighborhoods as more affordable options, and push housing downtown to complement the revitalized business district. A constrained supply may also help stabilize neighborhoods where housing prices have decreased to keep them from slipping further. Therefore, the City should consider:

1. Limiting annexations which would encourage new residential development.
2. Limiting the extension of water and sewer infrastructure outside the city limits for residential development.
3. Identifying the impacts of new residential subdivision approvals or annual residential permits within the City limits.

4. Identifying and considering Council initiated rezoning activity to eliminate future residential entitlement opportunities.

This is a departure from the status quo of allowing continued greenfield development, extension of city infrastructure and resources and focusing new growth on the exterior rather than revitalizing existing neighborhoods. This strategy prioritizes existing neighborhoods and downtown Sumter.

STRATEGY TWO: CREATION OF A HOUSING COMMITTEE

The City Council should create a Housing Committee to support housing related activities, a housing committee should be created and regularly convened that is comprised of staff, elected officials, developers and builders, brokers, lenders, employers, non-profits, and other organizations that have a role in shaping housing in the City of Sumter. The committee could meet quarterly to review housing goals, strategies and implementation, changes in the market, and coordination across entities working on housing-related issues. This could also serve as a venue to discuss shared priorities, pooling resources and funding, and broadening outreach and education efforts for city residents.

Establishing a committee would require a common set of organizing principles and goals between the stakeholders. As with any organization, members will have differing opinions and priorities, so gaining collective buy-in and focusing on a specific issue or task will be important. This strategy would also require an entity to take the lead on convening the group, setting the venue, agreeing on an agenda, and facilitating the conversation.

STRATEGY THREE: CREATION OF NEIGHBORHOOD ACTION PLANS

Building upon the idea of reinvesting and revitalizing older existing neighborhoods, the city should begin a systematic approach to creating Neighborhood Action Plans which would identify key issues within each neighborhood and an accompanying action plan to address those issues. Neighborhood Action Plans are a mechanism in which local community input is translated into a tangible product or document that can be used as reference for elected leaders and city staff. Additionally, the plans can help bring out specific issues and concerns for each of the respective neighborhoods. The plans could help set priorities, identify implementation steps, direct funding, and provide a way for neighbors to get involved in stabilizing and revitalizing their neighborhood.

Creating these individualized plans will require a financial and time commitment on behalf of the city and those involved. The City could decide to take on the plans themselves or bring in outside help from the COG or consultants. The key is identifying the issues in each neighborhood and creating a strategy that is actionable, realistic, and can bring investment to the area.

STRATEGY FOUR: LAND ASSESSMENT AND LAND BANK STRATEGY

The City of Sumter and its partners already own many residential parcels throughout the city. In conjunction with Neighborhood Action Plans, the City should undertake a more comprehensive

review of the parcels that are publicly held that could be used to leverage new development or to enhance a neighborhood through parks, open spaces, gardens, etc. This analysis should identify where the parcels are, what financial value they hold, and if/how they could be leveraged for redevelopment.

In addition to identifying the existing city-owned parcels, the City of Sumter should work with Sumter County to identify parcels moving through the County's land disposition process that could be important pieces of neighborhood revitalization efforts. Properties that have been foreclosed upon or taken through tax title and end up on the County's auction block should be shared with the City so they have a chance to bid on the property. A longer-term strategy would be for the City and County to come to an agreement on the City obtaining right of first refusal on any property within the city limits that enters the County's disposition process. This would ensure the City has the option to purchase property before it goes to auction.

STRATEGY FIVE: DEMOLITION STRATEGY

As an outcome of the Neighborhood Action Plans, a more neighborhood-focused, area acute Demolition Strategy should be created to address the continued vacancy and blight issue across many of the city's older neighborhoods. These units end up permanently off the market because of their condition when they could be serving as an important component of the city's affordable housing stock. The city has already taken some proactive steps toward a more formalized city-wide strategy including conducting blight surveys and dedicating a portion of CDBG funding to the demolition of hazardous structures. While the City has made progress through the NIP program and demolition through enforcement, vacancy and deteriorating structures continue to plague neighborhoods depressing property values and reinforcing perceptions of unsafe conditions. This neighborhood-focused Demolition Strategy would determine a systematic approach to targeting available funds to stabilize neighborhoods that may be at a tipping point or begin a block by block process of removing hazardous structures and encouraging revitalization.

Financing a demolition program of the scale needed in Sumter is a big challenge. The City does a great job with existing demolition programs, but much more could be done with priority investing. More funding is needed to have a significant impact and ensure neighborhoods do not continue down the path of disinvestment. One potential funding opportunity could be to advocate for funding through a future Sumter County Penny Sales Tax referendum and target a piece of that funding to supplement existing demolition funding in the City of Sumter. The second challenge is the creation of a strategy for what to do with vacant lots once a structure is removed and how to get new housing built or rehabilitated and back on the City's tax rolls.

STRATEGY SIX: RENTAL REGISTRY

To address issues of quality and upkeep across certain segments of the rental market, a city-wide rental registry could be implemented to ensure landlords are being held accountable for properties that do not meet the City's standard of living and quality. A secondary benefit of the rental registry is that it would allow code compliance staff to access rental units to do inspections. Currently, inspections are completed for the exterior of structures, but not to the interiors. This may be

allowing some landlords the leeway to circumvent rules and regulations. The rental registry is a way to leverage resources to ensure properties are complying with building, health, and occupancy codes.

A challenge for this strategy is accessing resources to hire additional code compliance staff to ensure inspections are completed in a timely manner and a registry is pulled together and maintained. Interviews with city staff indicated that code compliance staff are operating at capacity and adding additional tasks and duties would likely require additional staff hires. This would require new funding on the city's part to implement this recommendation.

Mid-Term Strategies

STRATEGY ONE: COLLABORATION AND POOLED RESOURCES

A goal of the Housing Committee should be to identify ways of collaborating across organizations and ways of pooling personnel and financial resources to tackle housing challenges in the city. Currently, housing funds are limited to annual federal programs, competitive state funding programs, and locally-generated dollars like the penny sales tax. The idea of pooling resources across multiple organizations will help concentrate funding on key priorities and areas of the city to have the biggest impact with the resources available. If revitalizing existing neighborhoods is a key goal for the City and the Committee, then strategically focusing resources on specific tasks in specific areas will likely yield better results compared to spreading resources thin across many programs and many geographies.

STRATEGY TWO: BROADENING DOWN PAYMENT ASSISTANCE

Down payment assistance programs are one of the most common, yet helpful tools for aiding households looking to enter the homeownership market. The City should create a pool of funding that is available each year to assist qualified low- and moderate-income households with down payment assistance. This should be coupled with first-time homebuyer education programs and credit counseling to ensure assistance is provided to buyers who are ready to enter the ownership market.

The existing Down Payment Assistance (DPA) program in Sumter is dependent on whether CDBG funds are available for the program. The number of households utilizing the existing program varies based on the total dollars allocated, with each household receiving \$10,000 in DPA. Between 2006 and 2014, a total of forty-one households received assistance which was used to purchase homes ranging in value from \$40,000 to \$110,000. Since the City's DPA program is funded with unallocated CDBG monies, the amount available to first-time homebuyers varies from year to year. For example, in 2009 only one household received assistance, while in 2012 seven households received assistance. To help establish a more predictable DPA program and spread the money across more households, the City should consider lowering the DPA amount to \$5,000 and limit the DPA to sale prices between \$50,000 and \$100,000. The purpose of these limitations would be to target DPA to households making below 80 percent of AMI by restricting purchase values to

what is affordable to households in that income bracket. Depending on the purchase price of the home, the DPA could range between 5 and 10 percent of sales value.

A benefit to a DPA program structured in this manner is that it can help facilitate home sales in currently challenged neighborhoods and broaden the total number of recipients. Based on the housing market analysis, the neighborhoods closest to Downtown Sumter have higher concentrations of blighted and vacant properties. By targeting the DPA program to homes priced between \$50,000 and \$100,000, there is a higher likelihood that buyers would locate in neighborhoods most in need of occupancy, stability, and rehabilitation. For example, in 2017 there were 130 home sales out of a total 1,056 sales which fell between \$50,000 and \$100,000 and many of those sales were in at-risk neighborhoods.

Partnerships with local lenders are critical to the success of the program as they can help identify potential qualified buyers, educate them on the program, and work the down payment assistance funding into the overall mortgage calculations. One challenge for setting up the program will be identifying new funding or reprioritizing existing housing funds, meaning other programs may get cut or be reduced.

STRATEGY THREE: AUDIT DESIGN REVIEW PROCESS AND REGULATIONS

The City should undertake an audit of the Historic Preservation Design Guidelines to ensure they are not limiting existing property owners or those looking to buy in either historic district. While the preservation of historic structures in both districts is very important to preserving character and sense of place, it is also important to have continued investment in these structures, so their quality does not continue to degrade over time.

STRATEGY FOUR: ADJUSTMENTS TO ZONING AND OTHER REGULATORY BARRIERS

As a follow-on step to the more specific Neighborhood Plans, the City should consider zoning changes that allow and potentially incentivize new housing types where appropriate. Zoning changes should respond to resident needs and desires for new housing types, and structures that are compatible with the existing character of the neighborhood. The City may also want to consider design guidelines to illustrate housing or development typologies that are appropriate for each neighborhood. For neighborhoods that are on the fringes of Downtown, the City should consider allowing higher densities and housing types closer to Downtown and transition to lower densities the further a parcel is from Downtown. This will allow for a wider range of housing products closer to Downtown, potentially attracting a larger pool of renters and buyers.

As the City is working with each neighborhood, attention should be paid to the dimensional requirements in residential zoning districts. For example, in the R-6 residential district the City's Zoning Ordinance requires a two acre minimum lot size in order to construct townhomes, triplexes, and quadplexes. It may be difficult to find or assemble two acres of land in some of the neighborhoods close to Downtown as parcels tend to be in the 8,000 to 9,000 square foot range. The City may want to revisit these minimum lot size requirements and scale them in a way that allows slightly higher density infill development between existing homes.

As an incentive for improving or rehabbing existing historic structures in the Hampton Park District the City may want to consider allowing conversions of larger single-family homes over to multi-unit homes. The building would remain in tact and would be brought up to code and historic district standards, but the interior of the structure could be remodeled to include multiple units. This could then be treated as a rental property with separate interior units or could even be considered for a co-housing model where bedrooms are separate but bathrooms, kitchen, and common area living space are shared. This model could work well for seniors who are looking to downsize, but not yet ready for assisted living.

Finally, the City could consider creating a volunteer program to match architects with Downtown property owners to complete Pro Bono Architecture Assessments. Free architectural assessments could be made available to owners of commercial or multi-family residential properties in the Downtown to help them understand code compliance and accessibility upgrades that are needed to bring the space up to code. This could include fire suppression, elevator access, and ADA compliance. Knowing the extent of improvements and potential costs could help property owners make decisions on future use and what assistance they may require adapting an existing building for a new use.

STRATEGY FIVE: INCLUSION OF AFFORDABLE HOUSING IN NEW DEVELOPMENT

In addition to programs and funding for affordable housing, the City could also look at regulatory requirements such as an inclusionary zoning ordinance for new development. Inclusionary zoning typically refers to the requirement that a percentage of units in all new apartment and condominium developments to be affordable to working households with incomes at or below 80 percent of the area median family income as defined by the U.S. Department of Housing and Urban Development. Developments may be exempted through payment of an in-lieu fee to go towards development of affordable housing. If a fee in-lieu is included in the ordinance, the City would want to consider setting up a separate fund where those payments could be deposited and then earmarked for advancing affordable housing initiatives. Before enacting this type of housing policy, the City should conduct an impact study of the policy to determine if it will have any negative impacts on development feasibility.

Long-Term Strategies

STRATEGY ONE: IMPLEMENT NEIGHBORHOOD ACTION PLANS

After Neighborhood Action Plans are completed the City should begin a process of layering funds, incentives, and investments in one or two neighborhoods to jumpstart the revitalization process. This should be done in partnership with other local housing and development organizations to pool funding and resources to encourage new housing and commercial development where appropriate. This should be viewed as a systematic long-term strategy because several neighborhoods will require a combination of demolition, property maintenance, infrastructure, and, development subsidy to create conditions where reinvestment and revitalization is financially viable. The layering of funding from programs such as CDBG, HOME, Penny Sales

Tax, and other funds the City may wish to appropriate will be important to improving the quality of the housing stock and infrastructure in challenged neighborhoods.

For neighborhoods closer to Downtown Sumter, the City may wish to consider the creation of a Tax Increment Financing (TIF) district which would capture increases in assessed values for Downtown adjacent neighborhoods and reinvest that money back into the district in the form of infrastructure improvements, streetscape, façade improvements, building rehab grants, accessibility improvements, etc. This financing mechanism may work best in locations where new development is most likely to occur, boosting assessed values and creating the value capture needed to fund future infrastructure projects.

STRATEGY TWO: SINGLE PRODUCT PURCHASE AND REHABILITATION LOANS

The City should begin discussions with lenders on how to create or package an acquisition and rehab mortgage product for homebuyers that would allow for the purchase of a home and allow for some flexibility to draw on funds for rehabilitation of the existing structure. The City should reach out to lenders to determine if this product is desired in the market and if it is financially viable for lenders to offer. The challenge with acquisition and rehab loans is they tend to work better in markets with price appreciation and readily available comparable properties. In neighborhoods with depressed values where the cost of rehab may exceed the cost of acquisition, the buyer will quickly be underwater on their mortgage and exceed the lenders' loan to value ratio. One option could be to identify gap financing sources that could be used to plug the cost gap of the rehab portion of the loan, but that typically requires a very flexible source of funding such as CDBG or philanthropic dollars.

STRATEGY THREE: GREATER COLLABORATION WITH SUMTER COUNTY HOUSING AUTHORITY

The Housing Authority owns and operates some of the only deeply affordable housing in the city and has the knowledge and experience to be a valuable partner on public/private partnerships to produce additional units at a variety of income levels. The City should become a more proactive partner with the Housing Authority and other non-profit housing organizations in Sumter County to explore ways to provide additional affordable housing options to residents. The City brings value in its financial resources, access to city-owned land, and staff resources that could help augment the Housing Authority's knowledge of affordable housing funding, programs, construction, and operations and maintenance. The City should engage the Housing Authority in discussions involving the purchase/use of land, pooling of resources, and engaging private sector developers to look for ways of creating additional mixed-income housing across the city.