



State of South Carolina

Office of the Governor

MARK SANFORD
GOVERNOR

POST OFFICE BOX 12267
COLUMBIA 29211

June 13, 2006

The Honorable Robert W. Harrell, Jr.
Speaker of the House of Representatives
Post Office Box 11867
Columbia, South Carolina 29211

Dear Mr. Speaker and Members of the House:

I am hereby vetoing and returning without my approval H. 4723, R-428.

This bill creates the "South Carolina Affordable Housing Study Committee." Though well-intentioned, I believe this legislation poses two concerns that could ultimately impact services.

First, I believe this study committee may ultimately lead to an unnecessary new arm of government. While the spirit of the bill is to help low-income families across the state, this legislation will further crowd the field of entities providing assistance. Today, the South Carolina Housing Authority, the Office of Human Affairs, and various non-profit entities are already involved in helping low income families find affordable housing. Adding one more government entity to do essentially the same thing would allow structure to consume more of the dollars dedicated to this mission, leaving less for those we intend to help.

Second, the creation of this study committee mirrors efforts already accomplished within state government. In 2001, the Governor's Task Force on Affordable Housing was created and released recommendations the following year. We do not see a compelling justification to form yet another study group when just four years ago recommendations were released that, in many cases, have yet to be acted upon. Acting on those recommendations, rather than studying the problem further, we believe would do the most good by offering more ways to help all South Carolinians to live in safe, decent, and affordable housing.

A Legislative Audit Council report issued two years ago identified problems at the State Housing Authority, including an improperly-operated nonprofit corporation which attempted to use its funds to purchase an office building for Authority staff. In addition, the agency was found to have approved projects that did not qualify for assistance and had poor oversight of investments.

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All of these problems came prior to this administration, and we have since installed a new chairman and brought in new leadership.

These leadership changes have shown not only promise, but have improved services. According to the Housing Authority Executive Director, the Authority invested \$320 million in 4,149 housing units last year. For the first time ever, The Home Run Mortgage Program has been expanded by \$50 million to include closing cost assistance. That program has the lowest rate it has ever offered and is focused on single parents and workforce housing that includes people who work in things like police, fire, EMS and teaching. In addition, the Budget and Control Board is now set to approve an \$85 million bond issue for multi-family housing for the first time in a decade. All of this work is complemented by wonderful efforts in the private sector by groups like Habitat for Humanity.

We believe this legislation will only serve to further fracture services provided to low-income families on the housing front. I would urge you and your colleagues to reject this bill and, instead, work with the State Housing Authority and this Administration to further strengthen the management changes in place and work to implement changes already proposed in the last study.

For these reasons, I am returning H. 4723 to you without my approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Sanford", with a long horizontal flourish extending to the right.

Mark Sanford