



*City of Charleston
South Carolina*

Clerk of Council Department

WILLIAM S. COGSWELL, JR.
MAYOR

JENNIFER B. COOK
CLERK OF COUNCIL

COMMUNITY DEVELOPMENT COMMITTEE AGENDA

A meeting of the Community Development Committee will be held at **3:00 p.m., Thursday, August 21, 2025**, at City Hall, 80 Broad Street and via Conference Call at 1-929-205-6099, Access Code: 759694505. The agenda will be as follows:

- Invocation

a. Public Participation

Any person who speaks at a Community Development meeting shall conduct himself or herself in a manner appropriate to the decorum of the meeting and is asked to observe Section 2-28 (a) of the Code of the City of Charleston, Rules of Decorum. Violation of the Rules of Decorum may result in the forfeiture of audience before the Committee and/or removal from the meeting.

Citizens can participate virtually by telephone or leave comments for the Committee by completing the form at <http://innovate.charleston-sc.gov/comments/>. If requesting to speak by telephone, please provide your name and telephone number. Requests to speak at the meeting and comments must be received by 12:00 p.m., Thursday, August 21, 2025.

b. Approval of Minutes

- i. July 17, 2025

c. Old Business

- i. Approval of a request for Subordination and Modification of Loan Agreements – Charleston Redevelopment Corporation (CRC)

d. New Business

- i. Peninsula Medical University District Overlay Zone (Action may be taken.)
- ii. City of Charleston Housing Strategy (Action may be taken.)
- iii. Approval of 1000 King Street former Textile Mill Site Tax Credit
- iv. Certification of Abandoned Building Site – 35 Prioleau Street
- v. Certification of Abandoned Building Site – 1091 King Street

vi. Certification of Abandoned Building Site – 331 King Street

Miscellaneous Business

Adjourn

In accordance with the Americans with Disabilities Act, people who need alternative formats, ASL (American Sign Language) Interpretation or other accommodation please contact Janet Schumacher at (843) 577-1389 or email to schumacherj@charleston-sc.gov three business days prior to the meeting.

Executive Summary

Sea Island/North Central Apartments

The Mission in purchasing Sea Island and North Central Apartments was Preservation of Existing Deeply Affordable Housing.

The CRC acted to prevent the conversion to market rate rentals when the initial 15-year LIHTC compliance period burned off on both projects. In doing so, the CRC preserved 82 units at deeply affordable rents of 50%-60% AMI. This memo outlines how these purchases were structured and what we are requesting of the City to help maintain affordability going forward.

1) Sea Island – Purchase Financed through City Loans

- a. Sea Island was purchased in Nov 2019 using Settlement Funds.
- b. The acquisition price was market rate, as the CRC was competing with market-rate developers.
- c. The City required loan terms for the Settlement Funds used for this purchase.
- d. The City structured the deal as two loans: a \$2M deferred forgivable note to be forgiven after 30 years and a \$1M note repayable over 30 years at 3.5%. We are paying principal & interest on the repayable note currently, so its principal is now \$929,791.
- e. City's restrictive covenants ensure affordability @ 80% AMI over 99 years (after an initial 15 year period at 50%-60%).
- f. Result: preserved 48 units for 99 years through soft debt financing.

2) North Central – Purchase Financed by LISC but Planned Refinance with LIHTC

- a. North Central was purchased in Sept 2021.
- b. The acquisition price was market rate, as the CRC was competing with market-rate developers.
- c. With a partial investment of settlement funds, we borrowed \$3.5M from LISC for acquisition and CRC is paying principal & interest on this loan currently.
- d. Our plan was to quickly refinance through syndication of LIHTC to take out LISC loan and make necessary capital improvements.
- e. LIHTC would require 15 more years of affordability @ max 80% AMI. CRC is maintaining even lower affordability here despite no restrictive covenant.

3) Strategy Shift Necessitated by State Pause on LIHTC

- a. In 2021 SC State Housing stopped allocating for LIHTC for almost 2 years.
- b. This required CRC to extend the loan with LISC and delay needed capital improvements.
- c. LISC cannot extend the term beyond Nov 2025.

4) Current Situation – Negative Cash Flow and Capital Investment Needed

- a. Since purchase, North Central has required \$457,880 in capital calls and operational subsidy advanced by CRC.
- b. Sea Island has required \$338,845 funded by the Sea Island operating reserve, which is now almost depleted.

- c. Capital calls are requested monthly to fund operations. These represent funds that cannot be invested in other affordable housing initiatives or operations, and also that will not revolve back to the CRC.
- d. This leaves no cash for necessary investment. North Central requires at least elevator replacement, roof replacement, and upgraded security measures.

5) Need to Refinance

- a. For North Central, the only options are to refinance the LISC loan with another lender or increase rents to the point that the project cash flows.
- b. To refinance, we must combine the 2 projects as a package and put debt on them together. Sea Island's cash flow can help to subsidize North Central if the City loans on Sea Island are restructured.

6) Need for City Assistance

- a. Our ask is to make \$929,791 (the remainder of the \$1M note for Sea Island) deferred forgivable. This eliminates the monthly debt burden on Sea Island and increases its cash flow.
- b. The entire note must then be subordinated to a new lender so we can put hard debt on Sea Island to help subsidize North Central.
- c. If the City debt is subordinated and this refinance goes through, the projects will cover the monthly debt burden. However, the CRC may still have to fund capital needs.

7) Argument for Assistance

- a. The original goal of these purchases was to preserve 82 units of deeply affordable housing when they were vulnerable to being raised to market rate. The CRC achieved this.
- b. However, the unexpected unavailability of LIHTC as an option to refinance North Central derailed our long-term plan, leading to a current situation that is unsustainable. Monthly capital calls are bleeding CRC resources that should be used to create additional affordable housing.
- c. Thus, we are requesting improved terms for the Sea Island loans from the City so that both projects can be refinanced together, which will allow us to maintain their affordability in a sustainable way.
- d. This request will cost the City \$900k of revenue over 30 years, or roughly \$30k of debt paydown per year. In the world of affordable housing, this is a cheap way to maintain 82 units. Even if the City had \$900k in a lump sum today, there is no way to create 82 new units of affordable housing with that amount of money, and certainly not units at 50%-60% AMI.

Sec. 54-229.10. – Peninsula Medical University District Overlay Zone.

- a. Intent. The Peninsula Medical University District Area, as shown on the map titled "Peninsula Medical University District Overlay Zone", is an area of the central western Charleston Peninsula that consists of the Medical University of South Carolina uses, which are medical, educational, and research, and includes Health Sciences Foundation of the Medical University of South Carolina, Medical University Hospital Authority, University Medical Associates of the Medical University of South Carolina, Medical University Facilities Corporation, Mainsail Health Partners, LLC, Parking Garage Associates, Inc., 135 Cannon Street Associates, LLC, 165 Cannon Street Associates, LLC, and any other entities approved by the Zoning Administrator to be affiliated therewith (hereinafter "Medical University") together with supportive and ancillary uses. The intent of the Peninsula Medical University District Overlay Zone is to preserve and promote the existing Medical University uses while providing land use and design standards that enable new attractive development appropriate to and in scale with the community and to build upon and enhance the existing uses in the area.
- b. Applicability and Conflicts. The Peninsula Medical University District Overlay Zone regulations in this section apply to all Medical University uses and Medical University owned properties. The Peninsula Medical University District Overlay Zone regulations in this section apply in addition to the underlying base zoning district and in addition to all other applicable regulations, including Overlays, of the City of Charleston Zoning Ordinance. In the case of conflict between the regulations of this section and any other regulations in the Zoning Ordinance, including restrictions associated with the base zoning district and Overlays, the regulations of this section shall control.
- c. Permitted Uses. In addition to the Permitted uses in Article 2, Part 3, Table of Permitted Uses, the following uses are permitted uses, as set forth below, within the Peninsula Medical University District Overlay Zone:
 1. Sidewalk cafes shall be permitted pursuant to the requirements of Sec. 54-213, except that no application fee shall be required.
 2. Day care centers, and overnight day care facilities in conjunction with day care centers, shall be a permitted use within the Peninsula Medical University District Overlay Zone.
 3. Affordable Housing, Dormitories, and Market Rate Housing shall be permitted uses within the Peninsula Medical University District Overlay Zone. There are no housing and dormitory density limits in the Peninsula Medical University District Overlay Zone.
- d. LB district hourly restrictions and limitations shall not apply in the Peninsula Medical University District Overlay Zone. Any use designated with an "H" in Article 2, Part 3,

Table of Permitted Uses shall be a Permitted Use with no limitation on hours of operation (see Section 54-204). Except as otherwise provided in the Peninsula Medical University District Overlay Zone, any use designated with a “†” in in Article 2, Part 3, Table of Permitted Uses shall be a Conditional Use to be approved by the Zoning Administrator.

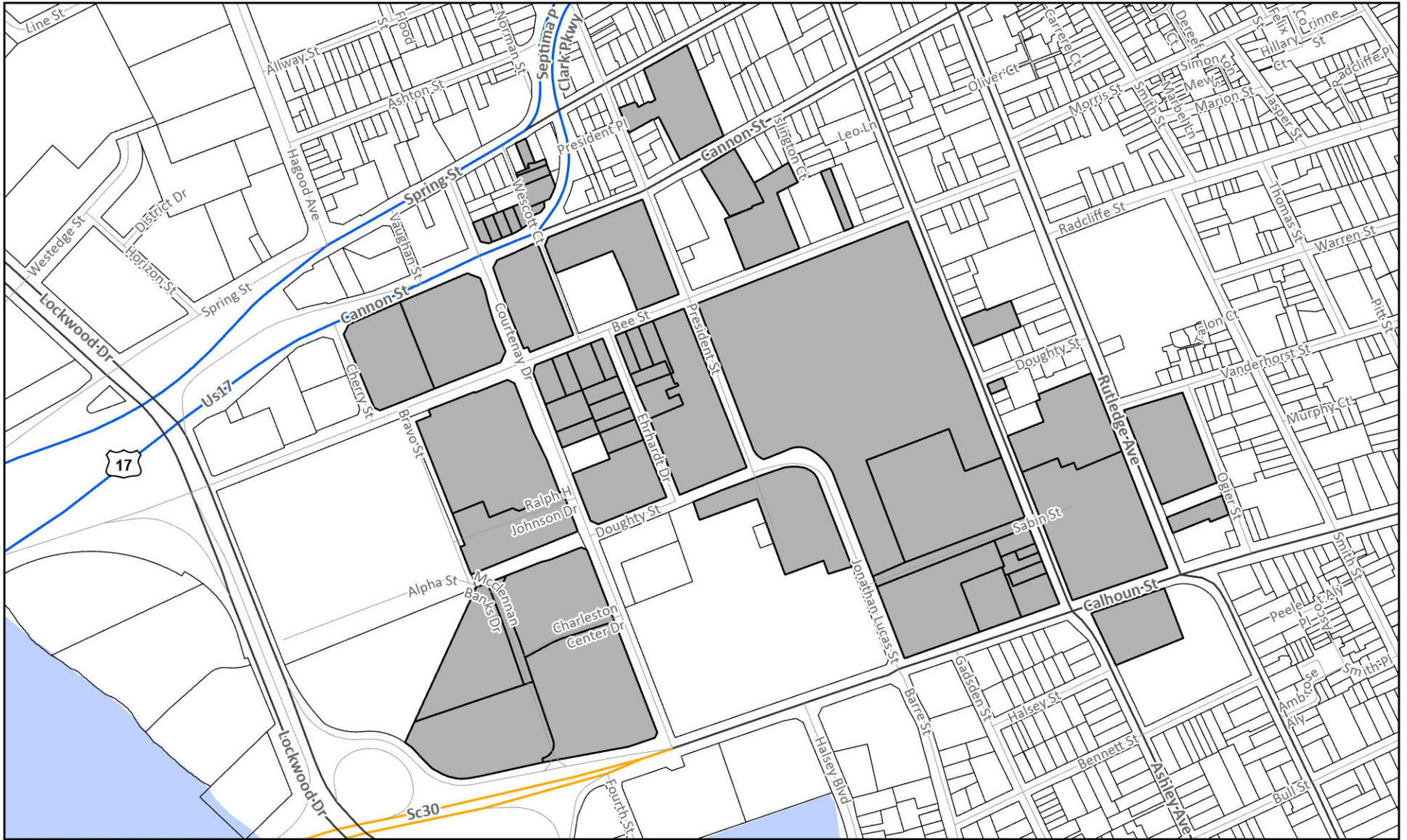
1. Area and setback regulations for a lot specified on Table 3.1: Height, Area and Setback Regulations for LB and GB zones shall follow the regulations in the rows designated as “LB Non-Residential” or “GB Non-Residential”, respectively, notwithstanding whether such lots are solely residential in use.
- e. Parking requirements in Section 54-317 and the location of parking in Section 54-319 shall not be applicable in the Peninsula Medical University District Overlay Zone. Parking shall be designated in such quantities as may be determined and enforced pursuant to South Carolina Code Section 56-21-10. Article 3, Part 7 Parking Lot, Vehicular Use, and Refuse Collection Area Landscaping and Screening Requirements, shall not be applicable in the Peninsula Medical University District Overlay Zone.
- f. Demolition or removal of structures in the Peninsula Medical University District Overlay Zone, unless located on parcels specifically enumerated in this subsection, shall not require an application for a permit to nor the approval of the Board of Architectural Review as otherwise required in Section 54-232 and other provisions of the Ordinance.

- g. Accommodations Uses. Up to two (2) accommodations uses not to exceed a cumulative total of two hundred fifty (250) sleeping units may be constructed in the Peninsula Medical University District Overlay Zone. The requirements of Section 54-220 shall not be applicable to accommodations uses within the Peninsula Medical University District Overlay Zone.
- h. Trees, Street Trees, and Street lights.
 - 1. Any tree, including grand trees, shall not require approval from staff or BZA-SD for removal, provided removal of any tree, excluding pine species, 24" or greater DBH shall be mitigated by:
 - i. the planting of native trees on the campus contributing to the MUSC Arboretum at the ratio of 25% of the total DBH inches removed,
 - ii. and the planting of street trees, excluding palm trees, at the ratio of 25% of the total DBH inches removed,
 - iii. or if it is determined by the Department of Parks that the adjacent streets cannot afford trees, then a contribution to the City of Charleston Street Tree Planting Program in an amount equivalent to the City's cost for the type, size and number of trees to be planted. Street tree species selection, size, location and spacing shall be pursuant to the City of Charleston Street Tree Manual and shall require approval of the Department of Parks as part of the TRC review process. Street selection, location and spacing shall be pursuant to the City Code and shall require approval of the Department of Parks per City Code Sec. 30-51 as part of the TRC review process. Article 3, Part 6 shall not be applicable in the Peninsula Medical University District Overlay Zone.

2. The installation of street trees and appropriately scaled streetlights within the right-of-way shall be required for all new development projects that require approval by the BAR regardless of the amount of right-of-way altered as part of the project scope. Streetlights have octagonal fixtures on fluted posts seventeen (17) feet in height or other as approved by the Department of Parks.
- i. Article 3, Part 2, Old City Height Districts.
1. The Old City Height Districts within the Peninsula Medical University District Overlay Zone shall be modified as set forth below.

2. For structures located east of Ashley Avenue and west of Rutledge Avenue within Overlay Height District 85/200, no part of a structure, including elevator penthouses and mechanical penthouses, shall exceed the height of two hundred fifty (250) feet, nor shall the principal structure be lower than thirty (30) feet.
3. In Height Districts measured by floors and not by the number of feet, the requirements set forth identifying minimum and maximum heights per floor in Section 54-306 shall not be applicable where such heights are reasonably necessary due to the structural, use, or equipment of such structure and the space within such structure.
4. Additional height in Height Districts measured by feet, not floors, for ornamental appurtenances and utilitarian appurtenances related to mechanical equipment or structural systems (such as elevator and stair towers, exhaust fans, HVAC and communication equipment) that exceed the maximum allowable height may be permitted by the Board of Architectural Review.

- j. Requirements for landscape buffers per Article 3, Part 8, Landscape Buffer Requirements shall not apply within the Peninsula Medical University District Overlay Zone.
- k. Article 3, Part 9, Relocation and Moving of Structures shall not apply to the relocation and moving of structures within the Peninsula Medical University District Overlay Zone.
- l. Special stormwater drainage requirements. The Peninsula Medical University District Overlay Zone is located adjacent to and with outfall into the Ashley River and Alberta Long Lake. Given the large area of the peninsula encompassed by the Peninsula Medical University District Overlay Zone, and the need for expedited review, development within the Peninsula Medical University District Overlay Zone will be allowed to submit to a third-party reviewer that is currently not under contract with the City for these services and is approved by the City in lieu of stormwater drainage review by the Technical Review Committee.

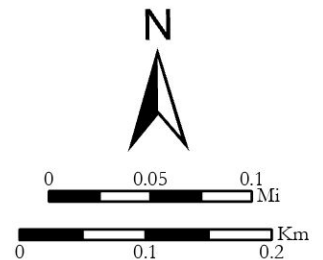


Medical University District Overlay Zone

 District Overlay Zone Area

August 5, 2025

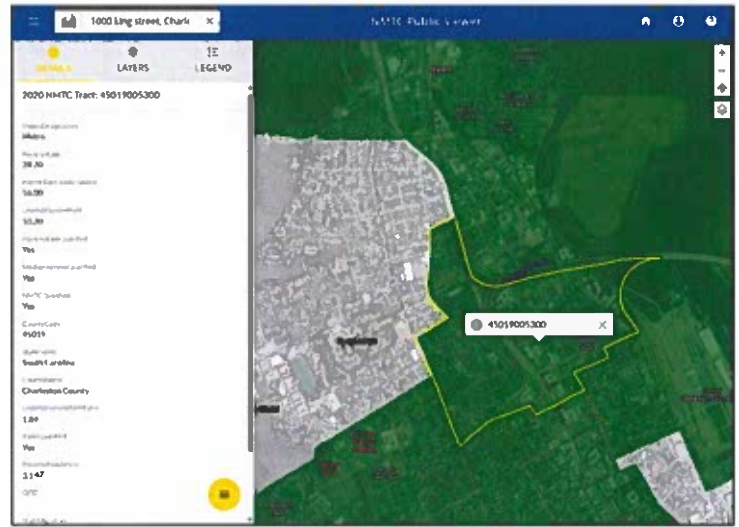
City of Charleston Department of Planning & Preservation



July 7, 2025

To Whom it May Concern:

The Berkeley-Charleston-Dorchester Council of Governments (BCDCOG) Board of Directors took action designating Charleston County Census Tract 45019005300 as distressed on June 23, 2025. This Census Tract includes 1000 King Street, the site of the former Royal Bag and Yarn Manufacturing Company cotton mill, built in 1902, which is planned for redevelopment. This designation makes the Census Tract eligible for state textile mill tax credits through the S.C. Textiles Community Revitalization Act.



BCDCOG staff evaluated the economic conditions of Census Tract 45019005300, against the qualification criteria for New Market Tax Credits. According to the CDFI Fund's NMTC mapping tool, which uses 2016–2020 ACS data, the property qualifies as distressed based on poverty rate, median family income, and unemployment rate.

- Poverty rate was greater than the 20% minimum threshold at 24.6%
- Median Family Income was \$45,833, which was less than 60% of region's (MSA) of \$82,122
- Unemployment rate was greater than the national average of 5.4% at 10.2%

This letter serves as a record of of designation of Census Tract 45019005300 as distressed. Minutes of the June 23, 2025 BCDCOG Board of Directors meeting will be officially confirmed at the next meeting in August 2025.

Sincerely,

Sincerely,


Ronald E. Mitchum
BCDCOG Executive Director