

Community Development Committee

January 19, 2022

A meeting of the Community Development Committee was held this date beginning at 3:02 p.m. over video conference call.

Notice of this meeting was sent out to the news media.

Committee Members: Councilmember Robert Mitchell, Chairman, Councilmember Jason Sakran, Vice Chair (left at 4:17 p.m., joined at 4:18 p.m.), Councilmember Ross Appel, Councilmember William Gregorie, Councilmember Keith Waring (joined at 3:27 p.m.), and Councilmember Caroline Parker (joined at 3:06 p.m., left at 4:18 p.m.). Also Present: Christopher Morgan, Chloe Stuber, Magalie Creech, Geona Shaw Johnson, Melissa Cruthirds, and Patrick Carlson, recording.

The meeting opened with a moment of silence led by Chairman Mitchell.

Approval of Minutes

On a motion of Councilmember Gregorie, seconded by Councilmember Appel, the Committee voted unanimously to approve the minutes of the November 17, 2022 meeting.

Public Participation

Carol Jackson spoke in support of the resolutions to use tourism taxes that supported workforce housing and addressing housing shortages by using local pressure on state representatives.

Patrick Carlson said that they received one online comment. Anthony Bryant wrote a comment regarding how the judicial system is being used to address the housing and economic situation across the United States.

Old Business

None

New Business

- 1. An Ordinance to Amend Article 2 (Land Use Regulations), Part 2 (Permitted Uses by Base Zoning District), Sec. 54-207, P of Chapter 54 of the Code of the City of Charleston (Zoning Ordinance), to Extend Conditional Use Provisions to Allow an Increased Number of Affordable Housing Units on Larger Lots.**

Robert Summerfield said this was an amendment to address the need to increase the number of housing units in the community by allowing for a variety of lot sizes and updating what was permitted to be built on those lots. By amending zoning regulations, they hoped to add more affordable housing units (ADUs) across the community. Chloe Stuber said this was an expansion of conditional provisions in the zoning ordinance that had worked well previously.

Councilmember Parker asked if increasing the number of allowable bedrooms on a property was a standardized move in order to address housing demands and then asked Geona Shaw Johnson to explain what 120% AMI meant in Charleston at that time.

Ms. Stuber said that the amendment did not change the bedrooms to lot size ratio overall, it was meant to accommodate larger lot sizes so they could participate in the ordinance in the first place.

Ms. Shaw Johnson said that the average AMI for a household of four in the Charleston area was an annual income of \$91,800. Someone making 120% AMI calculated to an annual income of \$110,160.

Councilmember Parker asked about the location of the additional parking for building ADUs on some of the anticipated lots. Mr. Summerfield said that there were specific zoning designations where the amendment would be applicable, but the goal was to be as lenient as possible in order to continue encouraging affordable housing construction.

Councilmember Gregorie asked for a definition of the DR-2, DR-2F, and GB zoning designations. Mr. Summerfield said they were the diverse residential designations that allowed for a wider range of housing types and were some of the densest residential categories.

On a motion of Councilmember Gregorie, seconded by Councilmember Appel, the committee unanimously approved Item 1.

2. A Resolution by the City of Charleston Council calling on the South Carolina Legislative Delegation to amend Section 12-6-3795(b)(5)(b) of the South Carolina Code of Laws so as to increase the annual amount of South Carolina Housing Tax Credits from \$20,000,000 annually to \$40,000,000 annually.

Ms. Shaw Johnson said this resolution requested that the State Legislature increase the available amount of low-income housing tax credits in the community which had already enabled the construction of over 50,000 housing units. She said this was a follow-up to an earlier resolution that asked the Governor and State Housing offices to amend components of the qualified allocation plan which governed how tax credits were used. The current resolution would help serve people who earn as little as 30% AMI up to 80% AMI. Many projects that City Council had supported in the past were in limbo and needed to secure funding from alternative sources. She said it was time for the State Legislature to understand how access to proper housing impacted the proper functioning of any state and she asked for the committee's support in order to continue to secure housing in the community.

Councilmember Sakran said he supported any effort to increase funding for housing initiatives and it would be worth the investment in lobbying efforts if these measures were passed. Ms. Shaw Johnson agreed and said that lobbying had been a key element in advancing various housing proposals.

Councilmember Gregorie said that it was incumbent on everyone to also connect with local senators and representatives to highlight the widespread support for these efforts in addressing the housing crisis. He asked Ms. Shaw Johnson about the previous issues with the allocation plan that had restricted allocations regionally and asked if that impacted the City's ability to compete for the available tax credits.

Ms. Shaw Johnson said that the resolution responded to those limitations. They had asked for the removal of the articles that would not fund projects within one mile of each other or any projects that had been funded in the previous year. She said this limited the development of Charleston's urban core and hoped it would be less restrictive in the future.

Councilmember Parker clarified that the \$20,000,000 tax credit was shared across the state and asked how much went specifically to Charleston. Ms. Shaw Johnson said that out of \$22,000,000 in overall local development costs, \$8,000,000-\$10,000,000 came from tax credit financing. She said it played a large part in the allocation budgets of multiple developments in Charleston and was critical to literally every bond project that the City had funded in the last few years.

Councilmember Appel said he was involved in litigation throughout South Carolina involving low-income housing tax credit projects that were met with violent negative political reactions and it was important to understand why this was subject was being scrutinized and met with such opposition. He was happy that the City of Charleston and City Council was prioritizing this policy focus on their various agendas in order to set an example of why it was important in order to help manifest these projects on an increasing scale. He agreed with Councilmember Gregorie and supported any efforts to connect with local and state representatives to increase housing opportunity.

Councilmember Waring suggested that they should reach out to allies in the business community and Chairman Mitchell asked staff to contact the Mayor to write a letter and would plan to attach all of the suggested shows of support to the resolution to make it more impactful.

On a motion of Councilmember Gregorie, seconded by Councilmember Sakran, the committee voted unanimously to approve Item 2.

3. A Resolution by the City of Charleston Council calling on the South Carolina Legislative Delegation to amend the South Carolina Code of Laws governing approved uses of Accommodations and Hospitality Taxes to include workforce housing as an approved use of such taxes.

Councilmember Parker said she thought the money from these taxes could be used in a more tourism-supportive manner like street maintenance and safety.

Councilmember Gregorie said that the money did go towards those things already, however increasing funding for affordable housing also positively impacted the service and tourism workforce industry. It was important to ensure the workers had access to housing opportunities and was something the City had been supporting for years.

Councilmember Sakran said that he respected Councilmember Parker's opinion, but wanted to offer an alternative perspective. He understood that people were frustrated with paying these taxes and not seeing the expected impacts on a variety of safety and maintenance issues across Charleston. However, the primary concern for those business owners overall was that they did not have enough staff to operate in the first place. If there was not enough accessible and affordable housing in a given community, there wouldn't be enough people to operate local businesses. As a result, housing becomes a community priority before you could address maintenance-level issues.

Councilmember Appel said that the resolution did not intend to divert all of the discussed taxes towards housing-it was just added to the list of potential uses. By diversifying the means and resources to encourage a spectrum of housing development, the City could begin to meet the needs of the community in a more flexible manner.

Chairman Mitchell said that affordable housing is an important element of any community and they needed to invest as much money as possible into affordability measures.

Councilmember Parker said the resolution was directing the money towards affordable housing, but asked how could the City retain more of the revenue overall instead of sending a portion to Columbia.

Councilmember Appel said that the resolution did not direct money towards affordable housing, it just added workforce housing to a list of potential uses for the taxes in question. He said sending 30% to Columbia to be redistributed throughout the state was a separate issue and he would support a resolution that allowed the City to retain more of the tax revenue.

Councilmember Gregorie asked staff to put together a proposal for a future agenda to retain more money from local Accommodations and Hospitality taxes.

On a motion of Councilmember Gregorie, seconded by Councilmember Waring, the committee voted to approve Item 3. The vote was not unanimous. Councilmember Parker voted nay.

4. A Resolution to Adopt an Affordable Housing Priority Status Policy.

Mr. Summerfield said this resolution reflected a current program that existed between the Planning and Housing Departments to help streamline the development approval process in order to make affordable incentives accessible. He said Ms. Stuber had been coordinating these efforts, but City Council had approved a budget increase that allowed the Planning team to hire a full-time staff member that would focus on guiding affordable housing project applications.

Ms. Stuber said that serving as a point of contact for affordable housing developers of all types helped them to navigate the development review process. The City had assembled a multi-disciplinary team from across multiple divisions and departments to review how to streamline the process for all applicants. By prioritizing communication across all City channels about affordable housing projects and creating different protocols that prioritized affordable development schedules. She said the intention was to facilitate priority access for these proposals within the current system and create new inclusive ordinances for the committee and City Council to consider.

Councilmember Gregorie said that he felt like City Council had been truly heard on this subject and appreciated all of the efforts to make the application process more accessible and transparent to the applicants.

Councilmember Sakran said he was encouraged by all of the actions and proposals to push this agenda forward and prioritizing overall housing supply. He asked if the task force were solely focused on development applications that prioritized affordable housing.

Ms. Stuber confirmed that was the sole focus and it required that an application needed to commit to 50% or more of the proposed units to affordable housing development.

Mr. Summerfield said that this program was open to any applicant as long as they met the criteria for priority consideration status.

Ms. Stuber said that this was already taking place throughout the departments involved in the application and development process, but the intention was to scale it up in the near future and continue to identify new ways to reorient the current system. For example, the TRC was the only committee that had an expedited review protocol and they hoped to expand that type of consideration across all boards and committees involved in the review and approval process.

Mr. Summerfield said they had already noticed a difference with Ms. Stuber supporting this effort part-time, so whenever they hire a full-time staff member to focus on these applications will truly help bring the entire process up to speed.

Councilmember Sakran said that the efforts to help support the supply and demand metrics for living in the City were the usual areas of focus for local governance. It was rare for systems like that to take an introspective audit of their own best practices and by simplifying this complicated application process, they were opening the way to continued self-examination and improvement. Focusing on de-regulating complicated and expensive systems is a low-cost measure that would fix a lot of issues that developers and applicants are met with when building anything in the City. He said he intended to engage with other Councilmembers and community partners to research and audit the BAR process and structure to address any lingering self-induced delays.

Councilmember Parker said that City projects were also subjected to a lengthy application process and should be overhauled into the conversation about streamlining any consideration intervals.

Councilmember Appel said that he agreed with Councilmember Parker and wanted to address the roadblocks within City systems that prevented projects by both City departments and outside applications from proceeding in an expedited manner. He also said that he agreed with Councilmember Sakran's urgency and they needed to activate the private sector to help support all of these funding and development efforts in order to make affordable housing proposals profitable. He said the BAR had gone through multiple stages of development in the past and should be updated again to reflect the City's present housing climate. Utilizing different zoning techniques and form-based codes in order to communicate the City's position upfront would cut down on the costly back and forth that lead to delays and increased budgets. He recognized that it would be a difficult adjustment, but it was necessary in order to reevaluate how to engage with this community process in a balanced and improved manner.

Councilmember Waring said that he agreed with the conversation about improving the development process and looked forward to the day Mr. Summerfield and his team would present the ways to improve the system to City Council.

On a motion of Councilmember Gregorie, seconded by Councilmember Parker, the committee voted unanimously to approve Item 4.

5. A Resolution Supporting Inclusionary Zoning.

Ms. Shaw Johnson said that several years ago, her team began working with a number of local non-profits to support more inclusionary zoning and enabling legislation to support more inclusionary zones across the state. By enacting legislation, they intended to give local jurisdictions the ability to choose what percentage of affordable housing they would regulate. Senator Kimpson had supported these measures for years and introduced bills to increase the amount of affordable housing statewide. She asked for support from the committee and City Council in order to support and advise the state legislative body of the need and reality of this situation.

Mr. Summerfield said this was another tool in the City's arsenal that could be utilized to address different housing needs in different areas. He considered it one of the more flexible inclusionary zoning pieces of legislation he had ever seen and it would create more options to develop more housing across the state.

Councilmember Gregorie asked if this would give the City the ability to do a housing linkage, such as fee in lieu of or otherwise, and to attach that housing linkage across the City.

Mr. Summerfield said that it did not appear to allow linkage fees per se but it allowed an inclusionary requirement. As such, they could require an affordable housing component to any zoning district that could be offset by a fee in lieu of instead.

Councilmember Gregorie said that worked for him because it was the same outcome regardless and looked forward to when they could create more impactful effects.

Ms. Shaw Johnson said she hoped they would pass that legislation soon and give more power to local jurisdictions to choose affordable housing objectives.

On a motion of Councilmember Gregorie, seconded by Councilmember Waring, the committee voted unanimously to approve item 5.

Miscellaneous

Councilmember Appel said that he was excited to see open and frank discussions about affordable housing and it showed commitment to meet these difficult objectives and appreciated all of the committee members and staff efforts to create this agenda and move their collective efforts forward.

Adjourn

Having no further business, the Committee adjourned at 4:22 p.m.

Patrick Carlson
Clerk of Council's Office