

Committee on Real Estate

April 13, 2020

A meeting of the Committee on Real Estate was held this date beginning at 3:35 p.m. over video conference call.

Notice of this meeting was sent to all local news media.

Present

Councilmember Shahid, Chair, Councilmember Appel, Councilmember Waring, Councilwoman Jackson, and Mayor Tecklenburg

Also Present: Susan Herdina, Christopher Morgan, Geona Shaw Johnson, Rick Jerue, Chip McQueeney, Tracy McKee, Leigh Bailey, Jennifer Cook, John DeStefano, Jeremy Collins, and Bethany Whitaker

The meeting was opened with an invocation provided by Councilmember Waring.

Approval of Minutes

On the motion of Councilwoman Jackson, seconded by Mayor Tecklenburg the Committee voted unanimously to approve the minutes of the March 9, 2020 and March 23, 2020 Real Estate Minutes.

Approval to authorize the Mayor to execute the Agreement of Purchase and Sale between the City of Charleston and Peter Lewis Buck conveying the property located at 87 Cooper Street for the purchase price of \$201,834. This property is being sold subject to the City of Charleston Single Family Affordable Housing Restrictive Covenants with an affordability period of 90 years. Peter has also applied for a \$10,000 loan and \$2,000 grants from the City's Employer Assisted Housing (EAH) Program. The grants and loan are provided through the Community Development Block Grant (CDBG) (TMS: 459-05-04-122) [Ordinance]

Ms. Shaw Johnson stated this was the sale of 87 Cooper Street. IT was a property that the City initially transferred to the Episcopal Diocese to build affordable housing upon. Last year, they had asked the City to take the property back and the City did. This is the third property that they build on a vacant lot. The house would be sold to a first-time homebuyer who was a City employee. The price was \$201,834 which was also development costs. The first mortgage would be \$141,834. The difference between the costs would be left as permanent subsidy in that home for subsequent buyers to benefit from. It was being sold with the first-time restrictive covenants of 90 years.

Councilmember Waring said that he wanted to thank staff. He remembered when it was returned to the City and it was a victory to find affordable use and for a City employee. Chairman Shahid said he wanted to echo that. This project went through some twists and turns, and they were able to get it completed.

On the motion of Councilmember Waring, seconded by Councilmember Appel, the Committee voted unanimously to approve the above item.

Authorize the Mayor to execute the necessary documents between the City of Charleston and 1776 LLC for the acquisition of a vacant parcel know as the Fenwick Property measuring 12.647 acres with 10.4 acres of usable land and located on River Road in the City of Charleston, Charleston County, South Carolina, depicted in that certain plat recorded in Plat Book L19, Page 0505 as Tract B-2-1 and bearing Charleston County Tax Map No. 346-00-00-004, for a purchase price of \$3.5 million. (TMS: 346-00-00-004)

Ms. Herdina stated that if it was acceptable, she would like Ms. Shaw Johnson to go through the general terms of the agreement and get the approval to move forward with finalizing the agreement with the seller. There may be a few parts of the agreement to be tightened up. She wanted the Committee to give the Legal Department the authorization to move forward and comport the documents with the conditions as they understood them with the deal.

Ms. Shaw Johnson stated that this was a property located on Johns Island. The purchase price was \$3.5 million. The purpose of them purchasing the site was for the future development of both affordable and attainable housing in the City. This was probably one of the highest sites they had looked at as they looked at multiple sites with Mr. Destefano. It was in a Zone X, and located in a key area of Johns Island that was convenient to transit and other amenities that will cause the property and the units eventually built on the site to be a benefit to first-time homebuyers. All indications were that there were no environmental challenges with the site itself. There were a few changes, as Legal had indicated, that were necessary for the agreement. A section 11.10 was added to clarify the buyer and seller commission and then there was also a section added in Paragraph 9 that would allow for the additional title commitment language to be added. So, that would allow for an examination of the title by Legal Counsel for this property.

Councilwoman Jackson stated that it was great to know there was a property that was this opportunistic. It sounded like they had the monies available. She asked if it would be a rapid timetable or if they would have to sit on it. Ms. Shaw Johnson said the goal would be for the City to look at insuring that the proper infrastructure was at the site. They would work with Planning to come up with an appropriate design. The goal would be to RFP the project to developers to help them go vertical. The goal was to make sure the site was ready for construction. Councilwoman Jackson said that basically the City would be the conveyor of the property to another developer. Ms. Shaw Johnson stated that the goal would be for a variety based on the size of the parcel. They were looking at single-family detached, townhomes, and hopefully a multi-family development on the site. Previously, the maximum number of units that was in the PUD would have been 104 units. Planning was comfortable with 80 units there. Naturally, Housing wanted to push that number slightly to maximize density.

Councilmember Shahid said that he had heard in conversations that they could possibly build up to 120 units on the property and push it to the maximum. The property had a lot of potential and was very accessible. Councilmember Waring asked when the pitchfork was built, if it would take any of the property. Ms. Shaw Johnson said it wouldn't. Councilwoman Jackson asked if the property was very recently approved for the PUD. Mr. Morgan said that the PUD was put together a few years ago, but there was an amendment in the last year. Apartments being built across the street had recently gone through the Planning process, as well. Councilwoman Jackson asked if this was the property that was having

difficulty achieving their layout based on an easement from properties below it. Mr. Morgan said that this site was in the northern side of the pitchfork and would have to have its own stormwater detention. Hypothetical layouts had about a third or 40% of the property remaining wetland or greenspace. They thought it was feasible for development.

On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee voted unanimously to approve the above item.

Authorize the Mayor to execute on behalf of the City of Charleston ("City") any and all documents necessary to quitclaim Grants Court (Peninsula) (District 3) to Manx Holdings, LLC, in exchange for an easement permitting access over a portion of Grants Court from Nunan Street to 4 Grants Court (Charleston County TMS No. 460-07-02-222) (Peninsula) (District 3) and 4 Nunan Street (Charleston County TMS No. 460-07-02-221) (Peninsula) (District 3), upon approval of any such documents by Corporation Counsel (TMS: 460-07-02-222 and 460-07-02-221, 4 Grants Court and 4 Nunan Street) [Ordinance]

Mr. McQueeney stated that this was an area to the north of Nunan Street in between Ashley Avenue and Rutledge Avenue. Grants Court was also sometimes referred to as Nats Court. He referred to a diagram where some parcels were owned by the City to be sold as affordable housing. The others were owned by Forge LLC, or Manx Holdings, LLC. They claimed private ownership which seemed to agree with the title history. There was a question as to whether the City had rights to an easement for access for the two parcels it owned from Nunan Street. There was a reasonable dispute. The owners would like to just settle it and the city wanted to move forward with the affordable housing. So, the documents before them would allow the City to quit claim any right title or interest it had in Grants Court by deed to Manx Holdings, LLC. In exchange, they would give an easement for the use of the City's properties. He didn't expect there to be any changes, but he had draft on the documents because they hadn't been finalized. They should have final form of the documents before the next meeting.

On the motion of Councilwoman Jackson, seconded by Councilmember Appel, the Committee voted unanimously to approve the above item.

Having no further business, the Committee adjourned at 3:58 p.m.

Bethany Whitaker

Council Secretary