

## **Committee on Real Estate**

October 26, 2020

A meeting of the Committee on Real Estate was held this date beginning at 3:03 p.m. over video conference call.

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

### **Present**

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

**Also Present:** Geona Shaw Johnson, Janie Borden, Chip McQueeney, Julia Copeland, Leigh Bailey, Matt Frohlich, Stirling Halversen, Christopher Morgan, Rick Jerue, Tracy McKee, Bethany Whitaker

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

### **Approval of Minutes**

On the motion of Councilwoman Jackson, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the October 12, 2020 Real Estate Minutes.

**Mayor and City Council approval is requested to amend the option to lease between the City of Charleston (herein, called the Landlord), Flatiron Partners, L.L.C., a North Carolina limited liability company and Classic Development Company, L.L.C., a South Carolina limited liability company (collectively, herein called "Tenant") to extend the date of the Option to Lease from September 30, 2020 to December 31, 2020. The extension to the option to lease will allow the Tenant to secure final approval from the Design Review Committee (DRC) and Technical Review Committee (TRC) for the development of the James Lewis Jr., Apartments.**

Ms. Shaw Johnson stated this was a first amendment to the option to lease from Flatiron Partners LLC and Classic Development Company LLC. These two organizations were constructing the James Lewis Jr. Apartments, formerly Cooper Crest. They had an extension. Back in September, they paid \$1,000 for it. They were requesting one additional extension through the end of December at little or no cost to allow them to finalize a few additional details. They were working closely with City staff.

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

**Authorize the Mayor to execute the Agreement of Purchase and Sale between the City of Charleston and Robert T. DeSaussure for the sale of 915 Sycamore Street for \$201,637. Mr. DeSaussure will receive \$50,000 in downpayment assistance from the City of Charleston, secure lender financing of \$151,637, and pay his closing costs. This property is one of 7 new houses recently constructed in the Ashleyville-Maryville neighborhood and is targeted to individuals and/or families earning up to 80% of the Area Median Income. The property is deed-restricted, subject to the City of Charleston Single Family**

**Affordable Housing Restrictive Covenants with an affordability period of 90 years. (TMS: 418-11-00-205; 915 Sycamore Street) [Ordinance]**

Ms. Shaw Johnson stated this was one of the properties they built last year. Mr. Robert DeSaussure was purchasing. It was a three person household. The property was selling it for \$201,637 and there would be a first mortgage for \$150,750 so there would be permanent subsidy left in the home that enabled it to remain affordable. The period was 90 years. They were excited to get it under contract and sold.

Councilwoman Jackson asked if two people had already been in the property and sold. Ms. Shaw Johnson stated that no one had ever moved. They had a contract for purchase. They had the lady through underwriting and they discovered some things that hadn't been revealed in her credit, so they had to cancel the contract. Councilmember Waring asked if this was the last one to be sold. Ms. Shaw Johnson said it was. Councilmember Waring said that he had been on an interview with Channel 4 about the letter from the College of Charleston professors. There were some requests in that letter that the City was already doing. One of the things was regarding affordable housing. What Ms. Shaw Johnson and her team was doing, he truly believed some people didn't know what they were doing for affordable housing and drainage in underserved communities. They should have a free exchange to let them know what the City was doing. He agreed they could do more. What they were doing was innovative and the period of affordability helped tamp down gentrification and rising prices. Councilwoman Jackson thanked Councilmember Waring for representing the City. While reading the letter, she felt they needed to go out of their way, to gather up all of those topics, possibly by way of the Commission. Chairman Shahid said he thought it was just a matter of collaboration so that the community knew what they were doing on those different topics. Councilmember Appel said it wasn't necessarily a monetary issue. They could secure some more affordable housing by amending ordinances. It was a credit to Ms. Shaw Johnson for helping to broker some of those deals. It was a false choice to say they were either sending money to the Police Department or turning a blind eye to affordable housing. That wasn't an accurate portrayal. Mayor Tecklenburg said the letter mentioned other topics as well, including flooding. To say the City wasn't dedicating resources to flooding in all areas of the City to address sea level rise and climate change, they were misinformed. It was clear that this group from the College got tied in with the letter they received the previous week from the ACLU. To solve all these myriad of societal challenges by cutting personnel in the Police Department was not the right thing for the City. 87% of the Police budget was for personnel, and they were short on sworn personnel. To claim that that would solve the societal problems was ridiculous.

Chairman Shahid said they had seven of those units, and this was the last one. He asked if there were any other projects in the pipeline. He knew they had the James Lewis Jr. Apartments. Ms. Shaw Johnson stated that Orleans Gardens was undergoing a massive renovation in all 100 units. Bulls Creek was coming up which would be a 64 unit multi-family development of rental apartments for persons earning 60% and below AMI. Those were off of Hwy. 61. She believed they had a townhouse development coming up with Homes of Hope, a for-sale product that they approved a down-zoning for. That was just in West Ashley. Councilmember Waring said he believed there was another in Ardmore of townhouses. Ms. Shaw Johnson said that was correct. They planned to put 11 townhomes there. They had been patiently waiting on a change in zoning for two years. Instead of getting six, they were getting 11 units. Councilmember Waring said that with that zoning change, they almost doubled the amount of units. Councilmember Appel asked how much value in affordable housing that ordinance change created. Those simple changes added up. They could monetize some of those deregulatory things they were doing.

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

**An ordinance authorizing the Mayor to execute Quit Claim Deeds and any other necessary documents, approved as to form by the Office of Corporation Counsel, to the owners of those properties abutting each side of the portion of Saint Philip Street running southeasterly from a dead end at the Septima P. Clark Parkway (US Highway 17) to the northwestern right-of-way line of Sheppard Street. (Also to be considered by the Committee on Public Works and Utilities)**

**An ordinance authorizing the Mayor to execute a Quit Claim Deed and any other necessary documents, approved as to form by the Office of Corporation Counsel, to convey a portion of Farr Street, formerly known as Pierce Street, to Daniel Island Associates L.L.C. (Also to be considered by the Committee on Public Works and Utilities)**

Chairman Shahid asked if this still had to go through Public Works if they approved it. Mr. McQueeney said yes and City Council would also have to adopt an ordinance to quit-claim both right of ways. There was a lot of moving parts. St. Philip Street was owned and maintained by the DOT. What would go through Public Works was a resolution to request and accept that portion of St. Philip Street from DOT. Then, they would need to rezone it to include it in the Sheppard Street PUD and close and abandon it, with a public hearing. Real Estate was giving first reading to the ordinance to convey the right of way to the two abutting owners. Farr Street was a little different because the City owned and maintained it. So, they would adopt an ordinance to quit-claim it and Public Works would have the Resolution to set the public hearing and have the public hearing and adopt the resolution of closing and abandoning it at the same time they adopted the ordinance to quit-claim it.

Councilmember Appel asked if a judicial action was required to abandon a right of way in this context. Mr. McQueeney said it wasn't. There was a judicial option under State law. There was a case that said that wasn't the only option, that there was a way City's could do it as well. Tom O'Brien basically took over the process. Once they set the public hearing, he contacted all the utility companies to make sure they had easement, all the City Departments and DOT, and then they had the public hearing in case anyone said they were cutting off access to their property.

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

### **Miscellaneous**

Councilmember Waring said that in reference to the letter, one thing he suggested was everyone on City Council supporting the County's effort on the referendum to pass two mills tax increase to create affordable housing. Hopefully, other municipalities would think outside of the box to be creative regarding this. Councilwoman Jackson said that for the record, it wasn't allowed for City Council to have a resolution in support of it. She tried it, but Corporation Counsel gently and firmly let her know it wasn't something they could do legally. She was having very interesting conversations with people who responded to her suggestion that it was the right thing to do. People who were interested were learning more. Councilmember Waring said that he had people call him and ask about it and he explained why he supported it.

Having no further business, the Committee adjourned at 3:28 p.m.

Bethany Whitaker  
Council Secretary