THE FUTURE OF AFFORDABLE AND WORKFORCE HOUSING IN THE CITY OF CHARLESTON
JOHN J. TECKLENBURG, MAYOR
GEONA SHAW JOHNSON, DIRECTOR
CITY OF CHARLESTON
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Pictured above: Cottages of Longborough and Elan Midtown Apartments

WEST ASHLEY REVITALIZATION COMMISSION
THE SCHOOLHOUSE
720 MAGNOLIA ROAD
JUNE 14, 2017 @ 5PM
OVERVIEW

• Who Is the Department of Housing and Community Development & what is the Mission of the Department of HCD?
• Sources of program funding
• Affordable Housing
• Public Housing Authorities
• Affordable and Workforce Housing
• A Regional Perspective on Affordable Housing
• Funding Affordable/Workforce Housing
• Tools to Enhance Affordable/Workforce Housing
The Department of Housing and Community Development is one of thirteen (13) departments in The City of Charleston. The mission of the Department:

- To create, facilitate and implement activities and programs that stimulate community and economic development, expand the supply of available housing and stimulate the construction and rehabilitation of housing for persons of very low, low and moderate incomes in Charleston’s neighborhoods in an effort to enhance their quality of life.
SOURCES OF PROGRAM FUNDS AND DEPARTMENT PROGRAMS

**Funding**
- Community Development Block Grant (CDBG).
- HOME Investment Partnerships Program (HOME).
- Housing Opportunities for Persons with HIV AIDS (HOPWA).

**Programs**
- Roof Replacement
- Rental Rehabilitation
- Substantial Rehabilitation
- Homeownership Initiative

1562 Mulberry Street (before & after), HOME Rental project; Demolition/ New Construction; Developer- Palmetto Community Action Partnership
WHAT IS AFFORDABLE HOUSING?

HUD defines "affordable" as housing that costs 30 percent of a household's monthly income. That means rent and utilities in an apartment or the mortgage payment and housing expenses for a homeowner should be no more than 30 percent of a household's monthly income to be considered affordable.

Currently, the median income for a family of four in Charleston is $68,800 [effective June 1, 2017]. Utilizing HUD's definition, affordable housing for a family of four (household earning up to 80 percent of Charleston’s AMI), would be a home priced under $165,150 ($55,050(80% of the AMI)*3=$165,150).

HCD provides “affordable” for-sale housing to persons earning from 50-120% of the Area Median Income (AMI). HCD also provides funding to nonprofit and for-profit developers who build rental housing for a person or household earning an income @ 50% and below the AMI up to 65% of the AMI.
## INCOME LIMITS FY 2017-2018

<table>
<thead>
<tr>
<th>HOUSEHOLD SIZE</th>
<th>Extremely low income</th>
<th>Very low income</th>
<th>Low Income</th>
<th>Moderate Income</th>
<th>Median family income</th>
<th>City of Chas. Homeownership Initiative income limit</th>
<th>Beazer Homes [Daniel Island]</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$14,500</td>
<td>$24,100</td>
<td>$28,920</td>
<td>$38,550</td>
<td>$48,200</td>
<td>$57,840</td>
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<td>2</td>
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<td>$27,550</td>
<td>$33,060</td>
<td>$44,050</td>
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<td>$37,200</td>
<td>$49,550</td>
<td>$62,000</td>
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<td>$93,000</td>
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<tr>
<td>4</td>
<td>$20,650</td>
<td>$34,400</td>
<td>$41,280</td>
<td>$55,050</td>
<td>$68,800</td>
<td>$82,560</td>
<td>$103,200</td>
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<tr>
<td>5</td>
<td>$22,350</td>
<td>$37,200</td>
<td>$44,640</td>
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<td>$74,400</td>
<td>$89,280</td>
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<td>$24,000</td>
<td>$39,950</td>
<td>$47,940</td>
<td>$63,900</td>
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<td>$95,880</td>
<td>$119,850</td>
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<tr>
<td>7</td>
<td>$25,650</td>
<td>$42,700</td>
<td>$51,240</td>
<td>$68,300</td>
<td>$85,400</td>
<td>$102,480</td>
<td>$128,100</td>
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<tr>
<td>8</td>
<td>$27,300</td>
<td>$45,450</td>
<td>$54,540</td>
<td>$72,700</td>
<td>$90,900</td>
<td>$109,080</td>
<td>$136,350</td>
</tr>
</tbody>
</table>

To establish consistent income limits, the City of Charleston is using the HOME Program’s published limits for the 30, 50, 60, and 80 percent limits. The 120 and 150 percent limits are calculated using the 100 percent area median income adjusted for family size.

Effective June 15, 2017
CDBG AND HOME DEVELOPMENTS

- Grandview Apartments
- Gateway Development
- North Central Apartments
- The Shires
- Seven Farms Village
The proposed affordable housing developments are listed below (includes properties transferred to nonprofit developers):

<table>
<thead>
<tr>
<th>Address</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>56 Nunan Street</td>
<td>4 Nunan Street</td>
</tr>
<tr>
<td>1825 Austin Avenue</td>
<td>26 Reid Street</td>
</tr>
<tr>
<td>1904 Doscher Avenue</td>
<td>32 Nassau Street</td>
</tr>
<tr>
<td>933 Fifth Avenue (2 houses)</td>
<td>83 Hanover Street</td>
</tr>
<tr>
<td>0 Hillsboro Street (2 houses)</td>
<td>87 Cooper Street</td>
</tr>
<tr>
<td>837 Minnie Street (3 houses)</td>
<td>67 America Street</td>
</tr>
<tr>
<td>13 Boyer Court</td>
<td>105 Hanover Street</td>
</tr>
<tr>
<td>342 North Nassau Street (3 houses)</td>
<td>Cooper River Bridge</td>
</tr>
<tr>
<td>4 Grants Court</td>
<td>Redevelopment Area Phases I &amp; II</td>
</tr>
</tbody>
</table>
MAP OF PROPOSED AFFORDABLE HOUSING
FIRST-TIME HOMEOWNERSHIP DEVELOPMENTS/CITY OF CHARLESTON
In addition to the housing provided through the private sector, non profit organizations and local government, There are three Public Housing Authorities (PHA) in the Charleston community that provide rental homes or financial assistance for persons requiring rental housing.

- City of Charleston PHA provides housing for 3,569 individuals and families including seniors, in apartments and private housing. The homes are rented by residents through the Housing Choice Voucher Program.
- North Charleston PHA (NCPHA) manages 671 units for individuals and families.
- Charleston County Housing and Redevelopment Authority (CCHRA) houses over 1,250 individuals and families including seniors, in single family homes, apartments and in private residences.
WHAT IS WORKFORCE HOUSING?

In recent years it has come to mean the gap facing those who earn too much to qualify for affordable housing subsidies, but not enough to afford a home or an apartment. Workforce housing is located in or near employment centers and is sometimes cited as an antidote to urban sprawl.

Typically persons earning between 81-120% of the Area Median Income are qualified for workforce housing.
City of Charleston has increased its collaborations with private-sector developers to enhance the number of affordable rental and homeownership opportunities.

Developments include:

**Workforce Housing (WH) Developments from MU District:**
- Brigade Street Apartments: 42 WH units (275 total units)
- 511 Meeting St: 36 WH units (240 total units)
- 528 Meeting Street: 20 WH units (128 total units)
- East Central Lofts Phase II: 39 WH units (260 total units) Phase II
- 287, 289, 293 Huger: 22 WH units (194 total units)

**Other Workforce Housing Developments**
- Nassau/Hanover PUD: 2 WH units
- Romney Street Rehab Phase II (Historic Charleston and City of Charleston collaboration)
- Grace Bridge Extension Project
MAP OF PROPOSED UPPER PENINSULA WORKFORCE HOUSING
A REGIONAL PERSPECTIVE ON
AFFORDABLE HOUSING

• Data for the next two slides was derived from the 2016 Regional Economic Scorecard
Why is this important?
Highly skilled workers have more flexibility in where they choose to live and work. Lifestyle matters most. Affordable housing options near job centers and multimodal transit solutions are critical to the region’s sustained economic prosperity.

The Trend
- Trend remains positive; however, Raleigh’s Index has surpassed Charleston’s
- Positive performance is primarily due to easy access to healthcare professionals and a reduction in violent crime since 2005
- Travel congestion and affordable housing options remain major regional challenges

WHERE CHARLESTON RANKS IN EACH INDICATOR

CULTURE AND RECREATION, 2014
Employment in the arts, entertainment and recreation (NAICS 71) provides a measure of access to cultural and recreational opportunities.
1 Seattle 4 Jacksonville 7 Austin
2 Raleigh 5 Nashville 8 Salt Lake City
3 Richmond 6 Greenville 9 Charleston

TRAVEL CONGESTION, 2016
Annual hours per driver in traffic congestion. Lower ranking means less congestion.
1 Charleston 4 Greenville 7 Nashville
2 Salt Lake City 5 Jacksonville 8 Seattle
3 Charleston 6 Raleigh 9 Austin

CRIME RATE, 2014
Violent crimes per 100,000 population. Lower ranking means less crime.
1 Charleston 4 Seattle 7 Greenville
2 Richmond 5 Salt Lake City 8 Jacksonville
3 Austin 6 Charleston 9 Nashville

HEALTHCARE ACCESS, 2015
Number of healthcare practitioners and technical occupations per 100,000 population provides a measure of access to healthcare professionals.
1 Charleston 4 Salt Lake City 7 Seattle
2 Nashville 5 Jacksonville 8 Raleigh
3 Charleston 6 Greenville 9 Austin

Change in Index Value:
- Increase
- Decrease
- No change

The most recent values are compared to a 2005 baseline and do not imply year-to-year changes.
When the Opportunity Next regional economic development strategy launched in 2011, our community was focused on job loss/unemployment because of the Great Recession. Recruitment and marketing strategies were rooted in globally-differentiating assets that offered companies and talent a competitive advantage. They included four target clusters and five cross-cutting competencies that evolved over time as our economy transformed. Opportunity Next also focused on aligning the region’s workforce, community, and economic development efforts toward shared targets.

Today’s issues (traffic congestion, housing affordability, and a talent pipeline feeding high-demand occupations) are directly connected to our region’s economic success, and rapid job and population growth.

As our economy has diversified and matured over the past 20 years, our region’s approach to economic development has become more holistic. In light of this, with broad input from both the public and private sectors, the CRDA and the Charleston Metro Chamber partnered to develop One Region Global Competitiveness Strategy.

**Four Regional Values**

**Our region values:**

**A Strong, Resilient Economy**
- Strengthen the entrepreneurial ecosystem
- Nourish the health of existing businesses
- Target investments that fuel the region’s high impact clusters

**Attainable Opportunities for All Residents to Live, Learn and Earn**
- Ensure all residents have access to high-quality learning opportunities from pre-K through higher education
- Align education with career pathways in support of the region’s high impact clusters
- Adopt smart policies and practices that ensure having a home is attainable for all

**Balancing Growth with Nurturing Our Unique Character**
- Ensure that creative and cultural organizations can continue to prosper
- Adopt a cohesive, regional approach to planning for the natural environment
- Focus employment centers in proximity to population centers

**Being a Connected Community**
- Invest in infrastructure that connects the region in a balanced, efficient manner
- Amplify our communications with each other and the rest of the world
- Improve our understanding of and adaptability to global dynamics

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**One Region Vision**

To act as a unified region to be a globally competitive place where people and businesses flourish.

This strategy is designed as a broad and inclusive approach to making the region more globally competitive and is built upon four regional values and associated goals.

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**NEXT STEPS**

1. Visit oneregionstrategy.com to view reports, data, videos and more
2. Sign the One Region pledge, showing your support and commitment
3. Share One Region information with your employees and company stakeholders
4. Learn more about the action teams focused on: Affordability, Global Fluency, Quality of Place, and Talent

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"It’s time to shift and broaden the purpose and practice of economic development to generate continuous growth, prosperity, and inclusion."

— The Brookings Institution, 2016 Remaking Economic Development
FUNDING AFFORDABLE HOUSING
(CURRENT SOURCES OF FUNDS)

- Community Development Block Grant (CDBG).
- HOME Investment Partnerships Program (HOME).
- Housing Opportunities for Persons with HIV AIDS (HOPWA).
- City of Charleston General Funds; Parcel A & B.
- Bond Financing
- UDAG/ Title I funds(Charleston Citywide LDC).
- South Carolina Community Loan Fund.
- Low Income Housing Tax Credits(LIHTC)(Competitive Process)
- Private Financing
TOOLS TO ENHANCE AFFORDABLE/WORKFORCE HOUSING

• Land Acquisition
• Seek alternative financing options: Bond Financing.
• Amend current zoning ordinances
  • MUII- Extending the affordability period from 10 to 20 years and increasing the percentage of affordable housing in MUII developments from 15% to 20%. When affordable rental housing cannot be built on-site, a fee-in-lieu option is being added.
  • Establish a Community Land Trust (CLT)
  • Inclusionary Zoning. Requiring affordable housing in every development.
Inclusionary Zoning- (Bill #S346) was introduced in the Senate on February 1, 2017. The Bill would allow municipalities and counties within South Carolina the ability to enact their own inclusionary zoning strategy, if they choose to. Bill requirements and incentives:

- May not require more than thirty-five of housing units within a multifamily structure or single-family development to be sold or rented as affordable housing.
- Only applies to multifamily or single-family developments containing five or more housing units;
- Shall provide developers the option to pay a 'fee in lieu',
- Shall provide an expedited process for developments that meet the percentage of affordable units.
- Incentives include but are not limited to: density adjustments, modification of height, floor area, or other site-specific requirements; or whole or partial waivers of system development fees.