

A meeting of the Design Review Board (DRB) was held on **July 11, 2019 at 2:00 p.m.** in the City Hall Planning Conference Room, 1911 Boundary Street. In attendance were board members Rett Bullard, Bob Albright, Benjie Morillo, and Kimberly McFann, and David Prichard, city staff. Board member Michael Brock was absent.

In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80(d) as amended, all local media were duly notified of the time, date, place, and agenda of this meeting.

David Prichard and **Deborah Johnson** led a general discussion about affordable housing before the meeting was called to order.

CALL TO ORDER

Mr. Bullard called the meeting to order at 2:17 p.m.

ELECTION OF OFFICERS

Ms. McFann made a motion, second by Mr. Morillo, to postpone the election of officers until the full board is present. The motion passed unanimously.

MINUTES

Ms. McFann made a motion, second by Mr. Albright, to approve the minutes of the December 7, 2018 DRB meeting. The motion to approve the minutes as submitted passed unanimously.

Mr. Albright made a motion, second by Mr. Morillo to approve the minutes of the May 22, 2019 DRB special meeting. The motion to approve the minutes as submitted passed unanimously.

Ms. McFann made a motion, second by Mr. Morillo, to approve the minutes of the May 31, 2019 DRB special meeting. The motion to approve the minutes as submitted passed unanimously.

Mr. Prichard said he would draft a letter to city council for the board to approve about considering currently prohibited materials as a way to build more affordable housing.

DISCUSSION: AFFORDABLE HOUSING

Mr. Prichard said he had looked into issues that affect affordability. He showed the district development standards from the Beaufort Code in regard to the transect-based standards in different districts.

He showed the building heights above grade specific to T-4 zones. Beaufort Housing Authority just built a multi-family dwelling, so they had to have a 10' finished floor-to-ceiling height, which he said adds to the cost of affordable housing. A single-family house has to have a 9' floor-to-ceiling height.

Ms. McFann asked what the student apartments on Boundary Street have. Mr. Prichard said those are in T-4 or T-5, and they have to have a 10' floor. Ms. McFann said this makes sense from a design standpoint on a main drag, but off a main drag, there might be cost savings if the floor-to-ceiling height were less. Mr. Prichard said he doesn't think anyone would be able to tell the difference between 9' and 10'. If the city wants to accommodate affordable housing, he doesn't "know that it's critical."

Mr. Prichard told the districts in the City of Beaufort in which multi-family dwellings are not allowed. He said an article Mr. Morillo had sent to staff and the board said there is a mixture of mansions, apartments, and modest homes in neighborhoods that were built in the 1920s.

Ms. McFann said carriage houses are desirable for single people to live in. In the Hundred Pines neighborhood, only one duplex per block is allowed, she said. If infill is desirable, she feels they need to not unduly restrict different housing types like that. Mr. Prichard said generally, things were allowed if there was not an adverse impact, but people argued that it would affect their property values. Experts could give an opinion on this, he said, but otherwise, saying that multi-family dwellings affect property values doesn't mean it's true. He has never seen it proven that a duplex – or anything other than single-family detached houses – brings down property values.

Mr. Albright asked if the code says the maximum size of an accessory unit is 500-square feet. Mr. Prichard said the maximum size is 50% of the primary structure. Mr. Bullard said with an accessory building like a garage, less than 500 square feet is allowed without reviews. Ms. Johnson said the size of an accessory *dwelling* unit on a lot is based on the size of the house.

Mr. Albright said they might need to look at the number of cars on a lot that has more than one dwelling unit on it.

In 4.2.2 of the Beaufort Code, Mr. Prichard reviewed the exemptions to construction in transect-based and conventional districts.

Ms. McFann said in the Bahamas, people get a shipping container that they live in while they build their house. She asked if people could build an accessory dwelling unit first on a lot before they build the primary structure. Mr. Prichard said, "The problem is the setbacks." He thinks if someone wanted to build an accessory structure first, it would be considered the primary structure temporarily: "The only problem would be where it is placed." Ms. Johnson said that's not allowed now, but they could make exceptions. She knows of two of these in the Historic District, where the homeowners were allowed to build and live in the accessory dwelling units while the primary structures were built. Timing of building the main structure and the placement of the structures on the lot

were the issues, she said. Ms. Johnson said she's pretty sure it's prohibited now without a special exception.

Mr. Prichard showed the prohibited materials in the Beaufort Code. Mr. Morillo said he had done some research after the DRB meeting in which the matter had come up: The reasons vinyl siding is prohibited is because of the look of it and the lack of resilience of vinyl material in heat and potential hurricane-force winds.

Ms. McFann said there is a bias against vinyl siding, which was frequently used in flipped houses; she suggested the city's prohibition might have been to prevent people from buying homes to flip them.

Mr. Prichard said he has a problem telling if some houses are covered in vinyl siding. He doesn't know if vinyl "holds up or not." Ms. McFann said Mr. Brock had shown the board a picture of his house, which has vinyl siding, during the board's previous discussion, and it looked good. Mr. Morillo said there are different kinds of vinyl siding, and some are better than others.

Ms. McFann said she thought the siding that the builder showed at the DRB meeting looked good. Mr. Morillo said it also needs to meet a certain windload.

Ms. Johnson said she's pretty sure Shadow Moss homes all have vinyl siding. Oyster Bluff might, too.

Mr. Prichard said people were upset that the trees were clear-cut in Oyster Bluff, but that's the common practice, and many subdivisions look bad while they're in development. Mr. Bullard explained why Oyster Bluff had been clear-cut.

Mr. Prichard said the discussion could be about whether the city dictates which materials are/aren't prohibited. The problem with making rules for affordable housing is that it might not *stay* affordable, he said.

Ms. McFann said the developer that talked to the DRB about allowing his company to use vinyl siding wasn't talking about affordable housing but about \$300,000 houses. She doesn't know if it should be tied to affordable housing, but she feels they should look at what the rationale is for banning these sort of materials citywide.

Mr. Prichard said regulations, the price of land, and other factors all contribute to the barriers to building affordable housing. In the economic downturn, a lot of affordable housing was bought up by financial firms, which can afford to hold them while the values go up, he said.

Mr. Morillo asked what the city is doing now about affordable housing. Mr. Prichard said Ms. Johnson and City Councilman **Phil Cromer** are working on that. The Redevelopment

Commission (RDC) folded, but affordable housing work came out of it. He said city council wants to address the issue; mainly they have been talking so far. One thing they have discussed is using TIF dollars to buy land for affordable housing, Mr. Prichard said.

Mr. Prichard said he thinks the DRB is directly involved in what people can do in these developments, and the board could look at whether these regulations on materials are needed. Ms. McFann said safety reasons can justify bans, but she doesn't think aesthetic concerns should. People could make the choice between having vinyl siding or painting their house every few years, she said.

Ms. Johnson said under the RDC, the city donated land in partnership with Habitat for Humanity and Beaufort Housing Authority. They also worked with the school district about building housing for teachers to live in. The RDC is no more, but the Affordable Housing Task Force came out of the commission's housing initiatives, the 2030 Visioning process, and the city council retreat/strategic plan, she said. The city has an ordinance that gives a nonprofit 50% off of permit fees for building affordable housing, Ms. Johnson said; there are also incentives waiving impact fees.

Ms. McFann asked why the 50% off of permit fees is limited to nonprofits, and not available to private developers. Mr. Prichard said it has to be a nonprofit working for affordable housing to keep it controlled. If a private developer were given 50% off fees, they might flip the property in a few years, Ms. Johnson said.

Ms. Johnson said there are many answers to affordable housing out there from other communities, so the city doesn't have to start from scratch. The waiver of impact fees is not just tied to nonprofits, she said. Mr. Prichard said most impact fees are county impact fees. City staff does the calculation of those. The impact fee ordinance has been on the books for years, Ms. Johnson said, but the city has to have money in the bank to move to the county fund, according to state law. A builder applies and takes plans to the city, then the county; the Planning department determines the fees, and the county manager signs a letter. This has been on the books for years, but staff at the county and the city are different now, and not everyone understands the way the fee is calculated.

Mr. Bullard said the city should look at putting a lien on the property so it can't be sold until the impact fees are paid. Mr. Prichard said they still might lose the property from affordable housing stock because people would pay the fees because they could make so much money from selling the property.

Mr. Prichard said they need a mechanism to make sure that they keep track of the properties to maintain them as affordable housing when they are sold. Ms. McFann said she could research the correct legal mechanism to do that. If a really nice house is built, someone will want to get it out of its affordable housing status. If it's serviceable and attractive but not that nice – "more modest and smaller units" – it would be less appealing to wealthier homeowners.

Mr. Prichard suggested they might need to think about disposable housing, which they would make sure is safe, but which they would expect to replace in 10 years.

Ms. McFann asked why the Beaufort Housing Authority units aren't "stacked." Ms. Johnson said the single-story units were the type that was allowed for HUD housing at the time they were built; they didn't want it to look like subsidized housing but like a neighborhood. It's all controlled by HUD funding, she said, and HUD has a plan now to get rid of all the old housing and replace it, but there is no funding to do that. HUD has legal claws in every piece of land, Ms. Johnson said. Beaufort Housing Authority couldn't even put in a driveway between units that "wasn't part of the original HUD deal."

A lot of these issues have been talked to death, Ms. Johnson said, but they should focus on whatever they can to work on the regulations that affect affordable housing. Councilman Cromer is putting together an affordable housing task force, she said, and the board members could give her their names if they are interested in serving on that.

Ms. Johnson suggested that lifting the ban on having multi-family dwellings only on corner lots would be very helpful. Mr. Prichard said he feels the city would seriously consider this. Mr. Bullard said if the city tries to build multi-family dwellings next to people's existing single-family houses, it risks lawsuits and other harassment from those homeowners to try to stop it. He has seen this happen many times.

Mr. Bullard said the vinyl siding prohibition isn't a big thing because the board could approve it whether the Beaufort Code is changed or not.

Mr. Morillo said the board doesn't have to be unanimous in a decision about allowing or prohibiting materials. Mr. Prichard said it just needs to be a majority decision.

Ms. McFann said she liked what Mr. Prichard had red-boxed in the code. She thinks they should "add the infill situation" to the board's letter to city council.

Mr. Bullard said Beaufort-Jasper Water & Sewer Authority (BJWSA) is also to blame: getting water and sewer to a house is "the most expensive thing" in building new housing. BJWSA needs to send sewer out to some of the areas where there is none, so that they could build more affordable housing there. He discussed specific examples of this problem on Lady's Island. Ms. McFann asked if there's anything the DRB could do about this; Mr. Bullard said no, but they could call and complain.

Mr. Prichard said this discussion helps the affordable housing task force and city council. The DRB did this on its own, and they could look at a draft of the letter he would write to council, he said.

Mr. Bullard said he thinks it's a good idea to have a ban on materials with developers coming to the DRB for exceptions.

The board reviewed the list of prohibited materials (e.g., exposed concrete masonry units, vinyl siding, stone, metal panels, mirrored glass). Ms. McFann said the marketplace could dictate some of these things.

Ms. Johnson said her opinion is that she agrees with prohibiting all of the materials that are prohibited in the code, though she would do anything to "move the needle on affordable housing." Many people worked really hard to improve the city to this point, she said, so she thinks the prohibitions should remain, and it should be the DRB's prerogative to allow exceptions or to maintain prohibitions in specific cases.

Ms. McFann said, "Reconsidering the justification for some of those categories" seems like it would be "worth it," such as if there's "significant cost savings for the developer" to be passed along to consumers. Mr. Bullard said he doesn't think allowing prohibited materials makes "that big of a difference" in cost. Mr. Prichard said he worries about "how much" of such savings would be "passed on to the consumer."

Mr. Bullard suggested that the most effective strategy would be requiring "high-dollar," big developments, such as Whitehall, "to build some affordable housing as part of their development agreement."

Mr. Prichard asked if vinyl is prohibited throughout the city. Mr. Bullard said he feels there's "a hazy area." Ms. McFann suggested revisiting anything that is "absolutely banned."

There was a general discussion about prohibitions in the code. Ms. Johnson said the case that came to the DRB was a PUD, which is very different than general residential.

Ms. McFann asked about the non-traditional color bans. Tile roofs are allowed, and those are orange, she said, which is not a permitted color. Several people explained the rationale for that ban; materials like tiles whose natural color is on the list would not be included.

Mr. Prichard said the board could review the letter he'll write at its next meeting. Council is supposed to be doing 6-month code reviews, but because Planning is short-staffed, they are a little bit behind.

There being no further business to come before the board, **Mr. Bullard made a motion, second by Mr. Morillo, to adjourn the meeting. The motion passed unanimously,** and the meeting was adjourned at 3:39 p.m.