



CITY OF BEAUFORT
1911 Boundary Street
Council Chambers
BEAUFORT, SOUTH CAROLINA 29902
(843) 525-7070
REDEVELOPMENT COMMISSION AGENDA
August 4, 2011

PLANNING CONFERENCE ROOM – 1ST FLOOR
1911 BOUNDARY STREET

5:00 P.M.

I. CALL TO ORDER

II. REVIEW OF MINUTES

July 7, 2011

III. REPORTS

- A. Finance Committee
- B. Commercial Committee
- C. Residential Committee
- D. Bladen Street Project
- E. Boundary Street Project Update

IV. PRESENTATION

- A. Brenda Dooley, Executive Director – Habitat for Humanity. Overview on existing projects and interest on pursuing others in the community.

V. DISCUSSION ITEMS

- A. Lowcountry Housing Trust Agreement

Proposed Mission Statement

The City of Beaufort Redevelopment Commission has been established to renovate, revitalize, and regenerate distressed areas of Beaufort.

BRC's mission is to lead a coordinated strategy of redevelopment and design strengthening the City of Beaufort as:

- The heart of economic development for Northern Beaufort County
- A prosperous place for business and institutions; and
- An attractive urban environment for residents and visitors

NOTE: IF YOU HAVE SPECIAL NEEDS DUE TO A PHYSICAL CHALLENGE, PLEASE CALL IVETTE BURGESS 525-7070 FOR ADDITIONAL INFORMATION

STATEMENT OF MEDIA NOTIFICATION

"In accordance with 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."

A meeting of the Beaufort Redevelopment Commission was held on July 7, 2011 at 5:00 p.m. in the Beaufort Municipal Complex, City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Chairman Jon Verity and Commissioners Wendy Zara, Mike McFee, Martin Goodman, Pat Kase, and Henrietta Goode, and Scott Dadson, City Manager.

Mike McNally, Ed Barnhart, Jon Verity, and Keith Waldrop were absent.

In accordance with 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.

CALL TO ORDER

The meeting was called to order at 5:01 p.m. by the chairman.

REVIEW OF MINUTES

Commissioner Goodman made a motion, seconded by Commissioner McFee, to approve the minutes of the June 2, 2011 meeting.

Commissioner McFee pointed out that on page 2, the engineering study should be clarified to have been about asbestos abatement. He also indicated that the reference on page 5 to "Geddes" should be "Geddes Dowling." Commissioner Zara abstained from the vote because she was not present at the June 2 meeting. **The motion to approve the minutes as amended passed unanimously.**

REPORTS

Finance Committee

Commissioner Zara said the city and the Town of Port Royal are planning to join the Lowcountry Housing Trust. The Town of Port Royal still needs approval. Commissioner McFee said it's approved with the budget, and if a resolution is required, that will be done, too. Also, the participants must be educated. Commissioner McFee is assembling data and information. Lowcountry Housing Trust likes to have a needs assessment survey. Commissioner Zara said the LCOG has not yet been approached about this. The county doesn't have anything like this, she said. Much data exists, but it may not show specific areas of need. **Josh Martin** said they can "knock the survey out," but he is not aware of a true needs assessment.

Commissioner Zara said comp plans, the UDO, etc. needed to be provided; Mr. Martin added a variety of stake holders and plans. He said they want a long "laundry list of everything they know" and a specific list of projects. Lowcountry Housing Trust wants to know barriers and dollar amounts to "understand the lay of the land."

Chairman Verity asked the target date, and Mr. Dadson said sometime in August is feasible to get it in front of council. How quickly the Town of Port Royal moves is up to them. Commissioner Zara said the initial stakeholder meeting may be after Labor Day. Commissioner Goodman asked if this would be a local board. Commissioner Zara said Lowcountry Housing

Trust is saying that they will have a person from Beaufort / Port Royal on their board and a person on their loan committee.

Mr. Dadson said when Lowcountry Housing Trust comes to Beaufort, they'll be "housed" at City Hall. Commissioner Zara said hopefully down the road, other jurisdictions will participate. Bluffton or the Housing Authority and others could participate, and there wouldn't be a change to the contribution rate, though the shares might change. Mr. Dadson said the initial documents likely have some "rules about people getting in" on it.

Commissioner Zara said the committee is also working with BJWSA to lower capacity fees for some areas with certain criteria. Addresses in the Northwest Quadrant and Pigeon Point primarily were put together, and Dean Moss gave the committee numbers to put in a county-wide context. Mr. Dadson said a lot came out of the meeting. Commissioner Zara said BJWSA has done this with Sun City or part of it; they are "interested in greater efficiency." So rehabs or new construction that has appliances, etc. that use less water will have that assumed into their rates, following certain criteria that must be met to get the benefit.

Commissioner Goodman asked if there were adjustments on impact and usage fees for commercial. Mr. Dadson said there are complications and limits to this for BJWSA. The city had asked questions about the "broader aspects of public good," and he hopes that the conversation "will be drilled down more." Mr. Dadson said it's a question of what the market is looking for in terms of incentive. The price point that gives incentive to change behavior needs to be considered. Time needs to be considered, too. Commissioner Kase asked about whether other utilities might be interested in the same thing, and Mr. Dadson said that's a possibility. Commissioner Goodman said "infill and use don't traditionally require more infrastructure." Commissioner McFee said reuse from a commercial standpoint changes the impact dramatically.

Mr. Dadson clarified that the discussion was good, but it has been internal up until this point. They are preparing a letter in an effort to continue the conversation. There was general discussion about the application of this incentive in commercial businesses, too. Commissioner Goodman said he hoped there would be incentive to create the infill i.e., "If you build this, we'll do that."

Commercial Committee

Commissioner Goodman said there was a press conference about the Lowcountry Produce lease signing at Old City Hall. Commissioner Goodman said he feels it's a good project that fits many needs. He has asked the renters about the development process to get permitting, and a developer had said that it "could be onerous." He asked them, when they are finished and have their CO, if they would come to the Redevelopment Commission and discuss their process, so the commission can track their experience as a "beta test we can live with." It will be beneficial to see what holds them up if that happens, Commissioner Goodman said. Commissioner Zara said if things go wrong, they "need to talk to the person who's on the other side of that." Commissioner Goodman said the committee's next project is unknown.

Bladen Street Project

Mr. Dadson said they're still negotiating, talking to property owners, and "getting things organized." Their date is August.

Boundary Street Project Update

Mr. Martin said they're still working on the DOT to approve the Phase 1 concept for Boundary Street. They're down to details of gutters, curbs, etc. The DOT wanted more information on auto-turn for trucks, and now he's waiting to hear back from them. Boundary Street property owners who will be affected by right-of-way changes may have property exchanges that will happen on the private side when the parallel road is proposed.

The rail-to-trail project is going on, Mr. Martin said, and they are looking at a traffic study that would help facilitate pedestrian and bike safety when the trail head occurs and slow traffic. There are concepts with Beaufort Plaza being worked through. There is a third stimulus for TIGER 3, and this project fits what they are trying to do with it so they can apply to supplement cash flow. The application process must happen quickly, and there may be private partnerships to be pursued, too.

Other Office of Civic Investment projects

Mr. Martin said in reference to the Duke Street Community Development Block Grant (CDBG), around the end of July the project will be submitted to DOT, and construction could be substantially completed by December 31, 2011. There is work on-going.

Mr. Martin said the Office of Civic Investment is working with USCB on a house USCB acquired for student housing and on the school's "longer-range housing vision." Chairman Verity asked if students in that house have to park on campus. Mr. Martin said he wasn't sure. Commissioner Goodman said there's a parking lot across the street from the house.

Mr. Martin said Midtown is "moving along," and a new house has been submitted for construction. They are also trying to coordinate a new community garden site.

Beaufort Memorial Hospital has submitted a new building that will be reviewed at next week's Design Review Board meeting, Mr. Martin said.

Private property owners have been coming in to the Office of Civic Investment office with conceptual site plans, Mr. Martin said. Staff is telling them to hire design professionals. Especially along Bladen Street, he said, there "seems to be a lot of excitement."

Mr. Martin said drawings are prepared of the road diet for the section east of City Hall to Bellamy's Curve. DOT has given preliminary approval. The bike lanes' diagram is approved, and the details need to be finalized with Mr. Dadson and Public Works.

The Office of Civic Investment has spoken with Habitat for Humanity about upcoming projects. They are interested in focusing on the historic district, and there will be a walk-about next week, Mr. Martin said.

Mr. Martin and others in the Office of Civic Investment office will be moving from Bay Street to an office upstairs in City Hall.

There have been discussions about county form-based code, Mr. Martin said. The Office of Civic Investment has submitted final comments on the Opticos draft for the county code. They're still working with staff on "local items." They will need a steering committee to be formed with various organizations, so that "we're writing it together." If form-based code is adopted but not scenario-tested, it can sit unused once the consultants leave.

Mr. Martin said the Office of Civic Investment has continued to meet with a section of North Street regarding converting it to "Water Trough Park."

The Office of Civic Investment is looking at other federal grants to possibly bring housing concepts they are looking at to life with federal funds.

Mr. Martin said in reference to Sector 2 development, charettes 2 and 3 as originally designed combined. The next charrette will be for a week starting September 27. Public workshops will begin September 6. Everything will be back by December 16 for the master plan. The final report on the first installment in the civic master plan will be ready in a few weeks with all recommendations, retail reports, etc. They want to work with staff to make that an amendment to the comp plan, Mr. Martin said.

PRESENTATION: LANELLE FABIAN, DIRECTOR OF MAIN STREET BEAUFORT

Ms. Fabian said she would make a presentation about Main Street Beaufort and what it is and does. The organization is just over 26 years old. It was created to revitalize the downtown district while still preserving it. The Main Street program is part of the National Trust for Historic Preservation. The Main Street district is bounded by the Beaufort River, Boundary Street, and Ribaut Road. There are 2 full-time staff, 1 part-time staff, 17 board members, 122 members and friends, 11 committees and subcommittees and "hundreds of volunteers."

Funding is 43% earned income, 25% from public sources/grants and designated funds such as Accommodations Tax, Hospitality Tax and a portion of designated parking money. 19% comes from stakeholder support. 12% of a grant is earmarked as an admin fee for operations, 88% goes *outside* of the downtown area to promote downtown Beaufort. Owing to the partnership with the Redevelopment Commission, the 15% is designated to run local and regional ads. Of festival money, 86% goes back into the community: restaurants, local vendors used, etc., and 14% goes into the operational fund.

National Main Street works on a four-point approach, Ms. Fabian said: organization, promotion, design, and economic restructuring. Beaufort added a fifth point: the merchants. May was

National Small Business Week. She discussed the small and independently-owned businesses' contributions to the community. Main Street Beaufort can offer government-specific responses from the merchants in their organization.

Commissioner Goode left the meeting.

Ms. Fabian said that Taste of Beaufort and the Shrimp Festival are promoted with tax money; that money is not used to put the festivals on. Main Street Beaufort does park concerts, movies, and Night on the Town to create memories and create a small-town feel for Beaufort, she said. Beaufort Beauties is a new fundraiser, and they hope it will grow to do things like purchase computers, etc. Five other not-for-profits are also chosen for donations from the fundraiser.

Ms. Fabian said they promote Main Street Beaufort with a billboard on Highway 17 and rack cards at trade shows. Any downtown events in their area are promoted, as are all merchants, whether they are Main Street Beaufort members or not.

AMEX offered a credit for buying at small businesses last Christmas shopping season and Main Street Beaufort got involved to remind citizens that 68% of money spent at local merchants goes back into the community, Ms. Fabian said.

They are working on cohesive branding for their organization, Ms. Fabian said. She went on to explain that design includes making downtown look good, signs, product placement in the stores, and getting buildings in shape to get infill. They can show how buildings can be income producing properties with design money. They can't apply for brick and mortar money, but they might be able to partner with the Redevelopment Commission when they have correct designs that are approved.

The Economic Restructuring Committee, Ms. Fabian said, has been changed to the Business Development Committee. They want to "sharpen the competitiveness of business enterprises." They can do this through education and consultation among other means.

Ms. Fabian said Main Street Beaufort has available commercial properties on their web site, but they don't want "just renters." They have a list of the numbers of kinds of businesses they have, and they can look to complement that with other businesses that can fill the properties in a sustainable way.

Ms. Fabian invited Redevelopment Commission members to the Main Street Beaufort board retreat August 4. Chairman Verity asked if the Main Street Beaufort board knows what the Redevelopment Commission does and the work they have done in the Main Street Beaufort sector. The Redevelopment Commission presentation might be helpful at the retreat, Chairman Verity said. Ms. Fabian said Demetri Baches did a presentation at the annual meeting and she has been and will continue to go to retreats with Office of Civic Investment staff. She said "we want to be your partners." Business development needs to be "beefed up," and that effort has

begun. Randall Burch is the chairman, she said in response to a question from Commissioner McFee. All the committees are open currently. They “want to get everybody involved” and not appear secretive.

Chairman Verity said the Redevelopment Commission wants to be helpful and to share ideas between Main Street Beaufort and the Redevelopment Commission. Commissioner Goodman said the commercial committee could benefit from attendance by a Main Street Beaufort board member. Ms. Fabian said they would like someone on the Redevelopment Commission to join the Main Street Beaufort board. Commissioner Zara said the merchants are encouraged to have attractive windows, but there’s nothing Main Street Beaufort can do if they don’t, and Ms. Fabian agreed.

Mayor Keyserling asked how many businesses that have licenses in the service area are members of Main Street Beaufort. He feels there’s still a heavy Bay Street orientation when there are beauty salons, photography studios and 3 new businesses on Charles Street. There are major changes coming to Boundary Street, Mayor Keyserling said, and he wondered if they knew about those plans. He said “Main Street Beaufort needs to see the opportunities in the growth areas.” Ms. Fabian said that’s “been a struggle.” “Uptown is considered downtown,” she said. Shoofly Kitchen was their “business of the year,” and City Hall was awarded “best new construction.” They have been trying to choose board members representing areas other than Bay Street.

Kevin Cuppia said they do encourage other businesses not on Bay Street to be involved, but others have a sense that the organization is just representing Bay Street. Ms. Fabian said they haven’t given up. The business directory on their web site isn’t just about their members; it’s about everyone in their district. They have perks and co-op advertising for members, but they try to include everyone. Possibly the branding may help with this effort. Chairman Verity asked what they do in Greenville, where their Main Street organization “has done a great job.” Ms. Fabian said their retreat is there, and one of the companies they’re looking at for branding is from there.

Mayor Keyserling said the perception when he looks at festivals is that someone on Boundary Street might not see the benefit of being a part of Main Street Beaufort. KC said there have been events on Dick Stewart’s property, for example, and Ms. Fabian said Main Street Beaufort will promote those as well. Mayor Keyserling said \$9-10 million has been invested on Carteret. Ms. Fabian said the TV commercials they’ve produced include Uptown, and they will continue to make the effort to be inclusive. They “are not stuck on Bay or at Waterfront Park.”

Chairman Verity invited Redevelopment Commission members to attend a meeting the following day with the Historic Beaufort Foundation Preservation Committee meeting at noon at the Verdier House.

ADJOURNMENT

There being no further business to come before the commission, Commissioner Zara made a motion to adjourn, second by Commissioner Goodman. The motion passed unanimously and the meeting was adjourned at 6:28 pm.

ATTEST: _____
IVETTE BURGESS, CITY CLERK

The Lowcountry Housing Trust: How it can help Beaufort

One of the keys to making Beaufort's fourth century a success is revitalizing the city's housing – and that requires money.

The Lowcountry Housing Trust is an affordable and workforce housing advocate and lender that provides capital from public and private investments to create a revolving loan fund to finance critically needed housing. The City of Beaufort is joining the Lowcountry Housing Trust.

Established in 2004, the Trust is a non-profit organization based in Charleston. It provides financing for the production and preservation of workforce and affordable housing, and actively encourages policies that reduce barriers to such production. Working with both non-profit and for-profit developers, the Trust funds the construction and rehabilitation of environmentally-sustainable homeownership and rental housing across the Lowcountry.

In the past seven years, the Lowcountry Housing Trust has invested more than \$13 million in community development financing. Through a variety of loans, incentives, gap financing and development services, the Trust has helped finance the development of 750 affordable and workforce housing units representing approximately \$100.5 million in local community investments.

That kind of financial support soon will be helping Beaufort residents and housing developers, Beaufort Mayor Billy Keyserling said.

“We are a City of opportunity, blessed with 300 years of history and a good plan to move us into our fourth century,” he said. “Bringing the Lowcountry Housing Trust to our community will help open up new opportunities to those who need help the most right now, homebuyers and homebuilders.”

The Beaufort Redevelopment Commission has been working with the Lowcountry Housing Trust for months to hash out details of a Beaufort affiliation. The Lowcountry Housing Trust will staff an office at Beaufort City Hall.

“This is all very exciting,” said Jon Verity, chairman of the Redevelopment Commission. “One of the many things we’ve heard during our Civic Master Plan process is that there are barriers to residential construction, and obviously with the down economy, money and loans are hard to come by. We think the Lowcountry Housing Trust can help Beaufort on both fronts.”

Beaufort has a number of proposed or underway housing developments that could benefit from different types of funding funneled through the Housing Trust, Keyserling and Verity said.

For instance, a City-owned lot or adjacent lots could be offered for development as mixed-income rental housing. After a request for proposals, the chosen developer could work with Lowcountry Housing Trust for financing. At closing, the City could convey the property to the developer in exchange for a long-term agreement regarding use of the property as mixed-income rental housing. After construction, the owner could rent it out, hire a management company to take care of rentals, or sell the property and its long-term agreement.

“Using this example, it puts property back on the tax rolls, it creates workforce housing, it creates jobs through construction and it’s a tool for the economic redevelopment of Beaufort,” said Michelle Mapp, executive director for the Lowcountry Housing Trust.

An already-built example is the Seven Farms Apartments project in Daniel Island, a 4,000-acre master planned community between the Cooper and Wando Rivers within the City of Charleston. Seven Farms Apartments, a low income housing tax credit development, was partially financed with a gap loan from the Lowcountry Housing Trust. This project creates a diverse community by serving as an affordable rental option in a part of the city that would normally be cost prohibitive for lower-income working families.

The cost to participate is an annual \$100,000 contribution to the Housing Trust’s revolving fund and \$35,000 for local staffing. Port Royal and possibly other Beaufort County municipalities will help defray those costs, Keyserling said.

Once the Beaufort City Council adopts the Lowcountry Housing Trust program, the next local step will be to conduct “stakeholder meetings” in Beaufort. These gatherings will bring together those people and organizations involved in local housing – bankers, lenders, builders, real estate agents, non-profits, the Beaufort Housing Authority, and the Beaufort Redevelopment Commission, among others.

After the relationship between Beaufort and the Trust has been formalized, the Lowcountry Housing Trust board will include one member and loan committee member from the local area, Verity said.

In terms of Beaufort/Port Royal Board membership on the Trust, initially, there will be one board member and one member on the loan committee, Verity said.

Current services provided by Lowcountry Housing Trust

BRIDGE LOANS - Short-term loans to expedite completion of affordable housing projects in which loans or grants are committed but not disbursed. Eligible uses include but are not limited to: acquisition, infrastructure, or construction costs.

PREDEVELOPMENT LOANS - Loans for predevelopment expenses associated with the construction or rehabilitation of specific affordable housing projects. Non-profit and for-profit affordable housing developers may apply when other private or public funds cannot be acquired, to expedite project development, or to reduce cost of borrowing funds through a conventional lender. Eligible uses include but are not limited to: land options, down payments, architectural and engineering fees, site surveys, soil test borings, market studies, appraisals, environmental engineering studies, archeological clearances, and legal expenses related to site acquisition, zoning or permitting.

GAP FINANCING LOANS – The Trust finances the production of new affordable housing units (for sale, rental, and transitional housing) through new construction, substantial rehabilitation of vacant units or conversion of non-residential buildings to residential use. The Housing Trust will provide project-specific loans to construct new units or rehabilitate vacant housing units for sale or rent to low and moderate income households. Funds can be used for construction loans, bridge loans, lines of credit, and permanent financing. These funds often are combined with subsidy from other entities to reduce the cost of housing for low and very-low income families.

HOMEBUYER ASSISTANCE LOANS – In other Lowcountry counties, the Housing Trust has provided non-amortizing subordinate mortgage loans to lower the purchase price of a home for

qualified buyers on a first come, first ready basis. Applications will be accepted from developers, government entities, and current LHT lending partners for all or a portion of closing costs, all or a portion of down payment, or to reduce the principal amount of a first mortgage for low and moderate income households. Funding is limited.

DRAFT

5. Agency shall allow the City's Finance Director, or any outside auditor retained by the City to review the financial records and transactions of the Agency. If is understood and agreed by and between the parties hereto that this Agreement is subject to the condition that nothing contained herein shall constitute or give rise to a pecuniary liability of the City or a charge against the general credit or taxing powers of the City.
6. Nothing in this Agreement is intended to, or shall be deemed to, constitute an agent or an agency of City. No representation will be made by Agency that would create an apparent agency; and Agency shall have no power to act for City in any manner or to create debts or obligations that would be binding upon City; and City shall not be responsible for any obligation or expenses of Agency. City shall not be responsible for any act or omission of Agency, or any of its agents, servants or employees, and nothing in this Agreement shall be in any way construed to constitute Agency or any of its agents or employees as the agent, employee or representative of City.
7. Agency shall indemnify City against all liability or loss, whether in contract or in tort, and against all claims or actions based upon or arising out of damage or injury (including death) to persons or property caused by or sustained in connection with the performance of this Agreement or its conditions, or based upon any violation of any federal/state or local statute, ordinance, building code or regulation, and the defense of any such claims or actions. Agency shall also indemnify City against all liability and loss in connection with, and shall assume full responsibility for, payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security and income tax laws, with respect to Agency's employees.
8. Agency agrees not to discriminate against any employee, applicant for employment or client of Agency on the basis of race, color, religion, nation al origin, ancestry, sex or age while expending the funds provided. Violation of this provision may, at the option of City, be treated as a breach of this Agreement and grounds for immediate termination by City.
9. Agency agrees that by acceptance of public funds provided herein, the Agency acts as a "public body" as defined in the S.C. Freedom of Information Act (§30-4-10 et seq), S.C. Code of Laws for 1976 as amended with respect to the expenditure of those funds, and all activities regarding the expenditure of these funds must be in compliance with said Act.
10. This Agreement embodies the whole agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein, and this Agreement shall supersede all previous communications, representations or agreements, either verbal or written, between the parties hereto.
11. It is mutually understood and agreed by and between the parties hereto that this Agreement shall be governed by the laws of the State of South Carolina, both as to interpretation and performance.

WITNESS our hands and seals and the execution hereof the day and year first above written.

CITY OF BEAUFORT

WITNESSES

By: _____
BILLY KEYSERLING, MAYOR

LOWCOUNTRY HOUSING TRUST

By: _____
Michelle Mapp
Its: _____

DRAFT



EXHIBIT A

Summary

In 2011, City of Beaufort requested that the Lowcountry Housing Trust (LHT) consider entering into a partnership with the City to help it increase affordable housing options in the region. Through this partnership, LHT would expand its service market to include City of Beaufort and provide financial opportunities and services to developers building affordable housing in the area. In return, City of Beaufort would provide LHT with both program and operating funds as well as local staff support through the City of Beaufort Redevelopment Commission.

As a local housing trust fund and US Treasury designated Community Development Financial Institution (CDFI), LHT can provide its expertise as well as financing and the ability to leverage public and private funds that are otherwise inaccessible to the region. Through a partnership agreement with the City, LHT can provide these services at a minimal cost.

The goal of the partnership is to create an opportunity for industry collaboration; to offer an effective and efficient delivery of housing programs; to maximize, leverage and increase limited resources; and to utilize an established, successful approach to increase affordable housing opportunities for the citizens within City of Beaufort.

Partnership Benefits

Shared Mission

City of Beaufort's vision for affordable housing opportunities for its citizens is directly in keeping with LHT's mission.

Join an Existing Effort

LHT is an established housing trust fund and a certified CDFI that has spent the past 6 years building its internal and external capacity. LHT has expended significant financial resources to receive these designations and to develop its programs, policies and procedures. LHT has a well-trained staff and an experienced board of directors. Although City of Beaufort has a strong commitment to affordable housing, they have limited housing staff to develop, implement and manage housing programs.

Tap into Existing Financing Products and Leveraged Funding Sources

LHT has established key partnerships with federal, state and local government funders as well as financial institutions and foundations. LHT has successfully deployed over \$12M in affordable housing financing and received awards of over \$10M in funding, including federal stimulus funds. City of Beaufort currently does not have the necessary infrastructure to receive and manage these funds nor the vehicle to deploy them.

Minimal Investment Required

LHT has spent the past five years developing the organization, implementing programs and deploying money to produce affordable housing. City of Beaufort would benefit from this existing infrastructure without bearing the expense of creating a new organization, but merely provide an investment to secure the partnership. LHT would request an annual capital investment into the loan pool for program funding and a percentage of administrative funds to assist with operations and program expansion. In addition, LHT's existing capacity would provide a vehicle for other public and private sources to invest in City of Beaufort; these monies would leverage City of Beaufort's investment as much as 4:1. LHT's existing, unrestricted loan pool would automatically be available to qualified projects in Beaufort.

Cost of Service:

Although LHT programs, policies, procedures, and major infrastructure are in place to offer financing to City of Beaufort developers, LHT will need to provide specific staff time to focus on an expansion effort. An expansion will require that LHT's staff become more familiar with the Beaufort market area and housing issues, local affordable housing developers, financial institutions, foundations, and any other critical players. LHT will work with the the to streamline this process and ensure LHT staff is available in Beaufort on an ongoing basis.

In order to expand its services and positively impact the community, LHT requests City of Beaufort (in conjunction with others, including The Town of Port Royal) make an annual investment of \$100,000 to LHT's loan pool and an annual administrative commitment of \$30,000 to cover expenses. The City of Beaufort is committed to up to half of this annual investment. The operating commitment would be renewed over the next two years and reconsidered in 2013. The loan pool funds would be restricted for use in City of Beaufort.

A successful partnership between City of Beaufort and LHT would not only benefit the City, but provide affordable housing opportunities for families earning at or below 120% of the area median income. Upon approval from City Council, LHT's executive director and the City Administrator will fully develop a partnership agreement that outlines the scope of work, roles and responsibilities, and services.

Targeted Activities:

Once Council approves such a partnership LHT will work with City staff and the local Council of Governments to conduct a housing assessment to more fully understand the needs of the City. We will use this assessment to establish a clear housing strategy which will outline specific goals and objectives to be undertaken. In conjunction with this assessment and strategy development work, LHT will immediately provide its program services to the City. Activities include but are not limited to;

1. Provide grants and loans to area affordable housing developers and home buyers for:
 - Down payment assistance
 - Development and Rehabilitation
2. Provide area developers with immediate access to LHT's existing loan pool
3. Apply for additional funding sources to leverage the City investment 4:1
4. Work with Beaufort Housing Partnership to develop a strategy to increase housing counseling opportunities
5. Work with City Planning Department to prepare recommendations for the Comprehensive Plan
6. Will report progress on quarterly basis and seek feedback from City staff and Council, i.e. amount of funding leveraged, number of developers engaged, number of loans pending and approved, number of down payment assistance grants provided and number of educational sessions provided.

Partnership Roles and Responsibilities:

LHT Role:

As part of The Lowcountry Housing Trust's (LHT) expansion into City of Beaufort, LHT will provide complete staffing services to City of Beaufort for the administration of a local housing trust fund (HTF) and a community development financial institution (CDFI), thereby eliminating the need for City of Beaufort to establish its own entities as well as foregoing the expense of hiring additional staff. LHT's Executive Director will be the main point of contact.

LHT's Executive Director along with LHT's Lending Director, will work directly with City of Beaufort's designated staff and Council to provide affordable housing advice and recommendations for program development, delivery and implementation including, but not limited to, the following:

- Comprehensive Planning recommendations for the Housing Element
- Zoning Ordinance development- including affordable housing initiatives/incentives
- Development Services and technical assistance to developers on affordable housing
- Coordinate and conduct workshops, forums and educational sessions on affordable housing development, finance, management and compliance for developers
- Financing for affordable housing projects within City of Beaufort
- Administering and monitoring project funds
- Leverage additional funding sources to City of Beaufort for developments; including new construction, rehabilitation and preservation of affordable housing (from public and private investors).
- Provide public policy advice, recommendations and implementation at local, state and federal level
- Recruit, cultivate and enhance the affordable housing development community within City of Beaufort
- Encourage other government partners to participate (i.e. Town of Beaufort)
- Work with City staff to establish and implement housing goals and objectives on behalf of City of Beaufort
- Work to engage the local business community in playing a larger role in affordable housing opportunities; including engaging the Chamber of Commerce, Financial Institutions, builders, developers, realtors and area businesses

City of Beaufort Role:

- Work with LHT to establish and implement affordable housing goals and objectives
- Provide staff support; City liaison for reporting, support and advisory
- Office/Meeting space on an as needed basis
- Copying/Printing services for site visits
- City assistance with leveraging additional partners and funding opportunities; i.e. City of Beaufort, area banks, foundations, businesses and developers

Program Marketing:

LHT will provide the following Marketing:

- Information on LHT's website
- Press Releases/Advertisements/Media Relations
- Coordination with City of Beaufort Partners, COG and Businesses: Chamber, Homebuilders, Realtors, etc. to provide programming for outreach, housing studies, data

collection, forums, training sessions working with LHT using joint memberships and marketing strategies

- Work with the Beaufort Housing Partnership to share information and resources with community leaders and individual citizens
- Partnership with the Urban Land Institute to develop and conduct workforce/affordable housing workshops
- LHT staff would participate in public hearings to provide information/advice/recommendations on an as needed basis
- Revise and edit LHT Affordable Housing Developer Manual to include City of Beaufort initiatives; provide copies to Planning departments and on-line version
- Revise and edit LHT's collateral pieces to include City of Beaufort.

Partnership Reporting

LHT's Lending Director will visit the target market a minimum of 12 times a year to provide services and updates. LHT's Executive and Lending Director will provide the City with quarterly reports of all activities related to City of Beaufort.

Reports would include:

- Updates on funding expended for administration and program costs.
- Additional funds leveraged (operating/program)
- Outreach updates; number of developers contacted, served, trained, etc.
- A pipeline report of potential loans,
- Loan status report for funding provided to projects
- Number of Units funded
- Number of clients served
- Community development impact
- Potential opportunities (developments, funding, partnerships, etc)

Expected Partnership results

- Increased knowledge and capacity for affordable housing developments for City of Beaufort staff, stakeholders and partners within the City.
- Increased participation from the private sector in developing affordable housing.
- Increased capacity (access to more funding sources) for existing affordable housing developers
- Increased number of affordable housing units (rehabbed/developed) (rental and homeownership)
- Increased number of low to moderate income families served
- Increased mixed income development opportunities
- Increase funding for affordable housing (leverage the City's investment 4:1)

ORDINANCE NO. 2011-_____

Amending the Code of the City of Beaufort, South Carolina, Article 5, Chapter 2, Planning, to add a new Article E entitled
“Lowcountry Housing Trust”

WHEREAS, City Council believes there is a shortage of affordable housing to adequately serve the residents of the City of Beaufort, and

WHEREAS, the South Carolina Legislature has enacted the William C. Mescher Local Housing Trust Fund Enabling Act, located at S.C. Code Ann. §§31-22-10 *et. seq.*, and

WHEREAS, S.C. Code Ann. § 31-22-30(A) authorizes a local government, including a municipality or county, to join by ordinance an existing local or regional housing trust fund to implement either a local or regional program for “Affordable Housing”, and

WHEREAS, S.C. Code Ann. §31-22-20(1) defines “Affordable Housing” as residential housing for rent or sale that is appropriately priced for rent or sale to a person or family whose income does not exceed eighty percent of the median income for the local area, with adjustments for household size, according to the latest figures available from the United States Department of Housing and Urban Development, and

WHEREAS, S.C. Code Ann. §31-22-30(B) provides a local government that joins by ordinance an existing housing trust fund may finance the housing trust fund with money available to the local government through its budgeting authority, and

WHEREAS, the Lowcountry Housing Trust (“LHT”) is a 501(c)(3) tax exempt organization with the Internal Revenue Service and is a South Carolina non-profit corporation established to provide an ongoing source of funding for the production and preservation of affordable housing, to actively encourage and implement policies that reduce unnecessary regulatory barriers to such production in the jurisdictions it serves, to assist nonprofit and for profit developers to construct a full spectrum of housing that is truly affordable to the prospective occupants, to open up realistic opportunities for homeownership, and to encourage new rental housing for families who are not ready for homeownership, and

WHEREAS, the Lowcountry Housing Trust advances its mission by providing education on the need for Affordable Housing, advocating for the removal of barriers to Affordable Housing production, encouraging the inclusion of Affordable Housing in local developments, and the financing of Affordable Housing projects, and

WHEREAS, the Lowcountry Housing Trust raises and pools funds from public and private sources and award them to developers that address recognized community needs and have the capacity to produce or rehabilitate Affordable Housing. Financial and technical assistance is available to experienced Affordable Housing developers and municipalities through a variety of loan, incentive, and development programs, and

WHEREAS, Beaufort City Council, by this Ordinance, desires to join and confirm the Lowcountry Housing Trust as its designated housing trust fund and to dedicate a funding source to Lowcountry Housing Trust to provide to serve Affordable Housing needs in the City of Beaufort

NOW THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Beaufort, South Carolina, in Council duly assembled, that the City Code of Ordinances, Article 5, Chapter 2, Planning, be amended to add a new Article E entitled “Lowcountry Housing Trust”, as follows:

Sec. 5-2041: Pursuant to the provisions of S.C. Code Ann. §§ 31-22-10, *et seq.*, the City of Beaufort hereby joins the Lowcountry Housing Trust, and adopts the Lowcountry Housing Trust as its designated housing trust fund.

Sec. 5-2042: The Lowcountry Housing Trust is authorized to exercise the following administrative powers with regard to any funding provided to it by the City of Beaufort to it as its regional housing trust fund:

(a) To collect, maintain, market, award, and distribute the funds provided by the City of Beaufort for Affordable Housing projects located in the City of Beaufort.

(b) To report to City Council on an ongoing basis the amount of funds received, the amount of funds distributed, the total funds available for distribution, and current and proposed Affordable Housing projects in the City of Beaufort.

(c) To monitor the use of the funds.

(d) To act as the liaison on all matters pertaining to the funds designated by the City of Beaufort to the Lowcountry Housing Trust as its designated housing trust fund.

(e) To enter into and terminate contracts or other agreements with businesses or individual persons in order to serve the purposes of the Lowcountry Housing Trust and fulfill its duties as administrator of the funds provided by the City of Beaufort to the Lowcountry Housing Trust as its designated housing trust fund.

(f) Upon request by City Council, to make presentations to City Council or such other governmental agencies or public bodies regarding the Affordable Housing projects that are being undertaken in the City of Beaufort with the use of the funds by the City of Beaufort to the Lowcountry Housing Trust as its designated housing trust fund.

(g) To provide support, advice and recommendations, upon request by City Council, on other Affordable Housing projects and opportunities for City Council.

(h) To conduct regular inspections of all construction and renovation projects to ensure that funding is being appropriately disbursed to the builder or contractor, that funding is being spent on the project, and that construction and renovation work is being done.

(i) To provide City Council with such additional information or updates as City Council deems appropriate.

Sec. 5-2043: Lowcountry Housing Trust, as the designated housing trust fund for the City of Beaufort, shall comply with Section 31-22-30(F) of the S.C. Code and provide an annual report to City Council and such annual report will be made available to the public by posting on the appropriate website of the City of Beaufort.

This Ordinance is effective as of final reading. If any provision of this Ordinance or its application to any circumstances is held by a court of competent jurisdiction to be invalid for any reason, this holding does not affect other provisions or applications of this Ordinance that can be given effect without the invalid provisions or application, and to this end, the provisions of this Ordinance are severable.

Requested by:

MAYOR

Approved by:

City Manager

Approved as to form: ATTEST:

City Attorney

City Clerk

Introduced: _____

Final Reading: _____