

A meeting of the Beaufort Redevelopment Commission was held on August 4, 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 Mike McNally, Wendy Zara, Mike McFee, and Henrietta Goode, and Scott Dadson, City Manager. Ed Barnhart attended by telephone.

Martin Goodman, Pat Kase, 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 5:10 p.m. by the chairman.

REVIEW OF MINUTES

Commissioner Zara made a motion, seconded by Commissioner McNally, to approve the minutes of the July 7, 2011 meeting. **The motion to approve the minutes as submitted passed unanimously.**

REPORTS

Commercial Committee

Chairman Verity said they have successfully transitioned the old City Hall space to Lowcountry Produce. The committee's next possible project will focus on the post office site, if the GSA would offer a special deal for the Redevelopment Commission or a developer to take that property over.

Residential Committee

Commissioner McNally said the committee has been in a vacation mode, but they have been in touch with staff at the Office of Civic Investment. He said the Jim Moss project is proceeding with demolitions, a rehab, and some new construction. committee members have been negotiating with **John Stratos** on a right-of-way on Bladen Street. Mr. Stratos has been working with the Office of Civic Investment on a multi-family development with parking under and housing above. Commissioner McNally said Steve Tully's project is also moving ahead and the city manager's office is helping with some SCDOT issues. The committee will next meet the following Wednesday.

Bladen Street Project

Mr. Dadson said they're waiting on a slow-moving SCDOT approval on the majority of the project. Staff is working with owners preliminarily on issues on the North Street end of the project.

Boundary Street Project Update

Mr. Dadson said **Josh Martin** and the county are working on this more than the city manager's office. They have gotten favorable response from property owners who support the project.

Also, the redesignation of Highway 21 was the largest regulatory hurdle, and that has passed committee at the Highway Commission. Staff and engineers from the county will begin to work out design issues so the first phase bidding process can begin. Mr. Martin said at a meeting next week, applying for a TIGER grant will be discussed to complement the funds they already have. Mr. Dadson said they have not determined an amount for the grant yet.

Mr. Martin said Seth Harry would be at the September Redevelopment Commission meeting. Copies of his Market Assessment and Positioning Strategy were given to those present.

PRESENTATION: BRENDA DOOLEY, EXECUTIVE DIRECTOR – HABITAT FOR HUMANITY

Ms. Dooley described the Habitat model and the qualifications applicants must meet. They must be legal US residents living or working in Beaufort County. They will have a no-interest, no-profit mortgage and must be able to repay it. They must be willing to partner, put in 250-4000 hours of sweat equity by building their home and others, receiving training on all aspects of home ownership, speaking, etc.

Ms. Dooley said the mortgage terms are based on the family's ability to pay; it is no more than 30% of their income. The payments come back into a Habitat revolving fund. Habitat also holds a silent second mortgage that is forgiven as long as the homeowner pays the first regularly and maintains the house. She went on to cite statistics as evidence that the program works.

Her organization is the North of the Broad affiliate, and it's been here for more than 20 years. She described a project at Prince and Hamar which she described as "the ideal Habitat community." The Block By Block grant was a partnership with the city, Operation Good Neighbor, and Habitat. The million dollar grant allowed work on 32 houses, including one completely new house. Their most recent project is the Neighborhood Stabilization Program (NSP). They purchased three foreclosed properties and rehabbed them.

Ms. Dooley said upcoming projects include a fourth house at Penn Village; 1010 Church Street; Lafayette Street in Pigeon Point; and negotiations for property on Harrington. Habitat is the sixth largest builder in the country right now, she said. The Neighborhood Revitalization Initiative is new construction as well as rehab, critical home repair, "a brush with kindness" (exterior repairs), and weatherization projects. The focus is coming off of how many houses they can build and more on how many families they can serve.

Preservation is another aspect of what Habitat does, Ms. Dooley. She showed the example of a house at 1210 Congress Street.

Ms. Dooley said the \$25,000 grant Commissioner McNally asked about was for rehab, not preservation. It required that Habitat pay 99% of the appraised value, and many owners didn't want to sell at the prices Habitat was offering. Commissioner McNally asked about neighborhood revitalization: when there's an owner with a mortgage, how does Habitat come in with their own mortgage. Ms. Dooley said with the grant money, the city held the title and

they “didn’t do those traditional Habitat type things.” In the future, they will need to establish a way to work through that process.

Chairman Verity asked about the Northwest Quadrant. Ms. Dooley said with Block By Block or the grant, they were limited by money, but she thinks there are opportunities there. Chairman Verity asked if neighbors were welcoming, and Ms. Dooley said with Block By Block there was, by the time they finished. Commissioner McFee said adjacent property owners are doing fix-ups on their own, and the work has promoted “a neighborhood feeling.” Ms. Dooley said there were some hard feelings from those who were not within the program’s limited area. Chairman Verity said there’s “a lot of potential energy” in the Northwest Quadrant at this time. They need to identify the properties and do what they can.

Ms. Dooley gave an example of a frustration by a homeowner on Congress who inherited a property, but there’s nothing she can do with it. It has some historical significance, so it can’t be demolished, but the owner can’t afford to maintain it and pay property taxes. Their limited grant money left Habitat unable to help.

Commissioner Goode said on the heirs’ property issue, she is going to the Northwest Quadrant neighborhood association to help them better understand what the issues are with that.

Mr. Dadson said the NSP showed that Habitat could go into neighborhoods, identify, and fix issues. He hoped Habitat would partner in various neighborhoods in the city in working on preservation and rehab. Ms. Dooley said they received high praise from neighbors for their work in Mossy Oaks.

DISCUSSION ITEMS: LOWCOUNTRY HOUSING TRUST AGREEMENT

Mr. Dadson said the Redevelopment Commission can enter into the agreement on its own or recommend it to council to enter into it. Mr. Dadson said he didn’t know what council’s preference would be. Council is aware of what they’re going into, Mr. Dadson said. They have brought the Lowcountry Housing Trust up in council meetings. Mr. Dadson said Lowcountry Housing Trust puts everything together under one umbrella and leverages assets to make homeownership *for the developer* a reality. It’s not a relationship with individual homeowners.

The city working with Lowcountry Housing Trust will attract more people who want to enter the market as builders/developers, Mr. Dadson feels. “It’s the best organized structure we have ever seen,” Mr. Dadson said. It costs \$100,000 to enter into and \$30,000 for administrative oversight. It can be six partners splitting that money. In this case it’s the City of Beaufort and the Town of Port Royal. The county, Bluffton, or the Housing Authority can enter, and it will be divided proportionally. The level of participation can be increased, Mr. Dadson said, and one would then leverage up that much more. Participants sit on the Lowcountry Housing Trust loan committee.

Mr. Dadson said there are groups that concentrate on other niches in the market, and this is a part that has been a struggle for a long time. Commissioner Zara said this organization cares

about the success of the city and Town of Port Royal, and they have the resources and the ability to talk to other stakeholders. They seem dedicated to spending time and energy to do that, not just have their partners “sign on the bottom line” and then wait for the city to find projects to do.

Mr. Martin agreed with Commissioner Zara that Lowcountry Housing Trust is very pro-active. They’re also flexible and are doing many kinds of projects, he said. They have the ability to go up to 120% AMI, which means it’s workforce housing. They funnel money through local banks, he said, and “provide opportunity.” It provides local jobs for designers, architects, etc. If everything goes through, they would like to give Lowcountry Housing Trust a project before the end of the year. In North Charleston, Lowcountry Housing Trust is doing a lot of rehab in a variety of neighborhoods.

Commissioner Zara said the staff is small “but really knows what it’s doing.” Mr. Martin said Lowcountry Housing Trust has been supportive of the ideas they have been shown so far from Beaufort/Port Royal. Port Royal has a rehab need, Mr. Martin said. Mr. Dadson said Beaufort’s housing stock is aging, even outside The Point. Mr. Dadson said the group is focused on the development side, in answer to Commissioner Goode’s question. Commissioner Zara said Habitat could apply through them. Commissioner Goode asked if the developers who are “underhanded” would be able to get in, and Commissioner Zara said, no because Lowcountry Housing Trust is working in the homeowner’s interest, even if they don’t deal with the owner directly. They are accomplished at making sure that that wouldn’t happen. Mr. Dadson said this fills a gap in the market that CBDG grants, etc. don’t fill.

Commissioner Zara said the 120% of median annual income is an important piece to remember, too, and unusual. As a CDFI, they have banking powers and can act as a bank unlike most not-for-profits. When the State Housing Authority has money for something, Lowcountry Housing Trust “goes in and asks for big dollars.”

Mr. Dadson discussed the relative positions between council and the Redevelopment Commission. If it works, other partners will be influenced to come in, and those partners in now can judge if that’s good or not. Commissioner Zara said builders now will be interested in participating in a way they wouldn't have been before the economy was as bad as it is now.

Chairman Verity asked if there were a process for getting the builders involved. Commissioner Goode asked about the length of the agreement, and Mr. Dadson said it’s an annual renewable agreement. It’s set up to start September 1. Commissioner Zara said the Lowcountry Housing Trust asks for a longer commitment, “at least mentally.” Mr. Dadson said part of the Redevelopment Commission recommendation to council could be to think of the commitment as longer than a year. Commissioner McNally asked if there were a renewal option like a lease. Commissioner McFee said they don’t need to pass a new ordinance every year. Commissioner McFee said they have to provide notice if they terminate the agreement. Commissioner McFee said council has wanted to do something like this for years. Their commitment will be “for much longer than a year.” The intent of council is for the Redevelopment Commission “to be running

with this.” Council will sign the contract, he believes. Commissioner McNally said he doesn’t want to lose momentum by going into another agreement next year.

Motion: Commissioner Zara made a motion to recommend that council pass the ordinance to amend the UDO to enable the city to enter into a agreement with Lowcountry Housing Trust; to sign the contract with Lowcountry Housing Trust; and to forward the appropriate money to the Lowcountry Housing Trust. The commission also requests that council, though the contract is for a year, give it a three-year trial. Commissioner McNally seconded the motion. **The motion passed unanimously.**

Mr. Dadson said the staff had discussed, prior to the Sector 2 and 2 charette process, doing two retreats mid-year to discuss “how to really use the Projects Book.” At the council or staff or board/commission level, little “sneaker meetings” are happening, and there needs to be an awareness of how these fit together and in with larger projects. Chairman Verity said it gives an outline for each project. Commissioner McFee said it also establishes a budgeting process for each project; Chairman Verity added that it helps to communicate what’s being worked on.

Mr. Dadson said these meetings will likely take place after Labor Day and before the next charettes take place.

ADJOURNMENT

There being no further business to come before the commission, Commissioner Zara made a motion to adjourn, second by Commissioner McFee. The motion passed unanimously and the meeting was adjourned at 6:27 pm.

ATTEST: _____
IVETTE BURGESS, CITY CLERK