

A work session of the Beaufort City Council was held on January 19, 2010 at 5:00 p.m. in the City Hall Conference room, 302 Carteret Street. In attendance were Mayor Billy Keyserling, Council members Gary Fordham, Donnie Ann Beer, Mike McFee, and Mike Sutton, and City Manager Scott Dadson.

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.

CALL TO ORDER

The Mayor called the meeting to order at 5:00 p.m.

DISCUSSION WITH REPRESENTATIVES OF BEAUFORT HOUSING AUTHORITY

Councilman Fordham said a year and half or two years ago Reggie Barner was contracted as a consultant to the Housing Authority. Councilman Fordham recognizes that their emphasis is on rentals, but he feels the Housing Authority can also get involved with affordable housing. He asked what is happening with affordable housing. **Ed Boyd** said ten houses were built in the city, and the grant money is for low income housing, which is for families earning no more than 80% of the median income for Beaufort County. But it's not been done since then because it was so difficult to get families qualified for those homes and get them in place. They've concentrated on rentals since then. Councilman Fordham said Mr. Barner had a lot of expertise and Mr. Boyd agreed. Councilman Fordham said the city paid \$50,000 in the hope that he'd work with the Housing Authority, and he hasn't heard anything about that. Mr. Boyd agreed that he doesn't know if anything has been done with Mr. Barner since then. Councilman Fordham said council received minutes from Housing Authority meetings, wherein they discuss rentals and seem to be the same each month.

George Post said the Housing Authority is as "busy as they can be," and in the last 6-12 months, stimulus money and applying for the second round of NSP money have been priorities, and they have increased housing stock by ten rental homes. Running the rental side has taken up everyone's time. Councilman Fordham said he feels that they should be working on affordable housing as well. Mr. Post said they could use some help to write grants for that. Regarding Mr. Barner, he came in with a plan to move people out of Marsh Point because of the Boundary Street Project. As time went on, it didn't make sense or have public benefit to move those residents. Mr. Boyd said they need land to move forward. They can do some home ownership and have in the past, but they are not geared up for it. Councilman Fordham asked how they could *get* geared up. Mr. Boyd said they'd need some things off their plate and significant help. There are not a lot of Beaufort lots that are free and clear for building.

Mr. Dadson said Mr. Barner's report was broader than just Marsh Point. He brought up utilizing the non-profit housing side in a different way, understanding there's a rental aspect. An intergovernmental agreement was proposed but went nowhere. Mr. Barner also was into moving people into home ownership more proactively. The Redevelopment Commission is very interested in housing issues. Mayor Keyserling said he came in when the intergovernmental agreement was dying and all was eclipsed by NSP. The entities under discussion are the Beaufort *County* Housing Authority and the county (which hasn't taken leadership, at least on this side of the county, and has unspent money). The city wants to be more entrepreneurial about things it would like to do by partnering with someone else to do the work, as with the Redevelopment Commission. Mayor Keyserling said he has met with many

people about work force housing. Healthcare workers and teachers are lost because of a lack of housing. Mayor Keyserling and Councilman Sutton have approached the Housing Authority to see if they were willing and able to be more entrepreneurial, and they aren't able to do more. Mayor Keyserling wants to know if council feels it should be more aggressive on ownership, as in repairs. Do they need to strike out on their own with the Redevelopment Commission, for example? He's posed the same question to the county.

Councilman Sutton said he feels that's fair. He felt NSP became problematic for the Housing Authority. They've lost Port Royal and no one else is spending money. He has questions about where that stands. He wants to know if the Housing Authority "is what it is" or if it's the entity that can lead on housing issues into the future. The city set the Housing Authority up, and he wonders if there's another entity out there to do the other piece.

Mr. Boyd said in April the Housing Authority board decided to accept the challenge to be the lead agency, and then the agency got bogged down in NSP. Councilman Sutton asked how many homes they expect to end up with. Mr. Boyd said when they split up Port Royal, they may get 12. Bluffton is doing 4 or 5. Councilman Sutton clarified that the Habitat homes are *owned* homes, not rentals. Mr. Boyd said they had to target a heavily foreclosed area in Bluffton "to get points." Mayor Keyserling asked about rehabs and demolitions. Mr. Boyd clarified that stabilization had to be in blighted areas. The Housing Authority's part is \$1.7 million. He said they have an \$117,000 administrative budget and are trying to get most of the money to housing.

Mr. Dadson recognized the difficulties in administering this grant. Mayor Keyserling said he appreciates that, but the longer term question is about the entrepreneurial piece. They don't want to force the Housing Authority to be what it's not; they have the experience to lead, but maybe not. Mr. Boyd said none of NSP 2 came to South Carolina after a lot of effort. The Housing Authority will accept the role of lead agency, but they would need help. They couldn't afford anyone with the expertise of Mr. Barner but could contract with him in partnership with the city and maybe county. The county committed monies to the NSP 2 grant that wasn't received, so they have that unspent money.

Councilman Sutton said everyone's looking for grant writers because they're essential to being competitive. He said Mr. Barner concluded that there was a need to continue to grow their housing market and not continue to be stuck in the rental business. The private sector can do what the Housing Authority is doing. Mr. Barner identified current inventory and how to better use that resource. There are still pieces of Mr. Barner's ideas that are valid and can be used. Councilman Sutton said the Housing Authority needs to leverage what they already have to go out and look for more grants for the future. Mayor Keyserling said everyone must find ways to do things differently, with fewer resources.

There was discussion of various angles of the issue. Mr. Post said one of their commissioners has been appointed to the Redevelopment Commission. Councilman Fordham said he'd like the Housing Authority to be more aggressive and take more initiative on affordable or work force housing, not offer "a lot of talk and no action." Mr. Boyd said there's \$14 million of housing; \$600-700,000 annually is spent to maintain what they have. He said the NSP houses and some developed in 2006 were put up as rentals in part because a dramatic number of people can't afford to become homeowners. They could

maybe do a mixed income plan. The 25% set aside for the city was for 50% of median income or below. Most HUD money is going to have some income restrictions. The Housing Authority can go up to 120% of median income as long as it's mixed. They would be glad to tackle finding land and building houses.

Councilman Fordham said that, in the same way the city is changing, the Housing Authority is going to have to do things differently. He wondered if Mr. Boyd and Mr. Post could come back with a report. Mayor Keyserling recommended that there will be a charter directive for the Redevelopment Commission; when the role they're going to play in housing is determined, they should get together ASAP with the Housing Authority, who will have decided by then what they want to do. By "digging innovatively," there will be ways to do this, though the money won't come from traditional channels.

Mr. Dadson suggested asking the county to give the Housing Authority and Redevelopment Commission a chance to work on affordable housing. Councilman Fordham asked for an update after both retreats. Mr. Post said that sounded reasonable. Councilman Sutton said he'd like them to be more than in the rental business, but if they can't be, the city needs to know. Mr. Post said it doesn't have to be separate entities.

BTAG DISCUSSION

Mr. Dadson said \$8-9 million of the monies that the city wanted for the Boundary Street Project or at least kept in Northern Beaufort County was moved to the Bluffton fly-over parkway. This isn't a balanced North-South project. The costing out of the Boundary Street Project was done to get as much done as possible. The Boundary Street Project is inordinately stacked with impact fees, as opposed to McTeer. That project is underway, and the question is what to do with the money for the Northern Crossing. Mayor Keyserling said \$13 million has been moved out of Northern Beaufort County use. The hope was it would go to the Boundary Street Project. Councilman McFee said Northern Beaufort County voters would never have voted for the one-cent sales tax "to build up Bluffton for Bluffton," and Councilwoman Beer agreed. Mr. Dadson said to manage a project when short on funds, there have to be tough decisions, but the referendum was set up in a balanced program throughout the county. Greater Bluffton has watershed problems. They have an unsustainable, car-oriented building style. Business as usual isn't going to work. It costs a lot to put in that kind of infrastructure.

Councilman Sutton asked what the solution was. Mayor Keyserling is going to BTAG tomorrow. Mr. Dadson asked what his marching orders should be to those on that board so there can be a better conversation. Councilman Sutton asked what they leveraged that the other side didn't which needs to be put on the table. Mayor Keyserling said impact fees have paid for both plans to date. It's been invested. Beaufort created TIF 2 and the zoning ordinance. Mr. Dadson said the land use model matches the road.

Councilman Sutton asked what TIF funds they expected to match. Mr. Dadson said they've been willing to use so much per year to do various aspects of this plan. Councilman Sutton said he wants it to be clear that this plan isn't waiting on the taxpayers to be viable. Councilwoman Beer said "we're all but shovel-ready." Mr. Dadson reiterated what the city's leverage is. Mayor Keyserling said Hilton Head has been pretty aggressive, and he hopes they'll understand what the city is talking about. Councilman Sutton asked if the BTAG group recommends the parkway project, and the county approves, what the

city can do with \$5 million. Mr. Dadson said he can't answer that. Councilman Sutton said not much can be done with it. Mr. Dadson said the TIF cap is at \$55 million and the Boundary Street Project in one mile does what can be done on 278 or Bluffton Parkway in 5-6 miles. The county is fighting the "Big Box Model." Mayor Keyserling said he's ready and has spoken to some people before the meeting. Worst case scenario, they'll try to stop the whole thing. They have no other choice. Mr. Dadson said it's the only sustainable retro-fit project in the whole county. Councilman Sutton asked if a letter could be drafted to the county, so it can be used when it's needed. Mr. Dadson said yes.

DISCUSSION REGARDING STAGGERING OF TERM LIMIT EFFECT OF Redevelopment Commission

Mr. Dadson said that ¾ (7 out of the 9) of the appointments must be one-year. Staff will send council a list. Councilman Sutton said new appointments should be the 1-years and then pick among the "old blood," one of whom may not want to be reappointed. Councilwoman Beer said it could be chosen by names in a pot. Mr. Dadson said he'll put it on the agenda at council, and there was general assent to the idea.

DISCUSSION REGARDING HIGH SCHOOL ATTENDANCE ZONES

Mayor Keyserling said this issue is not within the city's control. The school board has heard from a lot of residents already. There was some discussion of where students at various schools would go.

OTHER BUSINESS

Mayor Keyserling asked Mr. Dadson if Waste Pro takes trash to the same place as the county. Mr. Dadson said yes. Mayor Keyserling said he talked to the mayor of Sumter. Energy conservation will entail a 25% reduction. He has asked Alice Howard for figures from Laurel Bay, Parris Island and MCAS; he's interested in teaming up, getting a contract to capitalize the private sector. Mr. Dadson said the alternative energy stuff has to be experimented with to gain any traction. Given how much the bases consume and produce, there might be synergy there.

Councilman McFee informed those present of LoCOG's TDR program on 1-21-10.

Councilman McFee asked **David Tedder** what his concerns were about townhouses; he explained that there were structural issues he thought might be of concern before last week's council session.

ADJOURNMENT

The meeting was adjourned at 6:28 p.m.

ATTEST: _____
SHIRLEY HUGHES, ACTING CITY CLERK