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CITY OF BEAUFORT
1911 BOUNDARY STREET
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BEAUFORT, SOUTH CAROLINA 29902
(843) 525-7070
CITY COUNCIL WORKSESSION AGENDA
April 27, 2021

STATEMENT OF MEDIA NOTIFICATION

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

WORKSESSION - Electronic Meeting - 5:00 PM

Please note, this meeting will be conducted electronically via Zoom and broadcasted via livestream on Facebook. You can view the meeting live via Facebook at the City's page City Beaufort SC

I. CALL TO ORDER

A. Stephen D. Murray III, Mayor

II. PRESENTATION

A. Southside Park Task Force update

III. DISCUSSION ITEMS

A. Affordable Housing Task Force recommendations

IV. EXECUTIVE SESSION

A. Pursuant to Title 30, Chapter 4, Section (70) (a) (1) of the South Carolina Code of Law: Discussion regarding Personnel - Boards and Commissions

V. ADJOURN



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 4/19/2021
FROM: Linda Roper, Downtown Operations and Community Services Director
AGENDA ITEM
TITLE: Southside Park Task Force update
MEETING
DATE: 4/27/2021
DEPARTMENT: Downtown Operations

BACKGROUND INFORMATION:

The Southside Task Force will be presenting their recommendations to Council taken from the Southside Park Survey that was conducted.

PLACED ON AGENDA FOR: Discussion

REMARKS:



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 4/19/2021
FROM: David Prichard, Community and Economic Development Director
AGENDA ITEM TITLE: Affordable Housing Task Force recommendations
MEETING DATE: 4/27/2021
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

For Council to discuss the recommendations that were presented to Council from the Affordable Housing Task Force presentation on February 23, 2021.

PLACED ON AGENDA FOR: Discussion

REMARKS:

ATTACHMENTS:

Description	Type	Upload Date
Recommendation	Backup Material	4/20/2021
Recommendation	Backup Material	4/20/2021

Affordable Housing Task Force: Recommendations Rankings by Score

Affordable Housing Task Force’s Target Area Priorities:

Highest: Rent: \$500 - \$874 (income of \$20,000 - \$34,000)
 For Sale: \$100,000 - \$199,000 (income of \$30,000 - \$59,000)

Second Highest: Rent: \$875 - \$1,474 (income \$35,000 - \$59,000)
 For Sale: \$100,000 - \$199,000 (income of \$30,000 - \$59,000)

Third Highest: Rent: < \$500 (incomes of < \$20,000)
 For Sale: not an option in this income range

A	Land & Property Tools				
B.	Fees & Tax Tools				
C.	Financing Tools				
D.	Regulatory Tools				
E.	Special Housing Needs Tools				
F.	Other Tools				
G.	Communication & Collaboration Tools				
ID	Recommendation	High Priority	Medium Priority	Low Priority	Remove
HIGH					
G.2 35	Coordinate with Existing Plans: Comprehensive Plan & Civic Master Plan and affordable housing initiatives need to be consistent across platforms and departments.	11	1	0	0
G.1 32	Communication Program for Community Support: NIMBYism & YIMBYism; debunk myths about property values decline; use current resources like neighborhood meetings, city communications staff, etc.	9	2	1	0
G.3 32	Work With Other Entities: Pool resources, collaborate at every opportunity but take ownership/leadership of initiatives; avoid getting too broad so that nothing gets accomplished or it does not serve the city.	8	4	0	0
D.5 31	Other Regulatory Agencies/Permits + Relationships: Hire and/or train staff (part of exiting job or part of new position, not necessarily whole time dedicated to affordable housing) to be liaison/specialist on all affordable housing issues and develop strong relationships with other agencies as the City’s “go to” person to troubleshoot and help keep affordable housing projects from getting bogged down in regulations. This person would serve as an advocate for overcoming regulatory barriers or delays.	9	1	2	0
B.1 31	Fees: Instead of waiving permit fees, impact fees, concerns with BJWSA fees, etc., create a wholistic approach for fees incentives (waiving or reduction) by bringing the parties (City, County, BJWSA, Dominion, SC-DOT) together if possible (or advocating individually) to agree upon a package of incentives that each can budget for to incentivize affordable housing projects in the City. Conduct	8	3	1	0

	education about fees and what they are for, in addition to the available incentive package.				
D.2 31	<p>Accessory Dwelling Units: These are generally well-supported in the Code. Change the <i>Beaufort Code</i> as follows:</p> <ul style="list-style-type: none"> • Maximum size requirement: delete the “1,500 SF or smaller portion”, leave the 50% maximum of the footprint of the primary structure. • Delete the minimum size requirement of 240 sf (no minimum size requirement on any other dwelling units) • Change the limit of 1 unit in T3-S, to 2 like all other districts to increase options & potential 	7	5	0	0
A.1 30	<p>Donate Land to Non-Profits: Donate city owned land to non-profit developers or a housing land trust to build low to moderate income housing (rental or for-sale). Include restriction on income levels, benchmark deadlines during building process, and create deed-restriction covenants on the property to ensure that it remains affordable.</p>	8	2	2	0
E.1 30	<p>Housing for Teachers, Hospital Workers, City Police/Fire/etc.: Instead of trying to create special housing projects for each category, create a task force like the higher education task force to bring the school district’s, hospital’s and city’s key people together to work on joint efforts through a broader approach</p>	8	2	2	0
A.3 29	<p>Housing Land Trust: Create a housing land trust focused on land leases for others to build affordable units on the land, with the land remaining in ownership of the trust. (may be city only or part of county-wide or regional project) Purchase or acquire land. Create appropriate restrictions to keep affordable. (models also for non-profit housing land trusts)</p> <p><i>Note: The County’s Housing Trust Fund may or may not include a land trust option. Evaluate that separately.</i></p>	8	1	3	0
D.1 29	<p>Missing Middle Housing: Increase options for 2-3 unit dwellings, rowhouses, apartments, housing in different zoning areas now restricted to single family housing. Do not limit to corner lots or alley access. Do not add any additional review process for 2-3 unit housing dwellings beyond what already exists.</p> <p>Change the <i>Beaufort Code</i> as follows:</p> <p><u>Change 3.2 Table of Permitted Uses—2 or 3-Unit Dwelling</u></p> <ul style="list-style-type: none"> • <u>T3-S P (Permitted Use) [previously not allowed]</u> • <u>T3-N P (Permitted Use) [previously was conditional use]</u> • <u>[previously permitted use in T4-HN, T4-N, T5-DC, T5-UC—no change for these]</u> <p><u>Delete 4.5.5.B.3—2-3 Unit House</u></p> <ul style="list-style-type: none"> • <u>Location, Specific to T3-N: A 2-3 unit building is permitted in the following areas:</u> <ul style="list-style-type: none"> <u>a. On a corner lot, or</u> <u>b. Where alley access is provided; however no more than 2 per block are permitted</u> 	7	3	2	

MEDIUM					
E.2 27	Housing for the Homeless: Take a leadership role in working with other agencies and groups to help solve this issue. Don't wait for others. Take a "housing first" stance.	5	6	0	1
D.4 27	Pre-approved Plans: Work with local architects to create plans that city staff/boards can approve up front. These may still need to be reviewed for site appropriateness, etc., but the materials and designs would be pre-approved. Need to explore how to pay for plans and the agreements for use. Focus initially on some missing middle options and smaller houses that may be more affordable.	4	7	1	0
A.4 26	Purchase Land: Purchase appropriately zoned market rate land to develop into low to moderate income housing. Work in partnership with developers. May also purchase underutilized land (single family house that can be demolished) for higher/better use (multi-family) toward affordable housing goals and infill.	7	0	5	0
A.6 26	Adaptive Reuse: Create projects for reuse of vacant/unused structures to be converted to low to moderate income housing. City may be partner or help in other ways by providing leadership and zoning/rezoning guidance as needed.	6	3	2	1
A.2 26	Donate or Discount Land to For-Profits: Donate or discount city owned land to for-profit developers to build low to moderate income housing (rental or for-sale). Include restriction on income levels, benchmark deadlines during building process, and create deed-restriction covenants on the property to ensure that it remains affordable.	5	4	3	0
F.2 26	Demonstration or Pilot Projects: Test new ideas through partnerships with others.	5	4	3	0
B.3 25	Fee in Lieu of Taxes: Develop guidelines & criteria for Fee in Lieu options for affordable housing projects similar to economic development projects, for private developers or others beyond Beaufort Housing Authority	5	3	4	0
C.1 25	Opportunity Zones: Develop staff expertise and work to promote affordable housing projects in the city's designated Opportunity Zones. May be redevelopment projects, not just green field projects.	4	5	3	0
F.1 25	Alternative Out-of-the-Box Solutions: Design projects that look at creative or alternative solutions to traditional buildings. Consider alternative materials, styles and solutions. Perhaps rethink some code issues on building materials where appropriate in certain zoning areas (ex: 3-D printed houses, container conversions, etc.)	3	7	2	0
D.3 24	Tiny Homes: No change to Code. City might sponsor a demonstration project using tiny homes (not on trailer, but permanent foundation)	4	4	4	0
D.6 23	Inclusionary Zoning—Voluntary: Find attractive incentives beyond density bonuses. It may not be heavily used but needs to be an option. <i>Example: For any housing development (rental of for-sale) in the City (any zoning district) of 2 or more units, if 20% or more of the units are sold or rented to residents making 80% or less of the Area Median Income, a substantial incentive package will be provided. Conditions require that affordable units have deed restrictions of [20 – 90] years.</i>	1	9	2	0

LOW					
B.4 22	TIF Funding: If the land lease option is supported, consider using left over funds from existing TIF district(s) to support purchasing land for affordable housing.	4	4	2	2
A.5 22	Acquire tax sale property: Purchase appropriately zoned tax sale properties to convert to low to moderate income housing; or partner with Beaufort County to acquire these through means other than direct purchase.	2	7	2	1
B.2 21	Tax Abatement (Bailey Bill): Explore and create an ordinance for using the Bailey Bill (as allowed in SC enabling legislation) for affordable housing projects.	3	4	4	1

Tools Considered That the Task Force Did Not Recommend for the City of Beaufort

Land & Property Tools

- **Land Bank:** not covered by SC Enabling Legislation; no recommendation to take on advocacy or lobbying for this
- **Housing Trust Fund:** not sure about the city getting into the housing development business and competing with private sector. May join the county initiative if the criteria make sense. Do not support the notion of a housing trust fund getting into gap financing (as mentioned for the county trust fund) because there are other options for that. Prefer land lease options.

Fees & Tax Tools

- **Bond Funding:** do not use the city's bonding authority to purchase land for affordable housing

Financing Tools

None of these financing tools were supported as good options for the city's investment or involvement. The feeling was that others are adequately managing and providing these resources. There was some discussion about having a staff "expert" on referrals and working with some of these programs, but the task force did not support that concept.

- **First-Time Homebuyers Assistance & Down Payment Assistance**
- **Multi-Family Tax Exempt Bond**
- **Low-Income Housing Tax Credits (Federal & new South Carolina program)**
- **Small Rental Housing Development Program**
- **HOME Programs**
- **Federal Home Loan Bank Programs**
- **CDFIs such as SC Community Loan Fund**
- **Banks & Conventional Loans**
- **USDA Rural Development Programs**
- **CDBGs (use for other priorities)**

Regulatory Tools

- **Landscaping Requirements**—no changes, may work with community groups to help with trees, etc.
- **Parking**—to be determined when staff looks at all parking regulations, not just in context of affordable housing
- **Construction Entrance Requirements**—no changes
- **Drainage Requirements**—no changes; foster better relationship with SC-DOT
- **Density Bonuses**—do not use as incentive; push back already where density is higher by right

- **Inclusionary Zoning, Mandatory**—do not implement, no enabling legislation, no recommendation to advocate or lobby for this.

Special Housing Tools

- **Special Needs (disabilities, etc.)**—county doing a good job with this and most of their special needs housing is in the City
- **Seniors**—seniors are already a target for LIHTC and BHA, do not create something special, but make sure projects brought thru the city review process are expedited as much as possible
- **Military Housing**—a need a one time, but not now. Military housing allowances actually skew current off-base rents higher for the general population.

Other Tools

- **Repair & Maintenance Programs**—other programs exist and sustainability is an issue. Consider an education program on home repairs or tools lending program.
- **Rent Control**—not a good fit for Beaufort
- **Offset Materials Costs**—an idea from the builders & developers for the city to purchase items in bulk; accounting and liability issues; not likely City could purchase materials cheaper than developers.
- **Short Term Rentals Freeze/Rethinking**—short-term rentals need to be revisited for a number of reasons, but not in the name of affordable housing. They do affect the number of available long-term rentals, but this task force did not put it on the list for this set of recommendations.

Affordable Housing Task Force's Priorities:

Green = Highest Priority

Yellow = Second Highest Priority

Purple = Third Highest Priority

City of Beaufort NEW Rental Housing Needs by 2022 & 2027 (progress through 12.31.2020)

Rent < \$500 (incomes of < \$20,000)	by 2022: 182 units	by 2027: 287 units
Constructed or permit issued since 1/2018	0 units	0 units
Balance needed	182 units	287 units
Rent \$500 - \$874 (income of \$20,000 - \$34,000)	by 2022: 176 units	by 2027: 255 units
Constructed or permit issued since 1/2018	53 units <i>*45 seniors only</i>	53 units <i>*45 seniors</i>
Balance needed	123 units	202 units
Rent \$875 - \$1,474 (income \$35,000 - \$59,000)	by 2022: 117 units	by 2027: 123 units
Constructed or permit issued since 1/2018	64 units <i>*60 construction stopped</i> <i>*4 seniors only</i>	64 units <i>*60 stopped</i> <i>*4 seniors</i>
Balance needed	53 units	59 units
Rent \$1,475 - \$2,099 (incomes of \$60,000 - \$84,000)	by 2022: 108 units	by 2027: 161 units
Constructed or permit issued since 1/2018	3 units <i>*used as STR</i>	3 units <i>*used as STR</i>
Balance needed	105 units	158 units
Rent \$2,100 + (income of \$85,000 +)	by 2022: 140 units	by 2027: 239 units
Constructed or permit issued since 1/2018	0 units	0 units
Balance needed	140 units	239 units

City of Beaufort NEW For-Sale Housing Needs by 2022 & 2027 (progress through 12.31.2020)

\$100,000 - \$199,000 (income of \$30,000 - \$59,000)	by 2022: 109 units	by 2027: 259 units
Constructed or permit issued since 1/2018	10 units <i>*4 Habitat</i>	10 units <i>*4 Habitat</i>
Balance needed	99 units	249 units
\$200,000 - \$299,000 (income of \$60,000 - \$84,000)	by 2022: 76 units	by 2027: 190 units
Constructed or permit issued since 1/2018	40 units	40 units
Balance needed	36 units	150 units
\$300,000 + (income \$85,000 +)	by 2022: 123 units	by 2027: 372 units
Constructed or permit issued since 1/2018	132 units	132 units
Balance needed	-9 units	240 units

Where New Housing Was Permitted from January 2018 – December 2020 (3 years)

- Battery Point 3 SF + 1 group home for 6-8 residents
- Battery Shores 3 SF
- Cane Island Retreat 1 SF
- Cottage Farm 3 SF
- Distant Island 8 SF
- Higginsville 7 SF
- Hundred Pines 4 SF
- Islands of Beaufort 19 SF
- Lady's Island General 5 SF
- Live Oaks at Battery Creek 4 SF
- Mossy Oaks 6 SF
- Northwest Quadrant 12 SF + 1 duplex
- Old Commons 3 SF
- Overlook 61 SF
- Pigeon Point 7 SF + 48 student apartments
- Royal Oaks 5 SF + 49 seniors' apartments + 60 market rate apartments (started, but stopped)
- Secession 2 SF
- Spanish Point 4 SF
- The Glebe 2 SF
- The Point 1 SF
- West End/City Walk 18 SF
- West End/Waters Edge 1 SF
- West End/General 5 SF + 8 apartments

Planning Stage: Exact Price Points Unknown; May or May Not Actually Be Constructed

- **Cane Island Retreat (Lady's Island):** for sale housing/high end, early stages, TBD
- **Cannon Gate (FC Carter Drive at Broad River Blvd.):** for sale housing/moderate, 138 duplex units (69 buildings) subdivision plan approved by MPC (January 2020); conceptual approval by DRB (January 2021)
- **Garden Oaks Apartments (Salem Farms/Salem Road):** multifamily rental/288 units (96 1bd; 132 2bd; 60 3bd) in 13 buildings; applying for LIHTC; DRB preliminary approval (January 2021)
- **Justice Square (Northwest Quadrant)—Old Jail/King Street:** multi-family rental & for sale/moderate to higher end, 17 units (9 apartments, 8 townhomes/attached dwellings in duplexes); preliminary approval by HRB (11/18/20) inc. 9 apartments final approval; 8 townhomes rec'd final approval from HRB (2/10/21)
- **Kingsridge (Royal Oaks):** multi-family, rentals; originally proposed as 46 units; LIHTC denied, on hold
- **Miller Drive East (Lady's Island):** 55 townhomes, by Logan Homes, price point TBD
- **Ribaut Road/Allison Road (Royal Oaks):** multi-family/moderate to high end, different plans, still TBD
- **Salem Farms (Salem Road):** for sale housing/likely > \$300,000; 325 – 350 single family homes; waterfront subdivision between Live Oaks & Battery Creek; Pulte Group; site plan appr. by MPC (July 2020)
- **Sweetwater at Battery Creek (Pickpocket):** multifamily, small apt. development; mixed price points, early stages, TBD
- **Upper Cane Island (Lady's Island):** for sale housing, 445 units/high end, PUD, Johnson Development Assoc. of Spartanburg, conceptual only
- **Whitehall (Lady's Island):** for sale housing, 30 units/high end (16 single family, 8 town-homes, 3 river homes, 4 cottages), site plan approved by MPC (December 2020)

Other:

Parkview Apts/new name: Waters of Ribaut (Atlantic Housing Foundation)/end of Duke Street: 60 existing Section 8 units to be rehabbed; all Section 8 Housing Vouchers; HUD contract extended for 20 years.