AFFORDABLE HOUSING:
OPPORTUNITIES & CHALLENGES

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City of Charleston Department of Housing and Community Development

Planning Strategies for South Carolina's Rural and Urban Counties
Tuesday, May 14, 2019
OVERVIEW

- Introduction of City of Charleston Department of Housing and Community Development (DHCD)
- Affordable Housing and Workforce Housing
- Completed Rental and Homeowner Housing Developments
- Barriers and Opportunities for preservation and creation of Affordable Housing
- Upcoming Affordable Housing Developments
Mission: To create, facilitate and implement activities and programs that stimulate community and economic development, expand the supply of available housing and stimulate the construction and rehabilitation of housing for persons of very low, low and moderate incomes in Charleston’s neighborhoods in an effort to enhance their quality of life.
Sources of Program Funding

- Community Development Block Grant (CDBG)
- Home Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with HIV/AIDS (HOPWA)
- Fee in Lieu Funding
- General Funds
- Private Funds
- General Obligation Bond

Department Programs

- Roof Replacement
- Rental Rehabilitation
- Substantial Rehabilitation
- First-time Homeownership Initiative
- Subrecipient Awards

1562 Mulberry Street (Before & After), HOME Rental Project; Demolition/New Construction; Developer – Palmetto CAP
### Overall totals for Housing and Community Development Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Years</th>
<th>Total</th>
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<tbody>
<tr>
<td>Rehabilitation</td>
<td>1976-2019</td>
<td>3,877</td>
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<tr>
<td>Homeownership</td>
<td>1978-2019</td>
<td>952</td>
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<tr>
<td>Rental Developments</td>
<td>1979-2018</td>
<td>2,247</td>
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<tr>
<td>Charleston Housing Authority</td>
<td>1975-2017</td>
<td>2,566</td>
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<tr>
<td>College of Charleston</td>
<td></td>
<td></td>
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<tr>
<td>Student Housing (Housing Goal Challenge)</td>
<td>2002-2007</td>
<td>474</td>
</tr>
<tr>
<td><strong>Grand Total of Completed Housing Developments</strong></td>
<td><strong>10,116</strong></td>
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</table>
WHAT IS AFFORDABLE HOUSING?

- Housing that costs 30% or less of a household’s monthly income.
  - Housing costs include rent or mortgage, utilities, and other housing costs.

- The Median Income for a family of four in Charleston is $74,500 (100% AMI)
  - An affordable house price for a family of four earning 80% of AMI ($59,600) is $178,800 ($59,600 x 3=$178,800)
WHAT IS WORKFORCE HOUSING?

- Housing for those who earn too much to qualify for affordable housing, but not enough to afford a market-rate home or apartment.

- Families earning between 81% and 120% of the AMI typically qualify for workforce housing.
  - A house price for a workforce family of four earning 120% of AMI ($89,400) is $268,200.
## HUD Household Income Limits
### (FY 2018-19)

<table>
<thead>
<tr>
<th>HOUSEHOLD SIZE</th>
<th>Extremely low income</th>
<th>Very low income</th>
<th>Low Income</th>
<th>Low income</th>
<th>Moderate Income</th>
<th>Median family income</th>
<th>City of Chas. Homeownership Initiative income limit</th>
<th>Beazer Homes [Daniel Island]</th>
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<tbody>
<tr>
<td>1</td>
<td>$15,650</td>
<td>$26,100</td>
<td>$31,320</td>
<td>$33,930</td>
<td>$41,750</td>
<td>$52,200</td>
<td>$62,640</td>
<td>$78,300</td>
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<tr>
<td>2</td>
<td>$17,900</td>
<td>$29,800</td>
<td>$35,760</td>
<td>$38,740</td>
<td>$47,700</td>
<td>$59,600</td>
<td>$71,520</td>
<td>$89,400</td>
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<tr>
<td>3</td>
<td>$20,150</td>
<td>$33,550</td>
<td>$40,260</td>
<td>$43,615</td>
<td>$53,650</td>
<td>$67,100</td>
<td>$80,520</td>
<td>$100,650</td>
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<tr>
<td>4</td>
<td>$22,350</td>
<td>$37,250</td>
<td>$44,700</td>
<td>$48,425</td>
<td>$59,600</td>
<td>$74,500</td>
<td>$89,400</td>
<td>$111,750</td>
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<tr>
<td>5</td>
<td>$24,150</td>
<td>$40,250</td>
<td>$48,300</td>
<td>$52,325</td>
<td>$64,400</td>
<td>$80,500</td>
<td>$96,600</td>
<td>$120,750</td>
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<tr>
<td>6</td>
<td>$25,950</td>
<td>$43,250</td>
<td>$51,900</td>
<td>$56,225</td>
<td>$69,150</td>
<td>$86,500</td>
<td>$103,800</td>
<td>$129,750</td>
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<td>7</td>
<td>$27,750</td>
<td>$46,200</td>
<td>$55,440</td>
<td>$60,060</td>
<td>$73,950</td>
<td>$92,400</td>
<td>$110,880</td>
<td>$138,600</td>
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<tr>
<td>8</td>
<td>$29,550</td>
<td>$49,200</td>
<td>$60,040</td>
<td>$63,960</td>
<td>$78,700</td>
<td>$98,400</td>
<td>$118,800</td>
<td>$147,600</td>
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</table>

To establish consistent income limits, the City of Charleston is using the HOME Program’s published limits for the 30, 50, 60, and 80 percent limits. The 65, 120 and 150 percent limits are calculated using the 100% area median income adjusted for family size.

Effective June 1, 2018
COMPLETED AFFORDABLE MULTI-FAMILY RENTAL HOUSING

Grandview Apartments (72)

The Shires (71)

Gateway Development (12)

North Central Apartments (36)

Williams Terrace Apartments (41)

Seven Farms Village (42)
FIRST TIME HOMEOWNERSHIP & HOMEOWNER REHABILITATION HOMES

22 Engel St.
Maryville Ashleyville Homes

66 Lee Street
(Historic Substantial Rehabilitation/Lead Project)

(Before)
(After)

Rosemont Homes

2123 Asheepoo Lane
(Substantial Rehab project)

(Before)
(After)
Barriers to Creating Affordable Housing

- Available land is decreasing
- Sources of federal funds are declining
- Capacity of nonprofits and local government to meet demand
- Public perceptions (NIMBY-Not in My Backyard)
- Lack of available capital
  - Low-Income Housing Tax Credits (LIHTCs) to developments in the Charleston area have been limited for the past 15 years
SOLUTIONS TO FUNDING/CREATING AFFORDABLE HOUSING

- Developing a land trust
- Acquiring land
- Inclusionary Zoning
- Securing alternative funding sources (ex. Bond Financing)
- Developing a policy to secure linkage fees for housing from hotel developments (ex. Seattle, WA study)
- Expedited Processing/Fast Tracking for affordable housing developments
- Consider an ordinance to support Accessory Dwelling Units (ADUs)
- Amending current zoning ordinances
  - MU II: Extended affordability period to 25 years and increasing percentage of affordable housing in MU II developments from 15% to 20%
  - Fee in lieu of on-site development
Upcoming Development:
The Housing Authority of the City of Charleston
Grace Homes (62 Apartments)
Upcoming Development:

SEA ISLAND HABITAT FOR HUMANITY

HERITAGE OAKS

- 11 homes completed to date
- 18 to be completed total
THANK YOU!

City of Charleston
Department of Housing and Community Development
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Charleston, SC 29401
(843) 724-3766
Greenville County Redevelopment Authority
Presentation Contents

• Organization overview (GCRA)

• Understanding the issue of affordability (Affordable housing study)

• Recommendations to address affordability (Study recommendations)

• Best practices regarding affordable housing (Affordable Housing Tools)

• Greenville County’s Plan (Annual Action Plan)

• Sample GCRA Projects
Who are we?

• Created in 1974 by enabling legislation from the State of South Carolina and County Ordinance, the Greenville County Redevelopment Authority (GCRA) administers Greenville County’s federal funds from the Department of Housing and Urban Development for the City of Travelers Rest, City of Greer, City of Mauldin, City of Simpsonville, City of Fountain Inn, and the unincorporated portions of Greenville County.

• GCRA’s ability to administer the funds is by contract, i.e. the Cooperative Agreement with the County and the Municipalities.
Who are we?

• GCRA has twelve Board Members appointed by Greenville County Council

• We have sixteen employees

• Annual operating budget of 7.4 million dollars (CDBG, HOME, ESG, Program Income, Greenville County Affordable Housing Fund)

• GCRA uses a holistic approach in the revitalization of communities focusing on the physical, social and economic infrastructure of each area.
What do we do?

• Build new affordable homes

• Provide forgivable grants to existing home owners for home repairs

• Build new affordable rental homes

• Acquire and manage existing affordable rental homes

• Provide mortgages for first time home owners
What do we do?

• Provide down payment assistance to first time home buyers annually

• Partner with developers and home builders to provide gap financing for the construction of new affordable homes

• Build public infrastructure (Roads, Sidewalks, Wastewater, etc.)

• Provide grants for public services to nonprofit organizations

• Provide small economic development loans and grants
Understanding the issue of Affordability

• Growth trends in Greenville County
• Define “affordable”
• Creation of a baseline
• Best practices on how best to address the affordable housing issue
• Create a plan for Greenville County
We have been discovered!

As outsiders discover the city, Greenville has joined many top 10 and best-of lists

The Best of the Best Places to Retire in the U.S.

Here are some of the best places to retire in the U.S., and, because everyone is different, a few of the runner-ups from around the country.

Greenville among '4 Best Places to Raise a Family'
Growth

Year | Population
--- | ---
1970 | 200,000
1980 | 250,000
1990 | 321,857
2000 | 381,147
2017 | 506,837
Wages in Greenville County

- 64,000 people live in poverty in Greenville County
- 1/3 of the new jobs created are low wage
- Median hourly wage in Greenville County is $16.05
- Living wage for one adult and one child - $22.56
Defining Affordable Housing

• Median Household Income (2016)
  • $51,600
• Household Income needed to buy
  • $53,600
• Household Income needed to rent
  • $28,700
• No more than 30 % Gross monthly income toward Housing
Affordable Housing Study Summary

- Current Federal and State funding levels are inadequate to address the issue in Greenville County

- County deficit of affordable housing is 9500 units
Consultant’s Recommendations

**Priority 1:** Preserving and Upgrading Existing Affordable Housing Stocks (Owner Occupied Rehab)

**Priority 2:** Home Ownership for Low-Moderate and Moderate Income Households (Home Ownership)

**Priority 3:** Construct New Affordable Rental Units

**Priority 4:** Low interest loans and or grants to affordable housing landlords
<table>
<thead>
<tr>
<th>Affordable Housing Best Practices</th>
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<tbody>
<tr>
<td>Establish dedicated funding source</td>
</tr>
<tr>
<td>Relief on utility fees associated with affordable housing projects</td>
</tr>
<tr>
<td>Relief on permitting fees for affordable housing projects</td>
</tr>
<tr>
<td>Leveraging funds—cannot do it without partners</td>
</tr>
<tr>
<td>Low interest loans instead of grants</td>
</tr>
<tr>
<td>Inclusionary Zoning</td>
</tr>
<tr>
<td>Developer incentives for affordable housing</td>
</tr>
<tr>
<td>Preservation Programs</td>
</tr>
</tbody>
</table>
Affordable Housing Best Practices

- Land Banking
  - Grow the capacity of affordable housing developers
- Affordability Covenants
- Employer Assisted Housing
- Establish a Housing Trust Fund
- Support Tax Credit Investing
- Update the zoning code
- Density Bonuses, TRD’s, URD
Affordable Housing Best Practices

- Development Agreements for % affordable
- Rebate or incentive program
- Establish a Land Trust Fund
- Rent controls
- Purpose Built Communities
- Transit Oriented Developments
- Support smaller units
- Accessory Dwellings
Establish the Greenville County Affordable Housing Fund (1 million dollars/annually)

Increase preservation efforts from 60 units per year to 100 units per year

Continue to build new single family affordable homes

Support homeless families and the chronically homeless

Continue to build new affordable rental homes

Partner with affordable housing providers to construct new single family affordable homes
Greenville County’s Plan

- Partner with affordable housing providers to construct new affordable rental homes
- Create a landlord affordable housing rehabilitation program
- Provide down payment assistance for first time home buyers
- Land Banking and disposal plan
- Create banking relationships to build affordable housing
- Inclusionary zoning advocacy
Greenville County’s Plan

Establish Economic Development Fund to reduce wastewater impact fees by ½ on affordable housing projects

Create an incentive to reduce permit fees by ½ on affordable housing projects.

Establish a Housing Trust Fund

Support Updating the Zoning Code

Attract Private Sector investment in Affordable Housing

Develop an affordable housing matrix
<table>
<thead>
<tr>
<th>Housing Activities</th>
<th>Total No. Proposed</th>
<th>GCRA Projects</th>
<th>Partner Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeownership Units</td>
<td>41</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>Rental Units</td>
<td>68</td>
<td>20</td>
<td>48</td>
</tr>
<tr>
<td>Homebuyers Down Payments Assistance</td>
<td>25</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Homelessness Prevention</td>
<td>25</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>Homelessness-Rapid Rehousing</td>
<td>25</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>Minor Home Repair Program (Seniors/Families with Disabilities)</td>
<td>100</td>
<td>5</td>
<td>95</td>
</tr>
<tr>
<td>Major Home Repair Program</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>MLF-Permanent Financing</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>289</td>
<td>100</td>
<td>189</td>
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</tbody>
</table>
Sample GCRA Project
Sidewalks/Road Projects
New Single Family Homes

1000 to 1400 sq. feet

Majority three bedroom - two bath

Cost per sq. ft is $101 - $108 per sq. ft. (no land cost)
Single Family Homes
### Traditional Neighborhood Revitalization

- Streetscape (lighting, sidewalks, etc.)
- Tree Plantings
- Construction of new Roads
- Wastewater / Stormwater projects
- Demolitions
- Construction of New Affordable Homes
- New Affordable Rental Homes
Phase 3 – Infrastructure improvement
Completed

Old Paris Mountain Road
Completed

Phase 4 – FY 2015/16
Marie Street Road Improvement
(Single family detached)

Walcott Street Tree planting - completed

GVL
Leadership
Greenville & Trees
Greenville Landscape project

Phase 5 – FY 2020/2021
Rental development – 2nd phase
- Workforce Housing
(Attached buildings) - 2 stories.

Phase 4 – FY 2015 & 2016
Rental development – 1st phase 10 units - 5 duplex buildings.
<table>
<thead>
<tr>
<th>Building New Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creekside Subdivision</td>
</tr>
<tr>
<td><strong>Former Manufactured Home Park</strong></td>
</tr>
<tr>
<td>Partner to construct (50 senior new rentals)</td>
</tr>
<tr>
<td>GCRA and partners will build 50 single family homes</td>
</tr>
<tr>
<td>GCRA manage all public infrastructure improvements</td>
</tr>
</tbody>
</table>
Leveraging is Key!

GCRA provided 200k grant fund

Project cost – 5.1 million

55 total units (all affordable)
Miller Place Court – GCRA project

18 affordable units

Project cost - 4.3 million dollars

Owned and operated by GCRA

Will open August 2019

Financed by bank loans, CDBG, HOME, Affordable Housing Fund
Miller Place Court, Mauldin
Leveraging is Key!
Mercy Housing

<table>
<thead>
<tr>
<th>GCRA provided 200k low interest loan (10% grant)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project cost - 5 million dollars</td>
</tr>
<tr>
<td>49 total units (all affordable)</td>
</tr>
<tr>
<td>Construction begins 4(^{th}) quarter 2019</td>
</tr>
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</table>
PARTNER PROJECT – MERCY HOUSING
MAULDIN – 46 UNITS