

Mixed Use Workforce Housing Changes

Frequently Asked Questions about the proposed amendment to MU-1/WH and MU-2/WH

What is the intention of these zoning districts?

The Mixed Use Workforce Housing Zoning Districts are intended to promote a mixture of housing opportunities within a single development, along with appropriate nonresidential uses, by providing incentives for the creation of such developments in urban areas of the city where on street parking or other public parking is customary and can be reasonably accommodated.

How do the zoning districts work?

These zoning districts are tools for creating affordable housing opportunities in the City of Charleston because they require owners to rent or sell a percentage of their new housing units at below-market prices to families and individuals with qualifying incomes.

In exchange, owners are offered incentives designed to help offset the cost of these units, the bonuses are:

1) Unlimited density bonus; 2) Reduced parking requirements for both workforce units and market rate units.

Are these zoning districts mandatory or voluntary?

No, these zoning districts are not mandatory. Property owners choose to apply for this zoning designation, it is completely voluntary.

Why is workforce housing important for the City of Charleston?

Charleston is faced with an affordable housing crisis! These zoning classifications promote the development of housing for working families and individuals that are often employed in professions that are integral to a community's success, but may not be as financially rewarding- such as teachers and police officers. It is important that individuals from all economic strata have an opportunity to live in the City they serve if they choose.

These zoning classifications promote highly effective mixed income developments by creating affordable places for families to live and work. Research demonstrates that among the best things society can do for families and children with lower incomes is to enable them to live in neighborhoods with greater opportunities for education, jobs, public safety, and amenities such as parks, libraries and access to public transit. Mixed-income neighborhoods, which are both racially and economically integrated, not only create a diverse workforce but a vibrant community.

What are the major changes to the ordinance?

1. The term of affordability has been extended from 10 years to 25 years*
2. The percent of required workforce housing units has been extended from 15% to 20%*
3. *The City recognizes property owners have calculated margins, purchased property and in many cases secured financing based on preconceived development rights and understands this alteration could be significant for existing projects. Therefore, a "grandfathering" provision is also part of the amendment that all properties already having the MU-1/WH or MU-2/WH designation, or those currently in the rezoning process (if City Council approves their application), are excluded from the above two major changes.

What are the minor changes to the ordinance?

4. A “fee in lieu” option has been added. This option is for rental units only and is available to current “grandfathered” projects so long as their certificate of occupancy has not been issued.

A “fee in lieu” option is a proven tool that typically allows both the developer and the local jurisdiction more flexibility. This tool gives developers the option to pay a comparable fee instead of constructing the subsidized units directly in their development. “Fee in lieu” funds can then be used to facilitate other affordable housing developments that could potentially have an even longer affordability period. This fee is most effective when it is comparable to what it would cost the local jurisdiction to purchase land and build a similar home in the same area.

5. An Affordable/Workforce Housing Account is set to be created for the deposit of “fee in lieu” funds and is to be used for the purposes of affordable and workforce housing only.

6. A clause has been added so the average size of workforce housing units are comparable, and not smaller than, the average size of market rate units.

7. A provision has been added that workforce units be intermixed within a development and not isolated from the market rate units to promote optimal mixed income developments that foster diversity.

8. A provision has been added that exterior finishes of workforce units shall be similar to market rate units so they blend in and look alike so as to not draw unnecessary attention identifying the workforce housing unit.

9. A provision has been added that a developer inform the City’s Housing and Community Development Department of their project a little earlier in the planning process to allow more time for approvals.

10. A clause has been added that requires workforce units to be built concurrently with market rate units and not saved for last. This is especially relevant if a project is phased over many years and/or has multiple buildings.

11. A clause has been added that an owner shall maintain and upkeep rental workforce units similar to the maintenance and upkeep of rental market rate units.

What has been the City’s outreach to the development community?

The City appreciates the suggestions and comments we have received from the area development community so far and are looking forward to holding a roundtable discussion with local developers prior to the ordinance going to Planning Commission to gather any further feedback.

Whom may I contact for more information?

You may reach out to Florence Peters, City of Charleston Housing Development Officer, with any questions, concerns or suggestions at petersf@charleston-sc.gov or (843) 724-7353.

