

February 9, 2021
5:00 p.m.
Conference Call:
1-929-205-6099
Access Code: 912096416

CITY COUNCIL

- A. Roll Call
- B. Invocation – Councilmember Sakran
- C. Pledge of Allegiance
- D. Presentations and Recognitions
 - 1. Proclamation recognizing Julius Steven Brown, Sr.
 - 2. Resolution honoring the late James E. Campbell

E. Public Hearings

F. Act on Public Hearing Matters

G. Approval of City Council Minutes:

- 1. January 26, 2021 (*Deferred*)

H. Citizens Participation Period

Please use one of the following methods to request to speak at the meeting or provide comments for City Council. If requesting to speak, you must join by telephone using the conference call number listed at the top of the agenda. Requests to speak at the meeting and comments must be received by 12:00 p.m., Tuesday, February 9th:

- 1. Request to speak or leave a comment via voice mail at 843-579-6313. If requesting to speak, please provide your name and telephone number;
- 2. Sign-up to speak or leave comments for City Council by completing the form at <http://innovate.charleston-sc.gov/comments/> by Tuesday, February 9th at 12:00 p.m.
- 3. Mail comments to: Clerk of Council, 80 Broad Street, Charleston, SC 29401

I. Petitions and Communications:

- 1. City of Charleston Housing Authority Appointments
 - Gregory K. Voigt (New Appointment)

- Nick Schumacher (New Appointment)

2. Report from the Health and Wellness Advisory Committee – Councilmember Kevin Shealy
3. Update on the City's response to COVID-19 - *Mayor John J. Tecklenburg, Shannon Scaff, Emergency Management Director, and Tracy McKee, Chief Innovation Officer*

J. Council Communications:

- (i) Permission for Councilmembers to participate at City Council meetings from their desks in Council Chamber if they are socially distanced (*Requested by Councilmember Harry Griffin*)
- (ii) Request to consider Agenda Item #L-16, currently deferred, at an upcoming City Council meeting (*Requested by Councilmember Harry Griffin*)

K. Council Committee Reports:

1. Committee on Community Development: (Meeting was held Thursday, January 28, 2021 at 4:30 p.m.)

- (i) Cooper River Bridge Redevelopment Area – New TIF Allocations (*Information Only*)
- (ii) Three-year analysis on the use of the Mixed Use Workforce Housing (MU II) (*Information Only*)
- (iii) Update: Housing for a Fairer Charleston Plan-Implementation Strategies (*Information Only*)
- (iv) Update: Lowline Affordable Housing Site (*Information Only*)

2. Committee on Public Works and Utilities: (Meeting was held Monday, February 8, 2021 at 4:30 p.m.)

a. Public Service Department:

- (i) Presentation on new tablet systems being used by Environmental Services

b. Stormwater Management Department Updates:

- (i) Low Battery Phase 2 – Approval of a Memorandum of Agreement with CPW for in-contract utility work on the Low Battery Seawall Repairs Phase II project.
- (ii) Stormwater Project Updates
- (iii) West Edge Area Drainage and Northern Peninsula Rehabilitation Updates (*Requested by Councilmember Sakran and Councilmember Gregorie*)

3. Committee on Traffic and Transportation: (Meeting was held Tuesday, February 9, 2021 at 2:00 p.m.)

- a. BUILD Grant Update (Informational)
- b. Discussion: CARTA Transit Accommodations Update
- c. Discussion: Murray Blvd. Improvements and Parking (*Requested by Councilmember Seekings*)
- d. Director's Update

4. Committee on Ways and Means:

(Bids and Purchases)

(Parks-Capital Projects: Approval to increase CPD Forensic Services Building P165418 with Patterson Pope in the amount of \$2,207 for providing and installing two custom trim pieces for lockers and shelving and additional storage costs due to construction delays. Approval to increase P165418 will increase the PO amount by \$2,207 (from \$64,877.61 to \$67,084.61). Funding sources for this project are: 2015 IPRB (\$7,392,186) and 2017 IPRB (\$5,000,000).

(Stormwater Management: Approval of a Memorandum of Agreement with CPW for in-contract utility work on the Low Battery Seawall Repairs Phase II project. Reimbursement will be provided by CPW for 100% of the costs of all construction items associated with water and sewer utility work. The estimated amount to be reimbursed is \$1,370,179.41.

(Fire Department: Approval to submit the 2020 Assistance to Firefighter Grant for \$3,000,000 for the complete replacement of the Department's self-contained breathing apparatus (SCBA) to meet the NFPA standard. There is a 10% match (\$200,000) and an additional \$1,000,000 beyond the maximum award of \$2,000,000 in the FY2022 Budget (\$1,200,000).

(An ordinance authorizing the Mayor to execute on behalf of the City a Quit Claim Deed and elimination of possibility of reverter, such possibility of reverter contained in Deed recorded in Book J-543, at page 031 for the property located at the corner of Meeting and Wolfe Streets bearing TMS # 459-09-01-049 in the City and County of Charleston, State of South Carolina and to ratify and adopt any and all modifications or amendments to Ordinance # 2004-150. (*DEFERRED*))

(Approval of a three year lease with MUSC with two one-year options to renew. The property will be used as a parking lot. The property is owned by the City of Charleston. [Southeast corner of Fishburne Street and Hagood Avenue and known as the 1,143 parking spaces Fishburne Ballpark Parking Lot; TMS: 4600000008 and 4600000002 (Ordinance)].

(Request the Mayor and City Council approve an Option to Lease and Ground Lease Agreement for sixty (60) years with Lowline Housing, LP, Inc. for the development of the City of Charleston's Lowline Affordable housing site. The property is owned by the City of Charleston. [The property is 0.7 acre and is located near the southern terminus of F Street adjacent to the planned Lowcountry Lowline. The site is also adjacent to 670 & 676 King Street, which are properties owned by the Housing Authority of the City of Charleston; TMS: 460-04-04-118; (Ordinance)].

(Approval of a Resolution authorizing the Mayor to take all necessary action and execute all necessary documents on behalf of the City of Charleston to accept from the South Carolina Department of Transportation that certain real property, containing

approximately 0.31 acres, shown on the attached exhibit, and being a portion of the right-of-way for US Route 17, bounded on the north by US Route 17 (King Street Off-Ramp), on the south and east by the Septima P. Clark Parkway (US Route 17) (SB), and on the west by the intersection of Fishburne Street and Coming Street.

(Consider the following annexation:

-- 2182 Parkway Drive (0.20 acre) (TMS# 343-01-00-144), James Island, (District 11). The property is owned by Peter Deen and Leigh Mendelsohn Wey.

(Executive Session in accordance with Section 30-4-70 (a)(2) of the South Carolina Code to discuss negotiations incident to a proposed contractual relationship and receive legal advice regarding the 99 West Edge Parking Garage.

Give first reading to the following bills from Ways and Means:

An ordinance authorizing the Mayor to execute, on behalf of the City of Charleston ("City") that certain governmental real estate lease to Medical University of South Carolina ("Tenant"), for 1,143 parking spaces and a covered bus shelter located at the southwest corner of Fishburne Street and Hagood Avenue, known as the Fishburne Ballpark Parking Lot.

An ordinance authorizing the Mayor to execute, on behalf of the City of Charleston ("City") that certain Option to Lease to Lowline Housing, LP, Inc. ("Tenant") the City's real property, containing 0.708 acres, more or less, and designated as Charleston County TMS No. 460-04-04-118, under which the Tenant will develop a minimum of 55 affordable residential rental units.

An ordinance to provide for the annexation of property known as 2182 Parkway Drive (0.20 acre) (TMS# 343-01-00-144), James Island, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 11. The property is owned by Peter Deen and Leigh Mendelsohn Wey.

L. Bills up for Second Reading:

(City Council may give second reading, order to third reading, give third reading, and order engrossed for ratification any bill listed on the agenda as a second reading.)

- 1. An ordinance to amend the Zoning Ordinance of the City of Charleston by changing the Zone Map, which is a part thereof, so that 14 F Street (Peninsula) (approximately 0.10 acre) (TMS #463-16-03-041) (Council District 4), be rezoned from Diverse Residential (DR-1) classification to Diverse Residential (DR-2F) classification. The property is owned by William R. James.*
- 2. An ordinance to amend the Zoning Ordinance of the City of Charleston by changing the Zone Map, which is a part thereof, so that 578 Meeting Street (Peninsula) (approximately 2.13 acres) (TMS #459-01-03-031) (Council District 4), be rezoned from General Business (GB) and Light Industrial (LI) classification to Mixed-Use/Workforce Housing (MU-1/WH) classification. The property is owned by Exchange Real Estate Holdings LLC.*
- 3. An ordinance to amend the Zoning Ordinance of the City of Charleston by changing the Zone Map, which is a part thereof, so that a portion of 578 Meeting Street (Peninsula) (approximately 1.25 acres) (TMS #459-01-03-031) (Council District 4), be rezoned from*

2.5-3 Story Old Height District classification to 3.5 Story Old Height District classification. The property is owned by Exchange Real Estate Holdings LLC.

- 4. An ordinance to amend Chapter 54 of the Code of the City of Charleston (Zoning Ordinance) by amending subsection 15. of Section 54-306 – Old City Height Districts and the footnotes to the Old City Height District Chart in Section 54-306.X.*
- 5. An ordinance to amend the Zoning Ordinance of the City of Charleston by changing the Zone Map, which is a part thereof, so that 2891 Doncaster Drive (West Ashley) (approximately 0.31 acre) (TMS #358-10-00-087) (Council District 10), annexed into the City of Charleston December 15, 2020 (#2020-178), be zoned Single-Family Residential (SR-1) classification. The property is owned by Debra Sottile.*
- 6. An ordinance to amend the Zoning Ordinance of the City of Charleston by changing the Zone Map, which is a part thereof, so that 333 Fleming Rd, Units C1-C4 and D1-D4 (James Island) (approximately 0.29 acre) (TMS #343-07-00-113 through 120 and a portion of 343-07-00-193) (Council District 6), annexed into the City of Charleston January 12, 2021 (#2021-005), be zoned Diverse Residential (DR-1F) classification. The property is owned by AV SG Southcourt, LLC.*
- 7. An ordinance authorizing the Mayor to execute on behalf of the City of Charleston (“City”) a Transfer Agreement and other documents necessary to convey the property located at 36 Cooper Street (Charleston County TMS No. 459-06-01-008) to Charleston County Human Services Commission, doing business as Palmetto Community Action Partners, for \$68,449.00 for the development of a minimum of four (4) affordable housing units, subject to the City’s Affordable Housing Restrictive Covenant Agreement.*
- 8. An ordinance authorizing the Mayor to execute on behalf of the City of Charleston (“City”) an easement and other documents necessary to provide access rights to certain real property located at 179 Nassau Street (TMS # 4590503001) for the purpose of relocating one gear box and one transformer to Dominion Energy South Carolina, Inc.*
- 9. An ordinance to amend Sec. 2-23(b) of the Code of the City of Charleston to provide for keeping summary minutes and video recordings of its proceedings. (DEFERRED)*
- 10. An ordinance to provide for the annexation of property known as 772 Yaupon Drive (approx. 2.3 acre) (TMS# 263-00-04-038), Cainhoy, Berkeley County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 1. The property is owned by Beverley D. and James P. Rardin. (TO BE WITHDRAWN AT THE REQUEST OF THE APPLICANT)*
- 11. An ordinance to provide for the annexation of property known as 3338 Maybank Highway (approx. 1.1 acre) (TMS# 279-00-00-035), Johns Island, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 5. The property is owned by Consultants, LLC. (DEFERRED AT THE REQUEST OF THE APPLICANT)*
- 12. An ordinance to provide for the annexation of property known as 3328 Maybank Highway (approx. 4.588 acre) (TMS# 279-00-00-031), Johns Island, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 5. The property is owned by Kulick Properties, LLC. (DEFERRED AT THE REQUEST OF THE APPLICANT)*

13. *An ordinance to provide for the annexation of property known as 3320 Maybank Highway (approx. 2.278 acre) (TMS# 279-00-00-029), Johns Island, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 5. The property is owned by 1108 St Gregory St, LLC. (DEFERRED AT THE REQUEST OF THE APPLICANT)*
14. *An ordinance to provide for the annexation of property known as 1720 Pinecrest Road (0.22 acre) (TMS# 351-12-00-038), West Ashley, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 9. The property is owned by Elizabeth White. (TO BE WITHDRAWN AT THE REQUEST OF THE APPLICANT)*
15. *An ordinance to amend the Zoning Ordinance of the City of Charleston by changing the Zone Map, which is a part thereof, so that Ashley River Road (West Ashley) (1.53 acres) (TMS #354-12-00-004) (Council District 2), be rezoned from Single-Family Residential (SR-1) classification to Limited Business (LB) classification. The property is owned by Laura M. Smith. (DEFERRED) (Expires March 24, 2021)*
16. *An ordinance to amend Chapter 27, Stormwater Management and Flood Control, of the Code of the City of Charleston, to add a new Article IV to provide fill requirements for all new construction, developments, and redevelopments within the City. (DEFERRED)*
17. *An ordinance to amend Chapter 29, Article V1, Sec. 29-240 of the Code of the City of Charleston pertaining to the procedure of accident reporting. (DEFERRED)*
18. *An ordinance to amend Article III (Stormwater Management Utility) of Chapter 27 (Stormwater Management and Flood Control) of the Code of the City of Charleston, South Carolina, by eliminating the "Homestead Exemption" in Sec. 27-140(a), applicable to the payment of Stormwater Utility Fees; by deleting Sec. 27-132(j), (k), and (l), which contain certain findings associated with the adoption of the "Homestead Exemption" with respect to Stormwater Utility Fees; and to provide that the elimination of the "Homestead Exemption" in Sec. 27-140(a) shall not apply until January 1, 2020. (DEFERRED FOR PUBLIC HEARING)*

M. Bills up for First Reading:

1. An ordinance to amend Chapter 2, Article IV, Boards and Commissions to create a new Division Twelve (12) to be titled as "City of Charleston Storm Surge Protection and Feasibility Advisory Committee" **(To be sent under separate cover by the Resiliency and Legal Departments)**

N. Miscellaneous Business:

1. A City Council Workshop on the Army Corps of Engineers City of Charleston Peninsula Coastal Flood Risk Management Study will be held Thursday, February 18, 2021 from 3:00 p.m. to 5:00 p.m.
2. The next regular meeting of City Council will be Tuesday, February 23, 2021 at 5:00 p.m.

In accordance with the Americans with Disabilities Act, people who need alternative formats, ASL (American Sign Language) Interpretation or other accommodation please contact Janet Schumacher at (843) 577-1389 or email to schumacherj@charleston-sc.gov three business days prior to the meeting.



PROCLAMATION

WHEREAS; the City of Charleston wishes to recognize one of its most dedicated citizens, **JULIUS STEVEN BROWN SR.**, who was born on June 24, 1935 in Charleston, SC; and

WHEREAS; **JULIUS STEVEN BROWN SR.** is married to Betty W. Brown and together they have 7 children: Hester Marshall, Judy Brown, Julius S. Brown Jr., Carolyn Brown, Gertrude Mack, Jerome Brown, and Sherry Ivery; and

WHEREAS; **JULIUS STEVEN BROWN SR.** began his career in research in 1956 working with Dr. James Gavin at the Medical College of SC, now known as the Medical University of SC. He became certified as the Head Research Technician and trained medical students on testing medications; and

WHEREAS; **JULIUS STEVEN BROWN SR.** accepted a position with Dr. James Gavin in 1962 at the University of Florida at Gainesville as Head Research Technician. While there, he worked side by side with research doctors and pathologists, performing testing for different toxicities and viruses on animals; and

WHEREAS; in 1967, **JULIUS STEVEN BROWN SR.** took a position at the University of Missouri, where he worked with the Sinclair Research Farm. He worked with more than 1,000 monkeys, testing them for dental and drug research purposes, and worked with many doctors from all around the world; and

WHEREAS; over the years, **JULIUS STEVEN BROWN SR.** has been recognized with several awards and honors for his work in research, such as the Outstanding Animal Technician award given by the American Association for Laboratory Animal Science. He was also recognized by the University of Missouri and the Columbia Tribune for his outstanding contributions to research; and

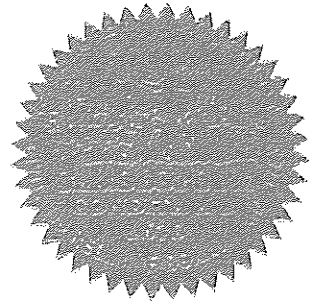
WHEREAS; the City of Charleston would like to recognize **JULIUS STEVEN BROWN SR.** for his years of dedicated service in the research field and for his exceptional contributions as an African American research specialist.

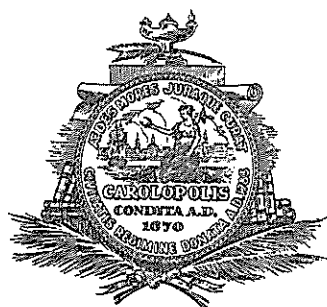
NOW, THEREFORE, I, John J. Tecklenburg, Mayor of the City of Charleston, do hereby proclaim Tuesday, February 9, 2021 as:

JULIUS STEVEN BROWN SR. DAY

IN WITNESS WHEREOF, I do hereby set my hand and cause the seal of Charleston to be affixed, this 9th day of February in the year of 2021.

John J. Tecklenburg, Mayor





RESOLUTION

WHEREAS, the City of Charleston wishes to recognize one of South Carolina's most distinguished citizens, **JAMES E. CAMPBELL**, who was born in Charleston, SC to James Campbell Sr. and Eva Juliette Jones Campbell on July 31, 1925; and

WHEREAS, **JAMES E. CAMPBELL** had three sons, Glenn, Gary and Paul T.R., and one daughter, DuBois; and

WHEREAS, **JAMES E. CAMPBELL** attended the Immaculate Conception School in Charleston and the Voorhees Normal and Industrial School in Denmark, SC; and

WHEREAS, in 1943, **JAMES E. CAMPBELL** was drafted into the Marine Corps and joined the 52nd Marine Defense, serving in the Pacific Theater during World War II. After the war ended, he attended Morgan State College in Baltimore, MD, but his studies were interrupted when he was called back for two years of active duty during the Korean War; and

WHEREAS, **JAMES E. CAMPBELL** returned to Morgan State College, where he graduated in 1953 with a major in English and a minor in Theater. After graduating, he helped organize the Arena Players, the only continuously running black theatre company in the United States; and

WHEREAS, in 1957, **JAMES E. CAMPBELL** relocated to New York to teach and became involved in the Civil Rights Movement. There, he met Malcolm X, with whom he created the Organization of Afro-American Unity's Liberation School; and

WHEREAS, **JAMES E. CAMPBELL** was the editor of *Freedomways*, a quarterly journal devoted to African American arts and culture, from 1970 to 1975; and

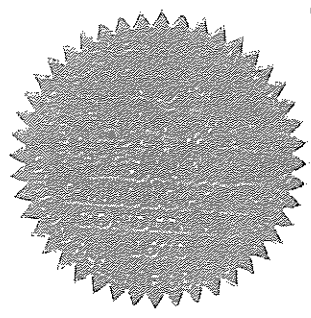
WHEREAS, **JAMES E. CAMPBELL** went on to teach English in Tanzania, first in Bihawana and later at the International School in Dar es Salaam, from 1973 to 1982. After teaching there for nine years, he returned to New York to work as a school administrator until his retirement in 1991; and

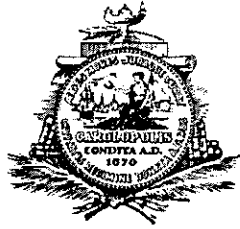
WHEREAS, after retirement, **JAMES E. CAMPBELL** moved back to Charleston, where remained active in local political and educational issues. He served as the state coordinator of the South Carolina Project, an advisory board member for the School of Education at the College of Charleston, and the chair of the Education Committee for the Charleston Branch NAACP; and

WHEREAS, **JAMES E. CAMPBELL** rightly earned the respect, admiration and high regard of all with whom he came into contact, and the City of Charleston has sustained a great loss in his death.

NOW, THEREFORE, BE IT RESOLVED THAT, I, John J. Tecklenburg, Mayor, City of Charleston, on behalf of all our citizens, hereby extend to the members of his family this expression of sincere regret for their loss, and hope that they will be consoled by the memories of his fine life and achievements.

John J. Tecklenburg, Mayor





City of Charleston

JOHN J. TECKLENBURG
MAYOR

MEMORANDUM

TO: City Councilmembers
FROM: John J. Tecklenburg, Mayor
DATE: February 9, 2021
RE: Housing Authority of City of Charleston Appointments

The Housing Authority of City of Charleston is governed by seven (7) commissioners. These commissioners are selected by the mayor and approved by City Council. The commissioners employ a President/Chief Executive Officer and, through that person, the remaining staff are employed to carry out the duties and responsibilities of the Authority.

I recommend the appointments of Gregory K. Voigt and Nick Schumacher. Mr. Voigt has served for several years on the WEH, Inc. Board which handles the Affordable Housing Trust for Williams Terrace and represents the Housing Authority on the Charleston Redevelopment Corporation Board. Mr. Schumacher has 20 years of experience in construction, development, and particularly finance which will be helpful as Charleston Housing Authority fully engages in the RAD program. They both meet the residency requirements of state law.

The following are my recommendations for the Housing Authority of the City of Charleston:

- Gregory K. Voigt – **New Appointment** – Commissioner – term expires 12/31/2026
- Nick Schumacher – **New Appointment** – Commissioner – term expires 12/31/2025

CRBN Cross-sector Collaboration Team

Item	Timeframe	Cost Est.	Priority: Weighted Summary
Cooper Street Extension Intersection improvement and signal relocation at Cooper and Meeting	2 years	\$ 2,000,000	773.3
Smokestack at Saint Julian Devine	1 year	\$ 800,000	762.5
Lec Street	2 years	\$ 1,500,000	736.7
General stormwater improvements	Multiple/ongoing over 10 years	\$ 15,000,000	723.3
Cooper Street Bikeway	1 year	\$ 1,500,000	721.7
Dutch Dialogues water management open space East of America Street	5 years	\$ 3,000,000	714.2
Morrison Drive	5-8 years	\$ 5,000,000	660.0
Sidewalk on Stuart Street (Hanover to America)	1 year	\$ 100,000	648.3
Land acquisition for affordable housing	Multiple/ongoing over 5-8 years	\$ 5,000,000	626.7
Marin Park	2 years	\$ 750,000	626.7
Trident parking deck (gap)	3 years	\$ 3,000,000	614.2
Grace Alley	2 years	\$ 250,000	608.3
On-street and Residential Parking Program (Area within Cooper, Brigade, Meeting, Morrison)	1 year	\$ 350,000	600.0
Lowline Phase 1A (Parka and Trails)	1 year	\$ 7,500,000	578.3
Huger Street (Phase 2) (Mid-block Crossing and Streetscape (King to Meeting)	3 years	\$ 2,450,000	575.0
America Street Bike Boulevard	3 years	\$ 100,000	573.3
CHA RAD public improvements	Multiple/ongoing over 5-8 years	\$ 2,400,000	548.3
Sidewalk on Cedar Street (Meeting to Hanover)	2 years	\$ 200,000	515.0
Lowline Phase 2	3 years	\$ 7,400,000	500.0
Surface parking lot below 1-26 at Shepard Street (Lowline Phase 1A Parking Lot with SW Inf)	1 years	\$ 550,000	483.3
Lowline Phase 1A (Park Building)	2 years	\$ 1,150,000	480.0
		\$ 60,000,000	

COOPER RIVER TIF DISTRICT PROJECTS

AFFORDABLE HOUSING

Housing Authority SCE&G Overhead Line Relocation	23,823	Already expended to allow Grace Homes project to move forward (\$22,073). Soil management plan by S&ME required per SCE&G because they weren't aware of VCC on our site (\$1,750).
Underground CRB Utilities	500,000	Tied to James Lewis Apts construction and agreement with Classic Development Company and Flat Iron Partners. Approved by CD Committee on 9/17/18 and reported out and approved by City Council on 9/26/18.
Cooper River Bridge Site / Environmental Remediation	1,000,000	Tied to James Lewis Apts construction and agreement with Classic Development Company and Flat Iron Partners. Approved by CD Committee on 9/17/18 and reported out and approved by City Council on 9/26/18.
Infrastructure improvement funding ask for lowline affordable housing parcel	1,500,000	Approved by CD Committee on 10/25/18 based on recommendation of H& CD and Planning. Project is outside of TIF District boundaries and must be addressed before funding can be spent.
TOTAL AFFORDABLE HOUSING PROJECTS	3,023,823	

DRAINAGE / STORMWATER

Cooper River Drainage Basin Study	432,135	AECOM Work Authorization #6 approved on March 10, 2020 by City Council.
Cooper River Bridge HUD CDBG MIT Grant Match	166,000	Future grant application (September 2020) for final design and permitting following AECOM basin study work.
Cooper River Bridge Drainage Improvements	2,994,723	Balance of funding for future construction.
King & Huger Drainage Phase 1 Design / Permitting	405,000	Funding for King & Huger drainage design/permitting of Phase 1 (surface drainage improvements) and preliminary engineering of Phase 2 (pump station). Existing set of tasks already being performed by JMT.
King & Huger SCRIA Grant Match	302,141	Intersection Surface Drainage Improvements, Phase 1 of project (Non-pump station related construction work). Grant has been awarded.
King & Huger Phase 2 Final Design / Permitting	450,000	Final design/permitting for Phase 2 Pump Station. Expected to come to Council in the next few months
TOTAL DRAINAGE / STORMWATER PROJECTS	4,750,000	

PEDESTRIAN SAFETY

Brigade Street Bikeway	300,000	Original allocation / estimate of \$725,000
Morrison Drive Edge Conditions	150,000	Cost estimating for project has not been done yet. \$150,000 is the funding that was originally allocated for Cedar, Comroy and Stuart Street sidewalks

TOTAL PEDESTRIAN SAFETY PROJECTS 450,000 Original total allocation was \$1 Million including \$725,000 for Bridge St and \$150 for various sidewalk projects.

COMMUNITY DEVELOPMENT / RECREATION	
St. Julian Devine Revitalization	2,250,000 Project is underway with various contracts already approved by Council. Full allocation needed at this time.
Cooper River Bridge Multi-Use Trail	750,000 Based on original recommendation of CD Committee. Amount minimized to get green space completed - Approved by CD Committee on 9/17/18 and reported out and approved by City Council on 9/26/18.
Hampstead Park Playground	152,972 Request made to Recreation Committee at 11/5/18 meeting. Per Mayor on 11/27/18 requested to use balance of funds to do project. Project is outside of TIF District boundaries and must be addressed before funding can be spent.

TOTAL COMMUNITY DEVELOPMENT / RECREATION 3,152,972

TOTAL OF PROJECTS 11,376,795

TOTAL BOND PROCEEDS 11,926,795

BALANCE 550,000
Balance is due to Engage Street Bikeway project in coming vasty under budget. Additional funding anticipated to be needed for Morrison Drive Edge Conditions.

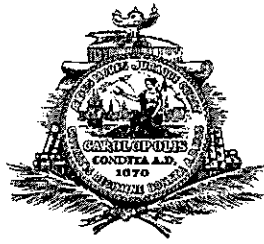
Bond Proceeds	
Bond Amount	12,000,000
Bond Issuance Costs	73,205
Available Bond Funds	11,926,795

Mixed-Use/ Workforce Housing (MU-2/WH) Report

January 2021



Geona Shaw Johnson, Director
Department of Housing and Community Development



John J. Tecklenburg
Mayor

Geona Shaw Johnson
Director

City of Charleston
South Carolina
Department of Housing & Community Development

MEMORANDUM

To: Mayor John J. Tecklenburg and Charleston City Council Members
From: Geona Shaw Johnson, Director, Department of Housing & Community Development
Re: Mixed Use Workforce Housing II-Fee-In-Lieu (FIL) Review
Date: January 20, 2021

This memo provides an update on the Mixed Use/ Workforce Housing (MU-2/WH) Zoning and the use of its Fee-In-Lieu option over the last three (3) years.

The MU-2/WH base zoning district was created 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”.

Developers who select the MU-2/WH Zoning benefit from unlimited density on a site. In choosing this zoning, the City currently requires developers to either:

- 1) Build twenty (20%) Workforce Housing with an affordability period of 25 years,
- 2) Pay a Fee-In-Lieu of \$5.10 of Gross Square Foot of the building, or
- 3) Provide land-in-lieu within two miles of the development.

The Fee-In-Lieu option was previously \$3.40/GSF for developments entitled prior to the changes enacted in December of 2017. Staff has analyzed MU-2/WH since its inception in 2017 and the subsequent changes in 2019 and found the following:

I. Developers (almost) unanimously decline to build workforce housing units & selected the Fee-In-Lieu option:

Thus far, fourteen (14) developments have pursued MU-2/WH zoning and 13 have chosen the Fee-In-Lieu option. The one developer who chose to build the units made a commitment to Councilmember Mitchell and decided to construct the apartments and provide five of those

apartments for persons at sixty (60%) percent at the Area Median Income (AMI). Despite the challenges the development community indicated the fee would present, developers see the Fee-In-Lieu option as the more profitable option. No developer has chosen the land-in-lieu option.

II. Factoring in all costs of development, the City can build a fraction of the units using Fee-In-Lieu income vs. developers building the units:

FEE-IN-LIEU INCOME	Amount	# of Projects	# WH Units Opted Out
Received income	\$8.5M	9	285
Anticipated income (2021)	\$2.6M	4	96
Revolving income	\$1.1M		
Total	\$12.2M	13	381

FEE-IN-LIEU EXPENDITURES	Amount	# of Projects	WH Units " All In Cost" (\$250k/unit)	WH Units "Facilitated"
Expenditures made	\$7.1M	5	28.3	237
Anticipated expenditures	\$5.1M	TBD	20.7	TBD
Total	\$12.2	TBD	49	TBD

As of January 10, 2021, the City anticipates receiving \$11.13M in Fee-In-Lieu income from developers (plus \$1.1M in revolving income). Developers opted out of building 381 apartments and instead paid into a fund for the City to expend the Fee-In-Lieu income as it sees fit, which included the ability to meet the needs of residents below the eighty (80%) threshold.

The City has thus far expended \$7.1M of the Fee-In-Lieu funds and has “facilitated” a projected 237 units through a combination of acquisition and subsidizing the development of workforce housing developments. However, these funds only represent a portion of the overall development costs.

As an example, the City’s \$3.3M acquisition of the Fenwick parcel is anticipated to “facilitate” 104 homes. This amount, however, does not factor in the substantial, additional City funding required for infrastructure, design, engineering and the construction of said homes on the site.

The estimated total development cost of one affordable unit is ~ \$250,000. At \$250,000 per unit, the \$7.1M of funds already expended builds approximately 28 units. With the \$12.2M in total anticipated Fee-In-Lieu income, the funds build approximately 49 units.

III. Missed opportunities to build affordable housing on the Peninsula:

Every development that has opted into MU-2/WH is located on the Peninsula, where there is an outsized need for affordable housing. Due to land costs and availability of parcels for sale, it may not always make sense to expend Fee-In-Lieu income on the Peninsula.

While the City has supported Grace Homes, the Lowline affordable housing site and the acquisition of 36 Cooper Street on the Peninsula, almost half of all Fee-In-Lieu dollars have been spent outside the Peninsula due to the cost of land.

IV. The City has potential to achieve longer affordability periods with the fee option:

City supported developments provide affordability periods longer than what is required of developers who would choose to build the workforce housing units themselves (currently a 25 year period).

The 237 units “facilitated” thus far range in affordability periods of 50 years up to perpetuity and account for a greater total number of affordable years than if the developer had built them. Again, when you consider the number of units at the all-in cost of \$250,000 per unit, the number of affordable years roughly half of the total had the developer constructed the apartments.

V. The value of the Fee-In-Lieu lessens with time:

The current policy does not reflect any increases in inflation. There has been an estimated 4.51% increase in inflation since the ordinance was approved and the Federal Reserve forecasts 1.6% and 1.7% inflation in 2021 and 2022. Should the City of Charleston determine it is best to continue offering the Fee-In-Lieu option, an assessment should be conducted to evaluate an appropriate increase in the fee amount, whether it is attached to inflation, Consumer Price Index, Area Median Income, or other measures.

VI. Rental developments versus for-sale developments:

The City of Charleston has utilized the fee-in-lieu funding to support the development of both rental and for-sale housing in the City of Charleston. There are opportunities and challenges with both options. Rental developments cost less to construct due to the ability to spread/leverage those expenses over a larger number of homes. For-sale developments may prove more costly upfront. However, upon the sale of the for-sale home; a portion of the investment is returned and can be reinvested to continue efforts of producing rental and for-sale housing. Utilizing the Fee-In-Lieu funding instead of federal funding provides the opportunity to begin construction more quickly due to the number of requirements related to the federal dollars.

Historically, the City of Charleston has collaborated with the City’s Public Housing Authority and non-profit organizations, like Humanities Foundation to produce affordable rental housing. Fortunately, the City has included an additional partner, the Charleston Redevelopment

Corporation to construct rental and for-sale housing and through its Palmetto Community Land Trust can provide affordability for perpetuity.

VI. An increase in the Fee-In-Lieu could encourage developers to build units on-site

Developers choosing the Fee-In-Lieu option is likely the result of the fee being too low. By increasing the fee, the City would encourage developers to consider building workforce units. This would likely result in additional workforce units in the City, with more units built on the Peninsula.

Increasing the fee amount would also allow the City to facilitate more workforce units with the Fee-In-Lieu income received. For example, if the City had set the Fee-In-Lieu at \$7.65/GSF at the inception of MU II and each developer had still chosen the Fee-In-Lieu option, it would have resulted in \$23.2M in total payments. This can be compared to the actual total payments of \$11.13M (a combination of grandfathered projects at \$3.40/GSF and those at \$5.10/GSF).

VIII. Conclusion

Fee-in-lieu funding has proven essential to producing affordable housing in the City of Charleston. The funds represent the first non-federal source of funds solely dedicated to advancing the production and accessibility of affordable housing in the Charleston community. In light of the need for affordable housing and funding to ensure its continued production, staff would ask that the Mayor and Council consider an increase in the Fee-In-Lieu rate. Again, the intent behind the creation of MU-2/WH was "...to promote a mixture of housing opportunities within a single development..." This has not been accomplished under the current structure of MU-2/WH. Staff will make itself available to work with you in determining appropriate changes.

Payments

Paid											Vs. Fee In Lieu Option (\$250,000 per unit)	
Project	GSF	Cost/GSF	Total Units	WH Units Offset	Affordable Years	% of units	Total Fee	Year Paid	Fee per Unit	WH Units	Affordable Years	
28 Woolfe St - Skygarden			102	16	160	15%	\$520,588	2017	\$32,537	2.1	104.1	
99 WestEdge	302,151	\$3.40	237	36	360	15%	\$1,027,313	2018	\$28,536	4.1	205.5	
465 Meeting - Courier Square	417,458	\$3.40	226	34	340	15%	\$1,419,357	2018	\$41,746	5.7	283.9	
10 WestEdge (Grocery subcontracted)	461,311	\$3.40	350	53	530	15%	\$1,568,457	2019	\$29,594	6.3	313.7	
601 Meeting St (Lofts) (East Central Ph I & II)	412,249	\$3.40	346	52	520	15%	\$1,401,647	07/2019	\$26,955	5.6	280.3	
102 Sottile St - The Merchant (Brigade Ph II)	261,820	\$3.40	231	35	350	15%	\$890,188	10/2019	\$25,434	3.6	178.0	
511 Meeting St										0.0	0.0	
Providing WH Units												
595 King - Hoffer Place Student Apts	120,251	\$3.40	74	12	120	15%	\$442,330	12/2019	\$36,861	1.8	88.5	
287 Huger St - Newmarket Apts	192,957	\$3.40	190	29	290	15%	\$656,054	12/2020	\$22,623	2.6	131.2	
530 Meeting St - Summit Place	166,324	\$3.40	118	18	180	15%	\$570,112	12/2020	\$31,673	2.3	114.0	
Subtotal			1,874	285	2850		\$8,496,046			34.0	1699.2	
Pending Payment											Vs. Fee In Lieu Option (\$250,000 per unit)	
Project	Approx. GSF	Cost/GSF	Total Units	WH Units Offset	Affordable Years	% of units	Approx. Total Fee	Expected	Fee per Unit	WH Units	Affordable Years	
20 Romney St - Foundry Pt (Brigade Ph I)	316,632	\$3.40	276	42	420	15%	\$1,076,549	2020	\$25,632	4.3	215.3	
577 Meeting St	113,027	\$5.10	118	24	600	20%	\$607,751	2021	\$25,323	2.4	121.6	
695 Meeting St at Romney St	36,920	\$5.10	34	7	175	20%	\$188,292	2020	\$26,899	0.8	37.7	
31-32 Laurens St	225,311	\$3.40	148	23	230	15%	\$766,057	2021	\$33,307	3.1	153.2	
Subtotal			884	96	1425		\$2,638,649			10.6	527.7	
TOTAL	3,026,411		2,758	381	4,275		\$11,134,695			44.5	2226.9	

Expenditures

EXPENDITURES	FIL Amount	Units Facilitated
Maryville Construction	\$771,800	7
Lowline (Parcel B) Acquisition *	\$520,588	55
City of Charleston Housing Authority (Grace Homes)	\$1,800,000	64
Katrina Cottages Project	\$666,215	3
Purchase of Fenwick Property, Johns Island *	\$3,311,163	104
Acquisition of 36 Cooper Street*	\$68,499	4
Appraisal - 5.41 acres on Ashley Hall Road	\$1,200	
Geotech Exploration - 5.41 acres on Ashley Road	\$7,320	
Forsberg Engineering - 5.41 acres on Ashley Road	\$1,671	
Total	\$7,148,456	237

*Estimated # of units