

Committee on Real Estate

January 24, 2022

A meeting of the Committee on Real Estate was held this date beginning at 3:34 p.m. over video conference call.

Notice of this meeting was sent to all local news media.

Present: Councilmember Appel, Chair, Councilmember Shahid, Councilmember Waring, and Mayor Tecklenburg. **Also Present:** Leigh Bailey, Philip Clapper, Julia Copeland, Melissa Cruthirds, Matthew Frohlich, Rick Jerue, Tracy McKee, Christopher Morgan, Mallary Scheer, Velvett Simmons, and Amy Wharton.

Chair Appel called the meeting to order.

The meeting was opened with an invocation provided by Councilmember Shahid.

Approval of Minutes

On the motion of Councilmember Shahid, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the January 10, 2022 meeting.

- a. **An ordinance to authorize the Mayor to execute a permanent right-of-way and utility easement to the Commissioners of Public Works as part of the new force main for the Credit One Stadium. (TMS No. 275-00-00-078)**

Ms. Copeland said there had been one revision to the plat from the developer by CWS' request. There was now an additional fifteen feet that connected the pipe to the force main. The easement language in the document itself had not changed, it was only the plat that now showed that additional section.

Chair Appel thanked Ms. Copeland.

On the motion of Councilmember Waring, seconded by Councilmember Shahid, the Committee voted unanimously to approve Item A.

- b. **Request approval of the Port Facility License Agreement between the City of Charleston and the South Carolina State Ports Authority ("Ports Authority") for use of Building 313 at the Union Pier Terminal for the purpose of storing the Fire Department's marine firefighting and rescue equipment. (32 Washington St., Charleston, SC (Union Pier Terminal, Building 313) (TMS No. 459-13-02-035). The property is owned by the South Carolina State Ports Authority.**

Ms. Bailey said Item B was a license agreement with the Ports Authority. They would be allowing the Fire Department to use a portion of one of their warehouses for rescue equipment storage. It would be a month-to-month agreement, and there would be no license fee, rent, or any other funding needed for the agreement.

On the motion of Councilmember Shahid, seconded by Councilmember Waring, the Committee voted unanimously to approve Item B.

- c. **Request that City Council authorize the Mayor to execute the necessary documents for the re-purchase of 3 Drows from the Estate of Lillian A. Miller for \$171,504. The property will be rehabilitated and sold for its original purpose - affordable homeownership opportunities for persons whose income does not exceed 120 percent of the Area Median income. The cost of the acquisition of this will be borne**

from the Fee-in-lieu account. (3 Drews Court, Charleston, SC) (TMS No. 459-05-01-056)

Ms. Johnson said the property in Item C was a home that had been developed under the First-Time Homeownership Initiative. The client who had initially purchased it had passed away. Her daughter, who was the executor of her estate, wanted to sell the property to the City of Charleston.

Normally, such properties were sold directly to another first-time home-buyer. In this case, there were some maintenance items that needed to be handled. There was an estimate of around \$32,000 for the repairs. That would come from the estate's proceeds, and would be used to bring the property into a better state. Once that was done, the property would be re-sold to another first-time home-buyer.

Such properties had 90-year restrictive covenants, with two ten-year restrictive covenants following that.

On page 2, the permanent subsidy referenced there did not go to the current buyer or the estate, but to the subsequent buyer. The permanent subsidy remained with the house in perpetuity.

Chair Appel thanked Ms. Johnson for the information.

Councilmember Shahid asked Ms. Johnson what would have happened with the estate in regard to the property had it not been decided that it would be sold back to the City.

Ms. Johnson said the restrictive covenants would have remained; they did not go away for the full 90 years. Typically, when someone passed away, they were notified, and they then contacted the family. The family needed to maintain it for its initial purpose. If they did not do so, the City would then begin negotiations to determine what actions they could and should take.

Councilmember Shahid said the burden was on the estate to resell the property consistent with the restrictions.

Ms. Johnson said that was correct. The City would normally assist, as there were usually buyers lined up. Once the repairs were done, there were several people that had been pre-qualified that could likely purchase the property. Those funds would then roll back into the account they were originally pulled from.

Mayor Tecklenburg said what he was going to say might have been more appropriate for Community Development, but he said the situation had occurred several times over the course of his tenure as mayor, where even though there had been protective covenants in place that kept a property affordable, there had been no protection about the maintenance of the property itself. There was another property on Cooper Street that the City had needed to buy back, and it was in terrible shape. The roof had been leaking for years. With some attention, it could have been much less of a liability when it came back to the City than it had been. In this case, the City had the proceeds from the estate to cover the repairs, but he said it would not have been unreasonable to have some kind of minimal inspection every 5 or 10 years.

Ms. Johnson said that was a good point. They had it in the covenants that the owners were supposed to maintain the properties. In both cases, where they had run into difficulties was when the owner had died, and their children had taken over. For their new builds, they would be adding a special provision or cost, whereby there would be additional effort taken on, on the part of the City, to ensure that the property was maintained.

On the motion of Councilmember Waring, seconded by Councilmember Shahid, the Committee voted unanimously to approve Item C.

a. **Please consider the following annexation:**

- (i) **2309 Lazy River Drive (0.46 acre) (TMS# 310-14-00-017), West Ashley, (District 11). The property is owned by Seel Living Trust.**

On the motion of Councilmember Shahid, seconded by Mayor Tecklenburg, the Committee voted unanimously to approve Item A(i).

Mayor Tecklenburg wanted to let everyone know that Seacoast Church had opened a warming shelter in West Ashley. He said they had an incredibly caring group of volunteers, and great facilities. There was one man who had been there for two or three nights, and they had helped him to find a job and move along to a better place.

Chair Appel said the City did many things besides warming shelters to help the homeless, as well. He said he and his wife had volunteered, and he found that there was a perception of who homeless people were, but he would never forget that so many of the people that he had seen check in that evening were wearing work clothes and work boots, coming off of construction sites and doing other jobs in the community. There were many different people who unfortunately fell into tough situations.

Having no further business, the Committee adjourned at 3:50 p.m.

Philip Clapper
Clerk of Council's Office

