



Community Services and Land Use Committee Affordable and Workforce Housing Workshop

Beaufort County, SC

Council Chambers, Administration Building Beaufort County Government Robert Smalls
Complex 100 Ribaut Road, Beaufort

Monday, November 13, 2023
1:30 PM

MINUTES

Watch the video stream available on the County's website to hear the Council's discussion of a specific topic or the complete meeting. <https://beaufortcountysc.new.swagit.com/videos/280792>

1. CALL TO ORDER

Committee Chair Howard called the meeting to order at 1:33 p.m.

PRESENT

Chair Alice Howard

Vice-Chair York Glover

Council Member Paula Brown

Council Member Gerald Dawson (arrived late)

Council Member Lawrence McElynn

Ex-Officio Joseph F. Passiment

Council Member Thomas Reitz (arrived late)

Council Member Anna Maria Tabernik

ABSENT

Council Member David P. Bartholomew

Council Member Logan Cunningham

Council Member Mark Lawson

2. PLEDGE OF ALLEGIANCE

Committee Chair Howard led the Pledge of Allegiance.

3. FOIA

Committee Chair Howard noted that public notification of this meeting had been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act.

4. APPROVAL OF AGENDA

Motion: It was moved by Council Member Passiment, seconded by Committee Vice-Chair Glover, to approve the agenda.

The Vote – The motion was approved without objection.

5. CITIZEN COMMENT PERIOD

No citizen comments.

6. DISCUSSION AFFORDABLE AND WORKFORCE HOUSING: WHERE ARE WE, WHERE DO WE WANT TO GO, AND HOW DO WE GET THERE

Please watch the video stream available on the County’s website to view the overview provided by Interim County Administrator Robinson.

<https://beaufortcountysc.new.swagit.com/videos/280792?ts=53>

Interim County Administrator Robinson commented that workforce housing will be one of the major focus areas in Beaufort County’s strategic plan, as the County needs to find a sustainable solution that carries workforce housing well into the future. Mr. Robinson also introduced the speakers for the workshop, including Wendy Zara, Chair of the Beaufort Jasper Housing Trust, and Jeremy Cook, an attorney with Haynsworth Sinkler Boyd.

Please watch the video stream available on the County’s website to view the overview provided by Wendy Zara, Chair of the Beaufort Jasper Housing Trust.

<https://beaufortcountysc.new.swagit.com/videos/280792?ts=172>

Wendy Zara provided an overview of the creation of the Beaufort Jasper Housing Trust, the partnership with Community Works, the decision to incorporate as a 501c3, and the loan provided to a developer for workforce housing development.

Council Member McElynn confirmed with Ms. Zara the loan amounts provided by the Beaufort Jasper Housing Trust and Community Works to the developer. Council Member McElynn and Ms. Zara also discussed the rate provided for the loan.

Please watch the video stream available on the County’s website to view the overview provided by Dana Totman, Interim Executive Director of the Beaufort Jasper Housing Trust.

<https://beaufortcountysc.new.swagit.com/videos/280792?ts=443>

Dana Totman provided an overview of his background and interest in addressing affordable housing issues.

- Need workforce housing, senior housing, and home repair. The needs are different in various parts of the county (rural versus more populated). Needs are different through Beaufort and Jasper County.
- Looked at the applications – requests for proposals last May. 5 or 6 entities that responded. Beaufort-Jasper would provide loans of 500 thousand, and Community Works would provide loans of 1 million/1.5 million. Ultimately, a couple dropped out, and others are still in the works – Carrington Manor one is proceeding – 62 senior units; home ownership project in Hilton Head; and rental workforce development in Okatie that involves a partnership with a hospital and private developer. That would be around 180/200 affordable homes combined. Also, some geographic diversity and seniors/young people.
- Relationship with Community Works – should they decide not to fund a project or to create different parameters that affect our 500-thousand-dollar loan? Need to spend time with Community Works to examine the applications closely & to work with the Board on making the financial decisions.
- How do we develop the appropriate criteria and some uniformity for the applications? Need to provide informed guidance on how to best spend and make our investments going forward.
- Important to have good working relationships with the different layers of government – state and federal.

- 8 board members, 9 seats as one is vacant. Serving as a part-time interim staff. Not enough – need more capacity – whether it is more board members or staff. Need to up capacity to fulfill requirements and demands to create a fully functioning and impactful non-profit.

Council Member Passiment: does Community Works want to end its relationship with the housing trust, and would the trust deal with that by expanding the membership and staff to replace what Community Works is currently doing? Totman: that is generally accurate; they are in Greenville. So, providing adequate support to the board and stakeholders with an interest in affordable housing is hard & they want to end the relationship. In the original bylaws/IGA was the idea that the trust would incorporate and become a 501c3, hire its own staff and have different approaches to how it is administered. Zara: It was a mutual decision on the part of the Housing Trust and Community Works; they realized that the Housing Trust, to move forward faster, needed to have its own staff. Did not have a person on the ground locally that could be responsive quickly to questions. Passiment: money already expended for the first project – the million from community works, how will that money be handled? Zara: the loan has not closed, so the money has not been spent yet; we will continue to close the loan; going forward, we may have our own contract with Community Works to do the underwriting and service the loans.

Committee Vice-Chair Glover: talk about different categories and the areas being vast. What would be the approach to address the needs of rural areas? Totman: much of the funds from the federal and state governments are skewed toward non-rural areas – projects of a certain scale may require water and sewer. The strategies for rural areas – need to work with local officials, and home repairs may be important; want people in the community to articulate their needs – can be harder because not of a large scale, but people have needs in the rural areas, so need to work with the local officials to develop the appropriate response.

Please watch the video stream available on the County’s website to view the overview provided by Jeremy Cook, an attorney with Haynsworth Sinkler Boyd.

<https://beaufortcountysc.new.swagit.com/videos/280792?ts=1706>

- This is a growing area of need across the state. Need for affordable, attainable & safe housing. Part of a long-term strategic plan. Need to determine the approaches you are willing to consider and support, like whether the County is willing to incur debt to provide these kinds of services (issuance of general obligation bond; would need additional mills to pay the debt – so would need to raise taxes). Is the County willing to issue general obligation bonds to provide attainable housing?
- Discussed what other cities have done – Charleston, Greenville to address affordable housing.

Council Member McElynn and Mr. Cook discussed the source of funding – it would be general dollar funds and would not have to be limited to ad valorem taxes.

- Can issue general obligation bonds without a referendum – up to 8% of your assessed value. Would raise whatever taxes are needed to pay it back.
- Multi-county parks would designate certain properties with the parks; the county decides how the money is distributed. Would allow credits to be given for specific projects.
- Tax increment financing – TIFs. Used most successfully in areas where there is not yet development, or there is underdevelopment – would be either developed or redeveloped. If already fully developed, it may be an incremental increase, but not a lot of increase left to come. TIF is a tool the County and City of Beaufort have used before. It can be a very successful tool, particularly in an area that is undervalued.
 - Provided an overview of the City of Beaufort’s TIF --- had a Boundary Street TIF.

Committee Chair Howard mentioned that you could use the previous year's funds from the accommodation tax – don’t think that is possible for us, which surprised me. Cook: you would have to show you are satisfied with the 15% test. Could see that being the case, but have not seen that.

Council Member Tabernik: when discussing the 15% of using a tax, there were a lot of hoops to jump through. Is there any way that would be relaxed? Cook: this is brand new, so reasonable to think that we would get broader and deeper in the use of that. When new tools are opened to local governments, sometimes there is a natural reticence to set parameters/restrictions.

- Development of Workforce Housing Bill that allows the use of revenue from local accommodations tax for the development of workforce housing.

Council Member Passiment asked about the City of Greenville – they put up money that was then used to get a larger loan. When we established the housing trust, each of the entities put up a sum of money and pledged a sum of money over a ten-year period. Could we leverage that to borrow money? Leverage our portion in the same manner as the City of Greenville. Cook: who is that money going to today? Passiment: right now, it sits with the housing trust. The money that is there could we use the money Beaufort County contributed to leverage a much larger loan. Cook: would need to think about what that would look like going forward. It sounds like it would be the same model as Greenville.

Council Member Dawson: when we look at the consideration of applicants applying for affordable homes and consider the percentage the application would be required to match. At 60% medium income, there is a 60% required match. At 80%, there is a 20% required match. Included in the backup materials. Keaveny refers to Greenville County's multi-county park project. Cook: those we decisions made by Greenville County – just an example and would not limit what Beaufort County could do. Keaveny: can set parameters however we want to.

Committee Vice-Chair Glover: Assumes they will get with the administration to give some suggestions for Beaufort County to move forward – various approaches and the best approach to move forward. Will depend on expertise to guide me. Cook all in on that. Present all the options but want to tailor them to make sure they are a good fit for the Council – interested in getting feedback on options going forward. Explaining what they have seen work and helping figure out what would work for Beaufort County.

Council Member McElynn mentioned water and sewer, and a lot of places where we may need to build workforce housing do not have water and sewer. You made a connection of how to provide water and sewer in addition to engaging in building workforce housing. Would you be able to clarify the connection between water and sewer development and workforce housing? Cook: talking specifically about the TIF because water and sewer would qualify for that. Would look at the impediments to property being developed. Could also do general obligation bonds to extend water and sewer lines.

Council Member Dawson: availability of water and sewer. If water and sewer are prohibited (found mostly in rural parts of the county) and the only source is a private well. To confirm, would the construction of the home not be prohibited because water and sewer are not applicable? Cook: you don't have to have water and sewer (could have a well and septic tank), but water and sewer infrastructure itself could be financed through some of the things we have talked about.

Interim County Administrator Robinson: will come to Council for guidance during the staff's strategic planning process.

Please watch the video stream available on the County's website to view the overview provided by Hank Amundson, Special Assistant to the County Administrator.

<https://beaufortcountysc.new.swagit.com/videos/280792?ts=3668>

- A couple of updates – focused on quick options that would involve land contribution or where the public entity buys or previously owns the property – could contribute it through a long-term land lease or transfer it with covenants and restrictions.
- Current projects: Buckwalter Parkway and Ribaut Road (TCL Properties)

- Buckwalter: earlier this year, the Council authorized the administrator to put this property under contract. Informed that there were no residential dwelling units on that property. This is where the bulk of the work has gone. The town of Bluffton is in favor of this project. Partnered with Beaufort Memorial Hospital because they need workforce housing. To establish residential dwelling units, collaborated with the Town to get units and more medical office offerings.
 - Have plans. The town has a partnership with Woda Cooper. Staff requested 120 units. Will go to the town council and ask the town to contribute the units. Then the County could partner with them on the portion of land that would be for affordable housing. Mix between 40, 60, and 80% AMI. Ask for the County to a long-term lease, would have to figure out how the ownership structure works – would get a medical office and affordable housing.
 - Would be apartments with 120 total units.

Committee Vice-Chair Glover: if we move forward with development, it would be environmentally sensitive, right? Amundson: Absolutely. A lot of moving parts engaged Ward Edwards to do site planning. Have a revisit of the wetlands delineation map currently going on. Committee Vice-Chair Glover and Amundson also discussed the time horizon that would need to be negotiated in terms of the transfer of the property. Woda Cooper company would own and operate the rental portion and their mission is affordable housing. So, could work with a longer time horizon for the affordable housing offering.

- TCL Properties: The hospital would make a proposal to re-develop the properties. It would be dedicated to medical employees. The other one would be open even though it's adjacent to the actual medical office – to be managed by Woda Cooper, it is open to everyone. Will be bringing a proposal – would be some attached and detached to fit within the neighborhood. Still determining the number of units.
 - Initial re-development planning under previous leadership was met with resistance from the neighborhood.
 - Beaufort Memorial Hospital is interested in a dedicated medical housing facility.
 - Beaufort Memorial Hospital is finalizing a proposal to present to the Council that would redevelop the properties into a mix of attached and detached workforce units.
 - Preliminary discussions with the City of Beaufort showed favorable support.

Please watch the video stream available on the County's website to view the overview provided by County Attorney Brittany Ward.

<https://beaufortcountysc.new.swagit.com/videos/280792?ts=4251>

- Took over to discuss Justice Square (Wilmington/King Street).
- This property was approved for sale in October 2022. Have been working with the developer Wheeler & Wheeler. Last week, they got their final approval from the City of Beaufort's HRB.
- Presented the proposed conceptual plan. Justice Place will be a renovation of the historic jail; the cottages of Justice Square will be 12 to 14 single-family homes (300k price range); Justice Park will be workforce housing (39+ units).

Committee Chair Howard: Do you know the length of time? Ward: due to state and federal funding, it would be a year, and then construction will start then. Will be done in phases. Single-family homes – planning to do six (Council approved 7 to be built) prior to starting affordable housing. Construction on the remaining single-family homes is contingent on all the affordable housing units being built. Howard: what are the terms for how long it must remain affordable housing? Believe it was 25 years. SRDP was at 30. And maybe 35.

Glover: would be rental units? Yes.

Passiment: Would the renovation of the jail be for apartments? Ward: Yes, they will be condo units. Not sure when those will be completed.

Glover: 30 years would be the minimum I would want to support.

Robinson: It may be beneficial for the county to hire someone to work on workforce housing projects full-time. The Committee agreed that would be helpful.

7. ADJOURNMENT

Adjourned: 2:53 p.m.

Ratified: February 12, 2024