

**RICHLAND COUNTY  
AFFORDABLE HOUSING AD HOC  
COMMITTEE  
AGENDA**



**TUESDAY MAY 7, 2024**

**3:00 PM**

**COUNCIL CHAMBERS**

# Richland County Council 2024-2025



Deirrek Pugh  
District 2  
Vice Chair



Jason Branham  
District 1



Gretchen Barron  
District 7



Yvonne McBride  
District 3



Paul Livingston  
District 4



Allison Terracio  
District 5



Don Weaver  
District 6



Overture Walker  
District 8



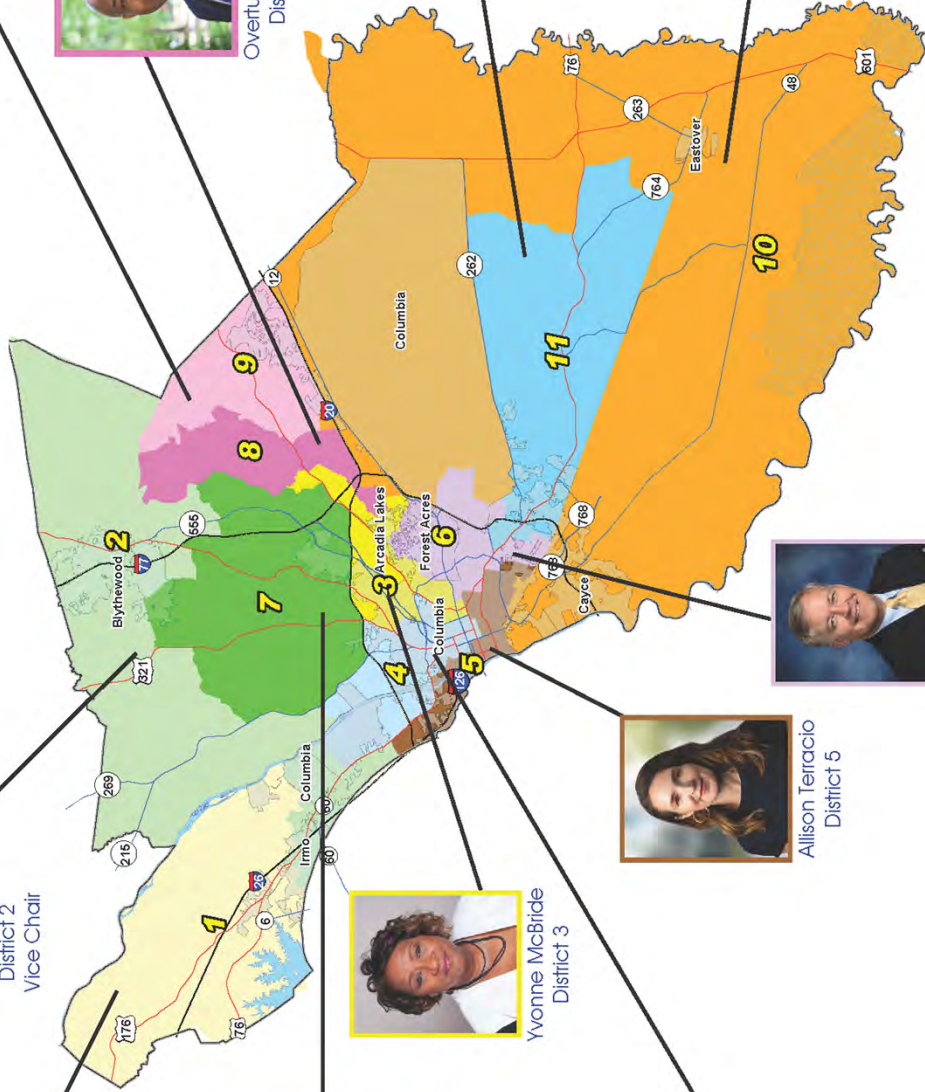
Chakisse Newton  
District 11



Cheryl English  
District 10



Jessica Mackey  
District 9  
Chair





**Richland County  
Affordable Housing Ad Hoc Committee  
AGENDA**

May 7, 2024 - 3:00 PM  
2020 Hampton Street, Columbia, SC 29204

The Honorable Allison Terracio, Chair	The Honorable Don Weaver	The Honorable Gretchen Barron
County Council District 5	County Council District 6	County Council District 7

- |           |   |                                |
|-----------|---|--------------------------------|
| <b>1.</b> | <b><u>Call to Order</u></b>                                     | The Honorable Allison Terracio |
| <b>2.</b> | <b><u>Approval of Minutes</u></b>                               | The Honorable Allison Terracio |
|           | a. March 19, 2024 <a href="#">[PAGES 4-7]</a>                   |                                |
| <b>3.</b> | <b><u>Adoption of Agenda</u></b>                                | The Honorable Allison Terracio |
| <b>4.</b> | <b><u>Items for Discussion/Action</u></b>                       | The Honorable Allison Terracio |
|           | a. Affordable Housing Fundamentals <a href="#">[PAGES 8-26]</a> |                                |
| <b>5.</b> | <b><u>Adjournment</u></b>                                       | The Honorable Allison Terracio |



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Richland County Council  
Affordable Housing Ad Hoc Committee Meeting  
**MINUTES**  
March 19, 2024 – 2:00 PM  
Council Chambers  
2020 Hampton Street, Columbia, SC 29204

COUNCIL MEMBERS PRESENT: Allison Terracio, Don Weaver, and Gretchen Barron

OTHERS PRESENT: Paul Livingston, Cheryl English, Derrek Pugh, Jesica Mackey, Anette Kirylo, Patrick Wright, Tamar Black, Ashiya Myers, Angela Weathersby, Kyle Holsclaw, Michelle Onley, Lori Thomas, Susan O’Cain, Maddison Wilkerson, Jackie Hancock, Jennifer Wladischkin, Stacey Hamm, Chelsea Bennett, Aric Jensen, Sarah Harris, Callison Richardson, Zach Cavanaugh, and Geo Price

1. **CALL TO ORDER** – Councilwoman Allison Terracio called the meeting to order at approximately 2:00 PM.
2. **ADOPTION OF AGENDA** – Ms. Barron moved to adopt the agenda as published, seconded by Mr. Weaver.  
In Favor: Terracio, Weaver, and Barron  
The vote in favor was unanimous.
3. **ELECTION OF CHAIR** – Ms. Barron moved to nominate Ms. Terracio for the position of Chair, seconded by Mr. Weaver.  
In Favor: Terracio, Weaver, and Barron  
The vote in favor was unanimous.
4. **ITEMS FOR DISCUSSION/ACTION**
  - a. **Affordable Housing Definitions** – Ms. Terracio stated it is important that we know what we are talking about when discussing affordable housing. The definition in the agenda packet on p. 5 is a somewhat a limited definition of affordable housing. She suggested to look into the definition the City of Columbia utilizes: “Affordable housing is a continuum of equitable, inclusive, and quality rental and homeownership opportunities for people at every income level, which is critical to creating safe, complete, and thriving communities.”  
  
Ms. Barron indicated she liked the definition because it provides some continuity as it relates to the City of Columbia and the county. It will alleviate any confusion locally when people are talking about affordable housing. The definition is somewhat different from some of the definitions in the agenda packet, however, it is close enough to get us where we are trying to go.  
  
Mr. Livingston noted that one helpful thing with this definition is that it does not tie us down.  
  
Ms. Terracio responded she specifically wanted to avoid talking about income restrictions. We can refer to the 30% number when doing our calculations as a benchmark, but she does not think it needs to be limiting in our definition.  
  
Ms. Barron moved to accept the definition recommended by Ms. Terracio, seconded by Ms. Terracio.  
  
In Favor: Terracio, Weaver, and Barron  
  
The vote in favor was unanimous.

- b. Project Scope – Mr. Leonardo Brown, County Administrator, noted when the discussion began about putting aside a certain portion of the ARPA funding, there were conversations about what it might look like. These conversations included such things as providing monetary assistance to agencies within the community that already do affordable housing work, converting unused space to available space, or even investing in a fund. Since then, we have heard about acquiring older properties (i.e., hotels) and converting them into affordable spaces.

Assistant County Administrator Lori Thomas indicated she has had conversations with Council members regarding down payment assistance or forgivable loans. We have seen those in several municipalities to encourage homeownership, instead of rentals.

Assistant County Administrator Aric Jensen stated one of the key things to understand is that affordable housing is effectually a commodity, and supply and demand are at play. Housing affordability will be affected as we strengthen our community with economic development.

Ms. Terracio would like to look at naturally occurring affordable housing and see if we can create a policy around preserving places that are already affordable and helping them stay that way.

Ms. Barron inquired what type of expert we should bring in to facilitate a work session on this matter. There have been many who have approached her as “experts,” but she would like someone to come in who is an expert and not biased. She suggested maybe looking at one of the local universities that have done some studies, specifically Richland County's and the surrounding areas, to determine our needs.

Ms. Terracio indicated we need to get down to some numbers (i.e., How many permits are we issuing? How many are multifamily?) Something else she would like to know is if we can do a hotspot around where our naturally occurring affordable housing is and how we can help preserve it. She would like to explore some different approaches as to how we use the funding. For instance, what is your end of the bargain if you use some of the budget? How long will you keep the unit(s) affordable in the future?

Mr. Weaver inquired if we still have the \$4M from the ARPA funds.

Ms. Terracio responded those funds were reallocated to the General Fund to be spent in the area of affordable housing.

Mr. Weaver recommended inviting some of the cities and other counties to weigh in on what they have tried to address affordable housing. He noted Charleston is going through the same thing with affordable housing. They cannot keep workers downtown because the cost of housing is so high that they have to bus them in from the surrounding areas. He suggested we look at what they are doing in this area.

Ms. Mackey stated she believes this is a two-phase approach. There are some things we can get started right now. The ad hoc committee and conversation are ongoing and continue to evolve as our community evolves. We do not have to solve all of the problems right now. She noted at the recent South Carolina Association of Counties (SCAC) “County Connect” conference, there was a panel on affordable housing. Each county spoke to things they are doing, but she thinks it is important to be unique and meet your county’s needs. Once we identify what we want to focus on, we can look at lessons learned from other counties. She does not want to mimic another county because their needs are different from ours.

Mr. Livingston reiterated the urgency for us to utilize our current funding instead of spending six months developing a plan. Then to obtain some baseline data as it relates to Richland County. The only way we will achieve what Ms. Mackey mentioned is by understanding what we really need.

Mr. Weaver stated he recalled there was a deadline on the \$4M in funding.

Mr. Brown replied one of the reasons Council took action to remove the limitation, by allowing funding to be put into the General Fund, is so you will have time to determine how to expend the funds.

Mr. Livingston declared his goal would be to prioritize homeownership, get individuals to engage in affordable rental facilities, and assist current homeowners with repairs.

Ms. Mackey noted we need to be able to clearly state to staff what we would like to start with. We need to be able to provide them with a framework of the key areas. Do we want to focus on homeownership for teachers, firefighters, etc.? She mentioned that Ms. Thomas suggested down payment assistance. Ms. Thomas could give us options for the teachers and public safety officers. Do we want to focus incentives for developers to increase the availability of affordable housing in the market?

Ms. Barron remarked that the upkeep and repairs of current properties fall in line with some of the other grant programs the county has in place. She would like us to hone in on homeownership and affordable rental projects. She observed that homes are being purchased by these big companies that are charging \$3,000/month for an 1100 sq. ft. home. The community members cannot afford these rents and are being forced out of the community they once knew. She would support the improvement of homeownership by looking at income as the driving force.

Ms. Terracio inquired if Ms. Barron had any thoughts about what percentage or if she would prefer staff to provide us with those numbers.

Ms. Barron responded staff could provide us with the best practice(s) for a place similar to Richland County for that amount.

Mr. Weaver expressed that we could do something akin to what State housing does. If they give you \$5,000-\$10,000 for down payment assistance, it creates a lien on the property. Then, when you go to sell the property, you pay State housing back. That is a way for us to keep the money flowing.

Ms. Barron acknowledged that she liked Mr. Weaver's idea, but we have to determine if that is the business we want to get into. We could create an office or partner with someone to help us along with that, but we have to decide if that is a long-range plan to be in the business of affordable housing.

Ms. Terracio noted we have the Midlands Housing Trust Fund if we want to earmark a certain amount of money to be offered towards down payment assistance through that organization.

Ms. Mackey pointed out that, based on teachers' starting salaries, they cannot afford to live in the district of the students they teach—the same thing with public safety employees. Police officers receive discounts to live in apartments but do not get that same discount if they want to purchase a home. We may be able to tie the assistance to the teacher's contract.

Mr. Livingston stated that if we are going to make a difference, it will have to be sustainable. If we can create a revolving fund that will help with sustainability. He pointed out there are agencies that do a great job of leveraging funds. We need to work with them and assist them in obtaining grants, etc.

Ms. Terracio noted we need to be able to vet and choose people through an application process.

Ms. Callison Richardson, Division Manager – Community Development, indicated some of the grant programs mentioned are some of the things Community Development works on. They are starting to work on affordable housing acquisition and rehab with the Community Development Block Grants (CDBG) funds. She noted there could be some overlap between what they already have in place and what Council wants to do. The fact that Council's funds are General Funds and not tied to HUD regulations gives much more flexibility. She believes that due to their expertise, there are tools in their toolkit that will enable them to assist Council with obtaining their goals. She noted that many of the things being discussed are currently being done on a small scale. They have a robust signature program for minor home repair (Operation One Touch) in Community Development. They increased the amount per house to \$24,000 this year. There is a down payment assistance program that will be opening up again. It had been on hold due to the pandemic and staff turnover. In addition, she would welcome working with Council to utilize the \$2M in HOME funds they receive from HUD to assist with affordable housing.

Mr. Weaver indicated it would be wise for the committee to determine what percent we want to dedicate to each category.

Ms. Mackey stated she believes another division is covering repairs; therefore, it should not be included.

Ms. Terracio expressed that she does not want to miss out on an opportunity to ensure continued affordability by investing in repairs.

Ms. Mackey inquired if Ms. Terracio was referring to a developer rehabbing an existing place and ensuring it is affordable, not a current homeowner doing repairs.

Ms. Terracio responded in the affirmative. In addition, if someone has a rental property that needs repairs, they can utilize some of the funding with the assurance the property will remain affordable.

Mr. Livingston maintained in his conversations with individuals that the greatest need for homeownership is the availability of more units.

Ms. Terracio stated that one of the things we have not mentioned is making use of Economic Development staff to ensure those wanting to build also supply affordable housing.

Ms. Barron moved to direct the Administrator to explore the opportunities for homeownership/down payment and affordable rental programs, seconded by Mr. Weaver.

For clarification, Ms. Terracio stated that Ms. Barron is not tying a certain percentage to her motion.

Ms. Barron responded, not at this time.

In Favor: Terracio, Weaver, and Barron

The vote in favor was unanimous.

- c. Affordable Housing Budget – Ms. Barron moved to direct the Administrator to explore future funding options, seconded by Ms. Terracio.

In Favor: Terracio, Weaver, and Barron

The vote in favor was unanimous.

5. **ADJOURNMENT** – Ms. Barron moved to adjourn the meeting, seconded by Mr. Weaver.

In Favor: Terracio, Weaver, and Barron

The vote in favor was unanimous.

The meeting adjourned at approximately 2:50 PM.



# AFFORDABLE HOUSING FUNDAMENTALS

Affordable Housing Ad Hoc Committee – May 07, 2024





# KEY POINTS

- “Affordable” is a subjective term
- Housing is like a commodity
- It takes a long time to increase housing supply
- There is not just one way to increase supply
- Preservation of existing “affordable” housing supply is important
- There are many ways to allocate the \$4M in ARPA funds



# AFFORDABLE IS A SUBJECTIVE TERM

- “Affordability” is relative to the person(s) seeking housing
- The typical issue in most communities is that housing is not provided across the entire spectrum of demand/need
- There is a segment of the population that cannot afford housing at any price point without assistance
- Homebuilders cannot operate at a loss and stay in business



# HOUSING AS A COMMODITY

- Housing is effectively a commodity – it is a finite resource whose value goes up and down depending on:
  - ✓ Supply and demand
  - ✓ The cost to produce



# INCREASING AFFORDABLE HOUSING SUPPLY

- The most common ways to increase the number of affordable housing units include:
  - ✓ Incentives to build new affordable units
    - Density bonuses
    - Waived or reduced impact fees
    - Delayed impact fees
    - Reduced parking/amenity requirements
  - ✓ Payments to “buy down” the costs
  - ✓ Vouchers
  - ✓ Partnerships with CHODOs/Not-for-profits/charitable foundations
  - ✓ Public sector housing development (high risk)



# POTENTIAL USES OF ARPA FUNDS

- The following are options available to Richland County to support affordable housing:
  - Payments to extend existing affordability periods
  - Payments to housing developments currently under construction to “buy down” the costs for a period of time
  - Vouchers to qualifying households for market rate housing
  - Low cost and forgivable loans to purchase market rate housing
  - Partnerships with CHODOs/Not-for-profits/charitable foundations to build new affordable units
  - Acquire and lease existing units (i.e., a housing authority)



# SUPPORTING INFORMATION



# HOUSING PRODUCTION TAKES TIME

New housing production takes a long time;  
typically 3-4 years from idea to occupancy





# HOUSING PRODUCTION STEPS

- Concept/Idea
- Preliminary Financing/Investment Prospectus
- Property Identification
- Property Acquisition
- Zoning Entitlement
- Construction Financing
- Project Engineering/Permits
- Subsurface Utility Installation
- Vertical Construction
- Landscaping/Horizontal Construction
- Marketing
- Occupancy



# FASTER WAYS TO BUILD NEW HOUSING

## Very Fast

- Accessory dwelling units in existing neighborhoods - they utilize existing infrastructure and existing owners can build without moving. Charleston has a very aggressive ADU policy: <https://www.charleston-sc.gov/2499/Accessory-Dwelling-Unit-ADU>
  - ✓ “Granny flats” – new detached structures
  - ✓ “Mother-in-law apartments” – adding a second kitchen to a larger house that is not fully utilized or in an addition to a smaller house; allows multi-generational living with independence



# FASTER WAYS TO BUILD NEW HOUSING

## Medium

- Conversion of existing non-residential buildings
  - ✓ Hotels to SRO's (Single-Room-Occupancy/studio apts)
    - Outside of aesthetics, typically only require an electrical service upgrade and installation of a kitchenette; utilize common area laundry rooms
    - Are usually located in existing commercial areas near employment and transit



# FASTER WAYS TO BUILD NEW HOUSING

## Medium - Slow

- Conversion of existing non-residential buildings
  - ✓ Office/Commercial space to multi-dwelling residential (18 – 36 months)
    - More difficult than motel/hotel to SRO conversions
    - Frequently require plumbing, electrical, and other improvements
    - Usually centrally located near employment and transit
    - Functional limitations due to building not originally designed for housing.



# FASTER WAYS TO BUILD NEW HOUSING

**Fast** – **Medium** – **Slow**

- Manufactured/Modular dwelling units
  - ✓ Can be located on existing lots very quickly (1 – 6 months)
  - ✓ Former commercial and industrial site conversions (12 – 18 months)
  - ✓ If a greenfield subdivision is required, then only the vertical build time is saved (18 – 24 months)



# PRESERVING AFFORDABILITY

## 1. INCREASE SUPPLY

- Housing supply needs to be equal to or greater than demand to keep prices of existing dwelling units “stable”
  - ✓ There needs to always be approximately 5% vacancy for a housing market to be stable. Low vacancy = high demand = high prices.



# PRESERVING AFFORDABILITY

## 1. INCREASE SUPPLY (continued)

- Increasing housing supply does not mitigate:
  - ✓ The cost to provide services (taxes and utilities)
  - ✓ Neighborhood desirability (everyone wants to be in the same place – e.g. South Beach)
  - ✓ Construction costs (labor and materials)
  - ✓ Feature/amenity creep (bigger and fancier)





# PRESERVING AFFORDABILITY

## 2. PURCHASE EXTENSIONS

- Purchase extensions of existing affordable rental agreements that will soon expire
  - ✓ Most privately owned affordable or subsidized housing converts to market rate housing after a period of time. Purchasing an extension is a resource effective way to preserve affordability.



# PRESERVING AFFORDABILITY

## 3. INCREASE OCCUPANCY

- Increasing the number of unrelated persons that can live in a dwelling unit
  - ✓ Most jurisdictions place a cap on the number of unrelated persons that can live in a dwelling. Removing this restriction decreases demand by increasing occupancy.



# PRESERVING AFFORDABILITY

## 4. PURCHASE HOUSING UNITS

- Public agencies can purchasing existing affordable housing units and therefore control future rents
  - ✓ This is a high risk, high cost option



# CONTACT INFO

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