



We Are Columbia

COLUMBIA ECONOMIC DEVELOPMENT SUBCOMMITTEE MEETING MINUTES TUESDAY, JULY 31, 2018

CALL TO ORDER

The meeting was called to order at 2:19 PM by Chairman Daniel J. Rickenmann.

Attendee Name	Present	Absent	Late	Arrived
Daniel J. Rickenmann	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Tameika Isaac Devine	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Howard E. Duvall	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

DISCUSSION OF CONSTRUCTION STRATEGIES AND GROWTH

1. Affordable Housing Special Source Revenue Credit Incentive

Councilor Rickenmann said we need to look at how we balance historical and character preservation with property owners' rights. We said in the beginning that there should be deed restrictions. We have to develop standard incentive packages for our community. We have to discuss how our committees effect the overall economic growth of the city. I would encourage people to ask questions and be involved without jumping to conclusions.

Mayor Benjamin said this could be an opportunity to create more incentives for people to invest in mixed-use, mixed-income housing. We can use levers of public policy to attract more private sector capital. In terms of land use and design development, if we hadn't put the designations in place so many of our historic neighborhoods would've lost their character. We must figure out how to deal with that now.

Councilor Duvall suggested designating target areas for credits in addition to the general ordinance.

Mayor Benjamin said we haven't seen the level of coordination that allows us to coordinate all public assets. Our focus should be citywide. You can incentivize the behavior you want to see. There is an imbalance in commercial property taxes; our businesses bear a significant burden. If we worked to attract industrial development, the two school districts are interested in sharing the benefits of economic development regardless of where it is located in the county.

Councilor Devine said we started with the template for student housing. Staff did some research,



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the Legal Department looked at it and drafted a proposed resolution for the committee's consideration. This will make it easier for private developers to bring their resources to bear.

Ms. Melissa Gentry, P.E., Assistant City Manager explained that the resolution will precede any project specific action. The resolution will be approved by both the City and it will have more impact if the County adopts it as well. As we deem that projects meet the criteria you will be asked to approve an ordinance. We need more guidance on what will be attractive. This is set to offer a 50% tax credit. Is that the right amount? The City recognizes the value in offering incentives, but also the need to continue to capitalize on the increased taxes for our general fund operations. Does there need to be a mixed-use component or is it affordable housing units only? Also, do the drafted criteria meet the vision of this Council?

Councilor Rickenmann said it is very important to have mixed-income. We want to integrate our communities. Can we scale the criteria using a minimum and maximum incentive? We need a mechanism for ensuring the affordability period is adhered to. We need to be specific on each expectation.

Ms. Melissa Gentry, P.E., Assistant City Manager said we mirrored the Low Income Housing Tax Credit (LITC) 30-year affordability period.

Councilor Duvall said the Charleston ordinance has a lot of elements that our proposal doesn't have. It has a more vivid description of making sure the affordable housing isn't distinguishable from market rate housing. They have a mechanism for establishing an affordable workforce housing account. Developers without affordable housing could pay a fee into this account, which would serve as a revolving fund for other projects.

Ms. Melissa Gentry, P.E., Assistant City Manager asked if this is intended to be an incentive or a requirement?

Ms. Krista Hampton, Director of Planning and Development Services said Charleston's [policy] is voluntary. It is an overlay that you can apply for. The incentive is unlimited density or a reduced parking requirement; it's not a financial incentive. A lot of our places already have unlimited density. Extra density may or may not be helpful.



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Councilor Devine said we were hoping to do something that's incentive based and see how that works. We were hoping some of these questions will be answered if Rebecca Best [Building Industry Association of Central South Carolina] can help get developers to the table. The biggest hindrance to them is the financial cost. If this doesn't work, then we might need to add some things to it.

Councilor Rickenmann said homeowners have the benefit of the tax relief, but commercial and rentals don't. Landlords are having to pay three months' worth of rent for property taxes. That affects affordable housing and development. These incentives can help.

Councilor Duvall said I want it to be mixed-use in terms of housing and retail. We should look at Charleston's ordinance and use it as an extra incentive if they develop mixed-use.

Councilor Devine said there are areas in the City where we'd like to encourage that kind of development. There needs to be language to set the parameters if we want to encourage that.

Councilor Davis said we don't want to saturate an area, because that creates a stigma.

Councilor Devine asked that the number of people on the waiting list for housing needs to be added to the findings.

Ms. Melissa Gentry, P.E., Assistant City Manager said we reduced the minimum private investment criteria to \$10 million. We need to look at the recommended blend for the mixture of income units. Is the 30-year affordability period acceptable? We set a project specific sunset clause of three years for the developer to complete the project. Do you want to make that a different length of time?

Mr. Ryan Coleman, Economic Development Director said with student housing, the investment threshold included soft costs for financing, legal, and engineering. Would this be for construction and land acquisition alone?



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Councilor Rickenmann said that will depend on where the development is and our process. We need to create an expedited permitting process. You can go across the river and get a permit within three weeks. We need growth where there is existing infrastructure.

Ms. Teresa Wilson, City Manager said our staff is giving a lot of their time and energy to the Business Friendly Taskforce meetings that have started up again. If you all direct us to, we will participate. For me, this is where the City is going to make a difference when we implement these tools and policy changes with our processes with staff and/or the boards and commissions. By working on these things that should help to move the other process forward.

Councilor Rickenmann said we are also working on a parking incentive. Some of the costs we are offsetting are created by our own processes and committees.

Councilor Duvall asked that the definitions are made to exclude dormitories.

Ms. Melissa Gentry, P.E., Assistant City Manager said we need guidance on the amount of tax credit that will be available. We might want to start at 30% for housing only and go up to 50% for mixed-use. She recommended that the ceiling be 50%.

Councilor Duvall asked what impact Act 388 has on our businesses.

Councilor Devine said we talked about setting aside some of the money we are getting from student housing. That would be our workforce development fund. We also talked about inclusionary zoning and establishing an opt-out provision for developers who would then pay a fee. We don't think it's permissible right now.

Councilor Rickenmann said a penalty would push more people away.

Ms. Gloria Saeed, Community Development Director said the idea is to provide more equity in housing between those areas that may not have as much and those areas that have too much.



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Councilor Davis suggested that the policy specify areas for development over a period of time.

Councilor Devine said we don't need to dictate where development occurs. If we see that this is working, but it's not occurring citywide, then we can bring developers to the table. We might have to help with assembling land.

Councilor Rickenmann said we want to encourage growth in all areas.

Mr. Thom Chumney said the LITC Program is a good place to start. Around the country, agencies are looking at income averaging. The City has great programs for those who are economically challenged and a developer needs to see that. The South Carolina LITC offers a provision for a developer to request an exit in the twelfth year without penalty. The development can be sold and the new owner who can keep it in compliance or turn it into market rate. The Columbia Housing Authority was successful with the Celia Saxon and Rosewood mixed-income housing. My concern with mixed-use is what will happen if the businesses close.

Ms. Teresa Wilson, City Manager said Gloria's area is working on how to develop the capacity of builders who want to do this type of work. There are certifications that are required to take advantage of federal dollars.

Ms. Gloria Saeed, Community Development Director said that's what we need to do moving forward. Each funding pot has different criteria. It's our responsibility to educate developers and non-profits. We are in a different place now in terms of needs, requirements, and regulations. It's important to have the developers at the table in order to determine the attractiveness of this.

Ms. Teresa Wilson, City Manager said we've identified targeted areas and it is very important to me that we gain traction in those areas. We are already assembling land internally.

Councilor Rickenmann said we don't always have to be involved financially.



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Ms. Melissa Gentry, P.E., Assistant City Manager sought guidance on when to begin the process with Richland County.

Councilor Devine said once we have a draft, we will start discussions with the County.

There was a consensus of the committee to review the revised affordable housing resolution on Tuesday, August 21, 2018 at 9:00 a.m. With the assistance of Rebecca Best, developers will be invited to the meeting. The proposed resolution may be presented to City Council in September.

2. Land Use and Design Development Policy

This matter will be discussed on August 14, 2018 at 9:00 a.m.

OTHER MATTERS FOR CONSIDERATION ON AUGUST 14, 2018

3. Proposed Demolition Delay Ordinance - Ms. Krista Hampton, Planning and Development Services Director and Ms. Robin Waites, Executive Director for the Historic Columbia Foundation

Councilor Rickenmann said we need to get the demolition ordinance on the table for input and to come up with something that makes sense. We need to look at how we work through changes in historic districts. It would be different if we had deed restrictions. You can't do solar panels. There are inconsistencies. We need to look at what Seminary Ridge has done. Windows, doors, and paint seem to be the biggest issues. It is out of our purview to determine how much a house should be rented for. That's a discussion we need to have about the DDRC. They are out of their purview a lot. The cost they are pushing on to development is becoming an issue. The DDRC was originally created as a Landmark Commission that was incentive driven. This should be discussed first on August 14, 2018.

Ms. Krista Hampton, Planning and Development Services Director explained that the proposed ordinance has been revised based on the feedback received.

Councilor Rickenmann said we may want to attach the list that has been compiled by the historic preservation community. I discussed the time frame with Robin Waites; 180-days is too long.



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This matter will be discussed on August 14, 2018 at 9:00 a.m.

4. Partnership Approach for Completing Demolitions

Councilor Devine said we do need to discuss the partnership approach for completing demolitions, because I've been hearing from the community about the structures that need to come down.

This matter will be discussed on August 14, 2018 at 9:00 a.m.

The meeting was adjourned at 3:45 p.m.

Respectfully submitted by:

Erika D. Moore, CMC
City Clerk