



We Are Columbia

**COLUMBIA ECONOMIC DEVELOPMENT SUBCOMMITTEE MEETING AGENDA
TUESDAY, SEPTEMBER 4, 2018**

The Columbia Economic Development Subcommittee will conduct a meeting on Tuesday, September 4, 2018 at 9:00 a.m. in the Mayor's Conference Room at City Hall, 1737 Main Street, 2nd Floor, Columbia, SC 29201.

Prior to entering the meeting please turn all electronic communication devices to the silent, vibrate or off position. All presenters are asked to speak directly into the microphone for recording purposes.

CALL TO ORDER

DISCUSSION OF CONSTRUCTION STRATEGIES AND GROWTH

1. Resolution No.: R-2018-090 - Adopting a Policy and Criteria to Consider the Inclusion of Real Property in a Multi-County Industrial Park to Apply Richland County's Special Source Revenue Credit incentive to Real Property within the Corporate Limits of the City of Columbia developed for Rental Affordable and Workforce Housing Projects

ADJOURNMENT



We Are Columbia

MEETING DATE: September 4, 2018

DEPARTMENT: City Clerk

FROM: *Erika Moore, City Clerk*

SUBJECT: **Resolution No.: R-2018-090 - Adopting a Policy and Criteria to Consider the Inclusion of Real Property in a Multi-County Industrial Park to Apply Richland County's Special Source Revenue Credit incentive to Real Property within the Corporate Limits of the City of Columbia developed for Rental Affordable and Workforce Housing Projects**

FINANCIAL IMPACT:

STRATEGIC GOALS: Collaborate and partner with entities, Foster a healthy quality of life

ATTACHMENTS:

- R-2018-090 Rental Affordable and Workforce Housing Projects Policy (PDF)

RESOLUTION NO.: R-2018-090

Adopting a Policy and Criteria to Consider the Inclusion of Real Property in a Multi-County Industrial Park to Apply Richland County's Special Source Revenue Credit Incentive to Real Property within the Corporate Limits of the City of Columbia developed for Rental Affordable and Workforce Housing Projects

WHEREAS, Columbia City Council desires to provide incentives for Affordable and Workforce Housing Developments within the corporate limits that will help address the Affordable Housing Shortage that currently exists; and,

WHEREAS, Affordable Housing for rental will serve families with household income at or below 80% Area Median Income (AMI) as defined by the US Department of Housing and Urban Development (HUD) annually and adjusted by the City of Columbia Community Development Department; and,

WHEREAS, Workforce Housing for rental will serve families with household incomes at eighty-one (81%) percent but not to exceed one hundred twenty (120%) percent of the AMI as defined by HUD annually and adjusted by the City of Columbia Community Development Department; and,

WHEREAS, City of Columbia 2016-2019 Consolidated Plan indicated there were 11,069 renters that pay thirty (30%) percent of their income in housing cost and defined by HUD as being cost burdened, and,

WHEREAS, the Columbia Housing Authority received over 23,266 applications in twenty-seven (27) hours for its Section 8 program in July 2017; and,

WHEREAS, there is an affordable housing shortage in Columbia; and,

WHEREAS, Columbia City Council desires to facilitate the addition of 1,000 affordable housing units in the city over a five (5) year period; and,

WHEREAS, Columbia City Council desires to incentivize projects designed and developed for a blended income target market, and

WHEREAS, the City of Columbia desires to promote mixed-income housing to reduce concentration of low-income housing in targeted neighborhoods. Concentration is defined as the existence of housing problems, low-income households, or ethnic/racial minorities in a Census Tract at a rate of ten (10%) percent or higher than the City as a whole; and,

WHEREAS, affordable rents shall be an amount equal to thirty (30%) percent of an Affordable eighty (80%) percent or Workforce Housing one hundred twenty (120%) percent household AMI. Affordable rent is the high HOME rent as published annually by HUD and adjusted by the City of Columbia Community Development Department; and,

WHEREAS, the City of Columbia desires to adopt criteria in order to determine when it is appropriate to include a real property or real properties located within the corporate limits of the City of Columbia in a Multi-County Industrial Park in order for the development to qualify for Richland County's Special Source Revenue Credit Incentive; NOW THEREFORE,

BE IT RESOLVED by the Mayor and City Council this ___ day of _____, 2018, that the following criteria are hereby adopted in order for Columbia City Council to determine when it is appropriate to include a real property or real properties developed as affordable rental housing projects located within the corporate limits of the City of Columbia in a Multi-County Industrial Park in order for the development to qualify for Richland County's Special Source Revenue Credit Incentive:

1. A minimum private investment of Eight Million and No/100 (\$8,000,000) Dollars in total project costs (land acquisition and construction) as allowed by Richland County and City of Columbia with no use of JEDA funds;
2. The project shall be mixed-income. A minimum of ten (10%) percent of the total number of proposed residential units in the development shall be affordable to household incomes less than eighty (80%) percent of the area median income (AMI) and ten (10%) percent of the total number of proposed residential units in the development shall be affordable to household incomes less than one hundred twenty (120%) percent of the area median income (AMI)(chart attached for reference). In no case shall more than seventy-five (75%) of the proposed residential units be targeted for incomes less than eighty (80%) percent of the area median income (AMI). Affordability calculations for rental projects shall include all ancillary fees to include parking, application, association fees and any charges for amenities.
3. The period of affordability shall be no less than fifteen (15) years, which shall be the subject of deed restrictions and evidence of compliance shall be verified annually to the City no later than June 30th of each calendar year. Compliance documentation requirements, both initial and ongoing, shall be established by and included in the ordinance certifying the project for the incentive.
4. The project must be completed within three (3) years of City Council approval of the ordinance certifying the project.
5. Affordable units shall be dispersed throughout the development and shall be comparable in size, number of bedrooms, materials and parking to dwelling units in the development in which they are located. Exteriors of affordable units shall be consistent with and indistinguishable from the exteriors of other units in the project.
6. Columbia City Council reserves the right to review the cost benefit analysis and approve or deny any other Assistance that may already be available to development project.
7. Developments categorized as dormitories, rented by the bedroom, and/or not occupied on an annual full-time basis are not eligible.
8. For the purposes of administering this incentive, the following definitions shall be used:
Household income: All sources of financial support, both cash and in kind of adult occupants of the housing unit, to include wages, salaried, tips, commissions, all forms of self-employment income, interest, dividends, net rental income, income from estates or trusts, Social Security benefits, public assistance programs, and other sources of income regularly received.

BE IT FURTHER RESOLVED that the Credit Agreement will provide that:

(a) the owner of the Property will make a payment in lieu of tax related to the Property ("PILOT") during the term of the Credit Agreement, which PILOT shall be based on property tax assessment of the Property of six (6%) percent;

(b) the annual PILOT payment payable from the Company to the County will be subject to reduction by a forty (40%) percent infrastructure credit (b) the annual PILOT can be increased to fifty (50%) percent infrastructure credit with the addition of a mixed use component to the project comprising no less than ten (10%) percent of the heated square footage of the project or 2,000 square feet, whichever is more the uses of which shall be approved in the certification ordinance and shall be limited to retail and/or service,

(c) the term of the Credit Agreement shall not exceed fifteen (15) years;

(d) the Property will be deemed removed from the Park upon the expiration or earlier termination of the Credit Agreement due to non-compliance of the requirements listed herein and as set forth in the certification ordinance; and (d) the Credit Agreement is non-renewable and can only be amended or modified with the consent of [three-quarters] of the members of City Council, and,

BE IT FURTHER RESOLVED, that inclusion of a real property or real properties developed privately owned affordable housing projects located within the corporate limits of the City of Columbia in a Multi-County Industrial Park shall be ordinance and the enactment of such an ordinance is in the sole exclusive legislative discretion of Columbia City Council.

Requested by:

Councilmember Devine _____

Mayor

Approved by:

City Manager

Approved as to form:

ATTEST:

City Attorney

City Clerk