



We Are Columbia

**COLUMBIA ECONOMIC DEVELOPMENT SUBCOMMITTEE MEETING AGENDA
TUESDAY, OCTOBER 2, 2018**

The Columbia Economic Development Subcommittee will conduct a meeting on Tuesday, October 2, 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
2. Proposed Demolition Delay Ordinance - Ms. Amy Moore, Principal Planner for the Planning and Development Services Department
3. Neighborhood Enhancements Through Demolition and Acquisition - Mr. William "Skip" Holbrook, Columbia Police Chief **Addition**

ADJOURNMENT



We Are Columbia

MEETING DATE: October 2, 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, Provide high quality municipal services

ATTACHMENTS:

- 2018-090 Rental Affordable and Workforce Housing Projects Policy EDC 10-1-18 (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-twenty-five (1025%)~~ 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. To achieve the required AMI, income averaging for designated units may be used as specified in the ordinance adopting the incentive for each project.

3. The period of affordability shall be no less than ~~fifteen-eighteen (185)~~ 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.

7-8. This incentive is intended to be complimentary to any other program intended to facilitate the provision of affordable housing and should not be construed to limit or invalidate any such program.

8-9. 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~~-~~eighteen~~ (185) 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:

Mayor

Approved by:

City Manager

Approved as to form:

ATTEST:

City Attorney

City Clerk



We Are Columbia

MEETING DATE: October 2, 2018

DEPARTMENT: City Clerk

FROM: *Erika Moore, City Clerk*

SUBJECT: **Proposed Demolition Delay Ordinance - Ms. Amy Moore,
Principal Planner for the Planning and Development Services
Department**

FINANCIAL IMPACT:

STRATEGIC GOALS: **Foster a healthy quality of life, Provide high quality municipal
services**

ATTACHMENTS:

- October Demo Delay Packet (PDF)



We Are Columbia

MEMORANDUM

TO: Members of the Economic Development Subcommittee
From: Amy Moore, Principal Planner, Historic Preservation
Date: September 25, 2018
RE: Proposed Demo Delay Ordinance

Summary: The demolition delay ordinance has been updated to include clarified language and comments from the subcommittee.

Since the last subcommittee meeting in which the demolition delay proposal was discussed, staff has been working on addressing items of concern raised by the committee members, as well as editing criteria and language to provide as much clarity as possible. Items which have been addressed or added include:

- Narrowed criteria for determining significance;
- Clarified criteria for review of demolition;
- A recommended documents checklist for demolition;
- Penalties for demolition done without a permit;
- Required evidence of secured funding and re-development plans for approved demolitions;
- A meeting with staff at the 90-day mark;
- Staff level approval for some limited demolition.

More detailed information on these items is available on the following pages.

Narrowed Criteria for Determining Significance

Rather than including all potentially contributing structures, these criteria restrict demolition delay review to those structures that would meet the criteria for landmark status as delineated below. Aside from narrowing the scope of review to these structures, applicants could apply for landmark status and become eligible for tax incentives.

1. Individually listed in or has been determined eligible for listing in the National Register of Historic Places.
2. Contributes to a Historic District listed in the National Register of Historic Places.
3. Distinctive characteristics in architectural design.
4. Somewhat rare type within Columbia.
5. Belonging to a group or style of buildings of which it is a good example.
6. The work of an architect of local or national importance.
7. A good example of a style or type of building which is becoming, or in danger of becoming, extinct locally.
8. The site of events, homes of people, etc., having significantly contributed to local or national history.

Clarified Criteria for Review of Demolition

Based on feedback from Council, staff has worked to clarify the review criteria:

1. The historic or architectural significance of a building or structure as delineated in the criteria for determining significance.
2. Whether the building or structure is a contributing property to the area.
3. Whether the building or structure is one of the last remaining examples of its kind in the neighborhood, city, or region.
4. The existing structural condition as assessed by a licensed engineer or architect with extensive experience in historic rehabilitation projects in a report with visual and written documentation of any structural issues, whether it endangers public safety, and whether the building or structure is under orders from the city to be demolished due to severe structural deficiencies.
5. Whether the property has been adequately maintained. Applicants shall supply a building maintenance history which answers the following questions: 1) Is the building free of a history of serious, continuing code violations? 2) Has the property been properly maintained and stabilized? Failure to adequately maintain and protect the property shall be considered demolition by neglect and shall not be considered a reason for granting demolition approval. Long term deferred maintenance and/or a history of continuing code violations not addressed by the owner, or other proper persons having legal custody of the structure or building shall constitute a violation and not be considered as a part of the bottom line of the economic viability report (see submittal requirements, item 7)
6. Whether there are definite plans with secured funding for the reuse of the property within the next year if the proposed demolition is carried out, and whether those plans would enhance or detract from the surrounding area.

7. A determination of the building use and economic viability. The applicant shall submit a market analysis prepared by an architect, developer, real estate consultant, appraiser, or other real estate professional with extensive experience in both real estate and historic rehabilitation that demonstrates all of the following:
 - a. The current use does not generate a reasonable economic return (may include a report of like uses and building scale in the same or similar neighborhood).
 - b. That appropriate and reasonable alternate uses in the building could not generate a future reasonable economic return.
 - c. That alterations or additions to the existing building could not make the current or future use generate a reasonable economic return.
 - d. Potential Federal tax credits, transfer of development rights, local abatements or incentives, or other funding sources are not feasible to bridge the gap identified above.

Recommended Documents Checklist

Staff detailed a list of documents (included in packet) that are recommended to be submitted for DDRC review. These have more exacting language included for clarity.

Added Staff Level Review

Staff may review features not visible from the public right-of-way or features which are not historically or architecturally significant. This should ensure that these demolitions do not trigger a submittal for demolition delay.

Added a Requirement to Submit Evidence of Secured Funding and Redevelopment Plans

Concerns were raised by committee members and attendees at the previous sub-committee meeting regarding demolition without feasible plans for redevelopment or funding. Based on these concerns, a requirement to supply this information has been added to the proposal.

Added a 90-Day Meeting Between Staff and Applicant

In the current draft, applicants are required to meet with staff to discuss document submissions and the progress of the delay at the 90-day mark. This meeting is intended to prevent a delay of a final decision because of insufficient information.

Added Penalties for Demolition Conducted without the required Permit

Based on Council feedback on the previous draft, a five year stay in the issuance of a building permit for new construction is proposed; this would apply only to a site previously occupied by a historic building or structure demolished without review and approval.

Article V. Historic Preservation and Architectural Review

DIVISION 1. GENERALLY

Section 17-651. Purpose of article.

The purposes of this article are to:

- (1) Protect the beauty of the city and improve the quality of its environment through identification, recognition, conservation, maintenance and enhancement of areas, sites, structures and fixtures which constitute or reflect distinctive features of the economic, social, cultural or architectural history of the city and its distinctive physical features;
- (2) Limit or mitigate the detrimental effect on the city's existing character and heritage that may result from the demolition of architecturally or historically significant properties;
- (3) Foster appropriate use and wider public knowledge and appreciation of such features, areas, sites, structures and fixtures;
- (4) Resist and restrain environmental influences adverse to such purposes;
- (5) Encourage private efforts in support of such purposes; and
- (6) By furthering such purposes, promote the public welfare, strengthen the cultural and educational life of the city, and make the city a more attractive and desirable place in which to live and work.

(Code 1979, § 6-8001; Ord. No. 98-079, 11-18-98)

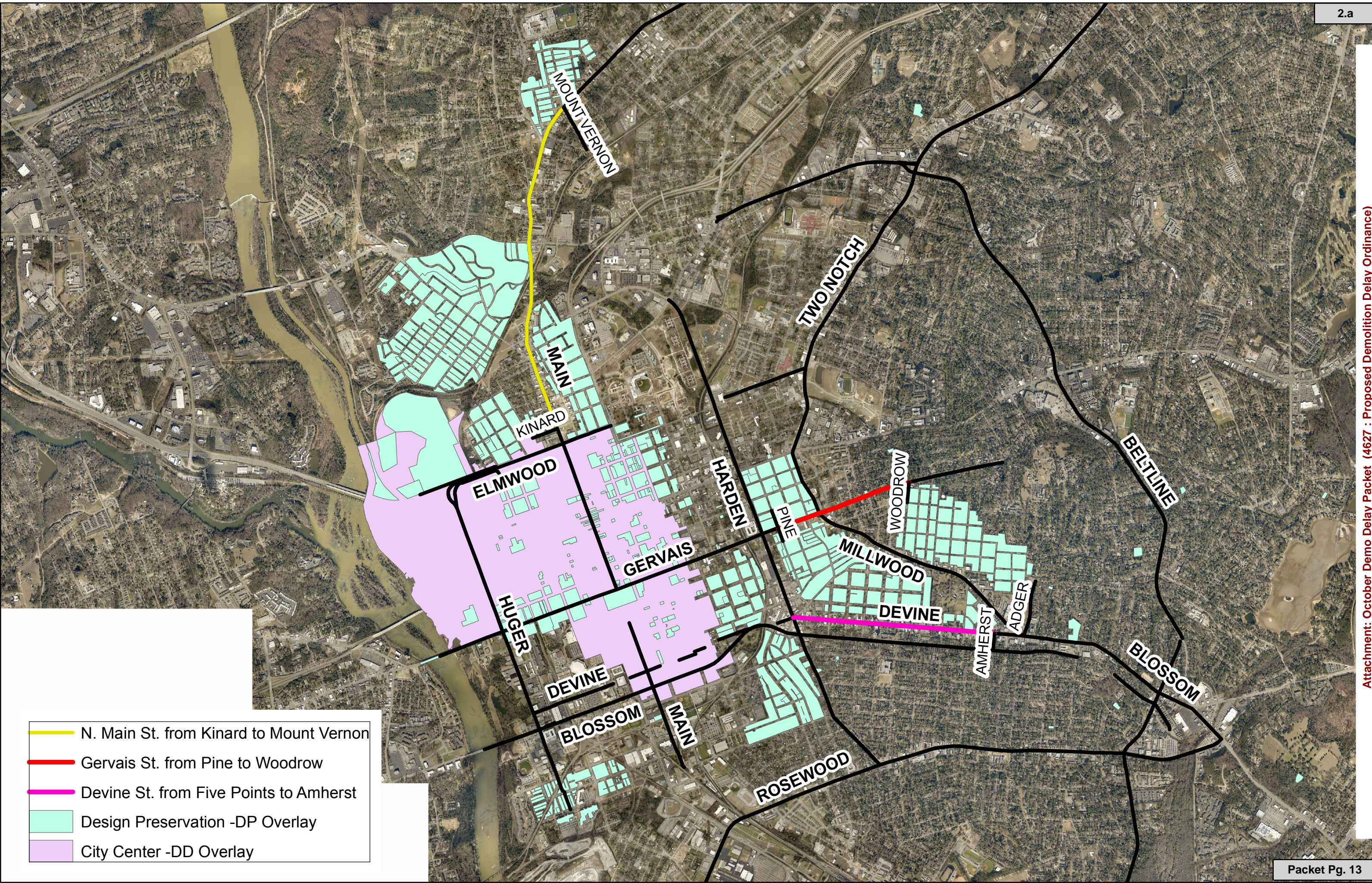
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(g) *Delay of demolition.* The delay of demolition is intended to limit or mitigate the detrimental effect on the city's existing character and heritage by postponing whole or partial demolition of architecturally or historically significant buildings or structures in the Design/Development Area (-DD), the Devine Street corridor, the Gervais Street Corridor, the North Main Corridor (exact ranges to be determined), and the eligible landmark list as produced by Historic Columbia that constitute or reflect the architectural, cultural, economic, political or social history of the city. The -DD is defined in Sec. 17-253 of the ordinance. [exact range of other corridors to be determined and defined in ordinance].

- (1) An architecturally or historically significant building or structure is defined as being fifty (50) years old or older and meeting at least one of the following criteria:
 - a. Individually listed in or has been determined eligible for listing in the National Register of Historic Places.
 - b. Contributes to a Historic District listed in the National Register of Historic Places.
 - c. Distinctive characteristics in architectural design.
 - d. Somewhat rare type within Columbia.
 - e. Belonging to a group or style of buildings of which it is a good example.
 - f. The work of an architect of local or national importance.
 - g. A good example of a style or type of building which is becoming, or in danger of becoming extinct locally.

- h. The site of events, homes of people, etc., having significantly contributed to local or national history.
- (2) The City shall not issue a permit for demolition for any architecturally or historically significant building or structure visible from the public right-of-way without prior review and approval by the Design Development Review Commission (DDRC). If deemed “noncontributing” in accordance with subsection 17-652, a CDA for demolition may be written by staff immediately. Staff may issue an approval for removal of features not visible from the public right-of-way or for features which are not historically or architecturally significant to the structure. Additionally, a structure may be approved for demolition by staff if it constitutes a life safety hazard and has been deemed beyond repair by the City of Columbia Building Official.
- (3) In addition to complete demolition of a building or structure, reduction of a building’s footprint shall also be considered demolition for the purposes of this section and shall be subject to delay of demolition.
- (4) Age shall be established by the records maintained by the Richland County Assessor’s Office or additional research. If age cannot be established by the records maintained by the Richland County Assessor’s Office, the applicant for a demolition shall present other documentation to the city to establish date of construction. If the age is unknown, not indicated, or in dispute, it shall be assumed to be at least 50 years.
- (5) Upon receipt of an application for a request for demolition, the DDRC staff shall apply the following criteria for review:
- a. The historic or architectural significance of a building or structure as delineated in item 1(a-h);
 - b. Whether the building or structure is a contributing property to the area;
 - c. Whether the building or structure is one of the last remaining examples of its kind in the neighborhood, city, or region;
 - d. The existing structural condition as assessed by a licensed engineer or architect with extensive experience in historic rehabilitation projects in a report with visual and written documentation of any structural issues, whether it endangers public safety, and whether the building or structure is under orders from the city to be demolished due to severe structural deficiencies;
 - e. Whether the property has been adequately maintained. Applicants shall supply a building maintenance history which answers the following questions: 1) Is the building free of a history of serious, continuing code violations? 2) Has the property been properly maintained and stabilized? Failure to adequately maintain and protect the property shall be considered demolition by neglect and shall not be considered a reason for granting demolition approval. Long term deferred maintenance and/or a history of continuing code violations not addressed by the owner, or other proper person having legal custody of the structure or building shall constitute a violation and will not be considered as a part of the bottom line of the economic viability report (see submittal requirement ‘g’ below).
 - f. Whether there are definite plans with secured funding for the reuse of the property within the next year if the proposed demolition is carried out, and whether those plans would enhance or detract from the surrounding area;
 - g. A determination of the building use and economic viability. The applicant shall submit a market analysis prepared by an architect, developer, real estate consultant, appraiser, or other real estate professional with extensive experience in both real estate and historic rehabilitation that demonstrates all of the following:

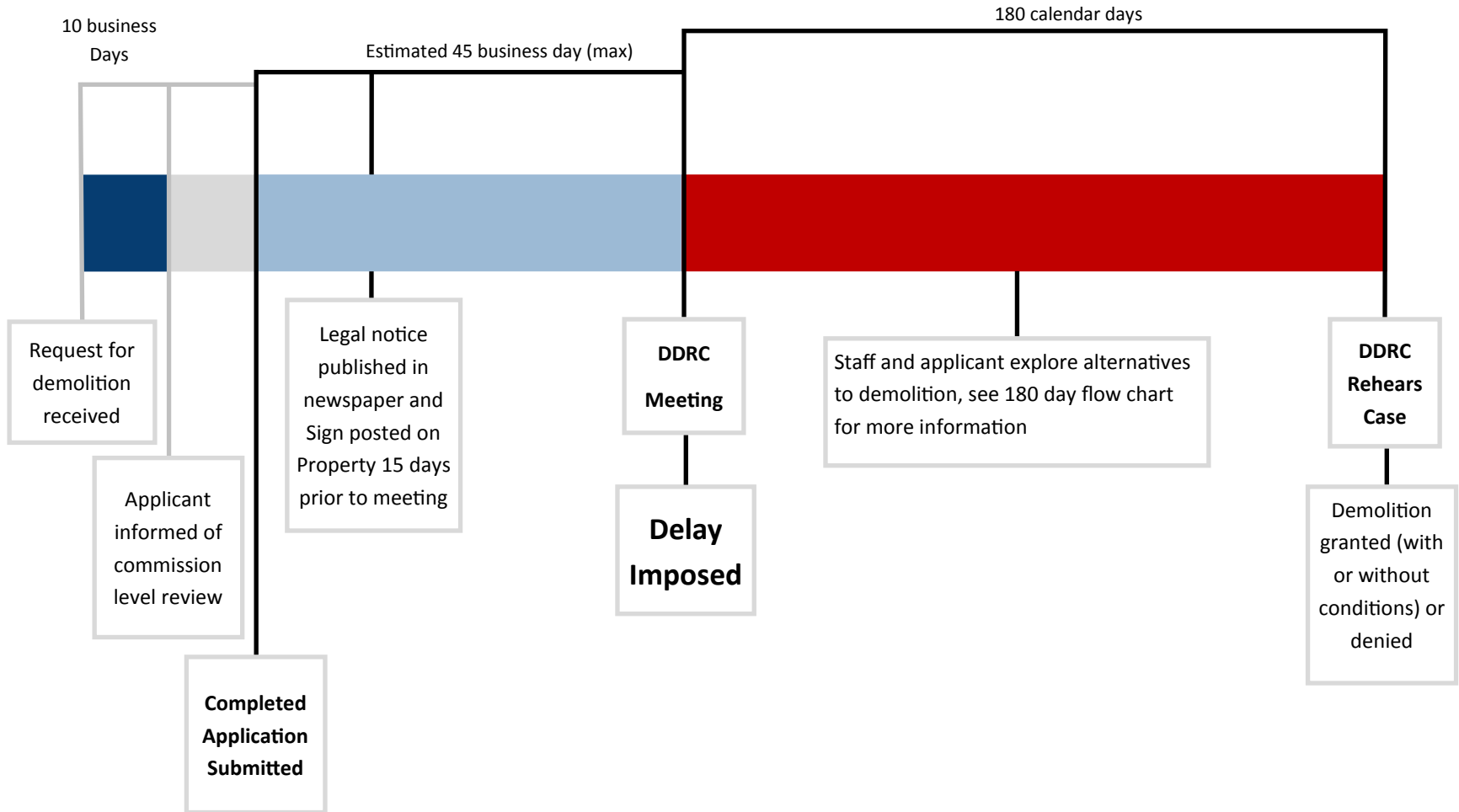
- a. The current use does not generate a reasonable economic return (may include market report of like uses and building scale in the same or similar neighborhood);
 - b. That appropriate and reasonable alternate uses in the building could not generate a future reasonable economic return;
 - c. That alterations or additions to the existing building could not make the current or future use generate a reasonable economic return; and
 - d. Potential Federal tax credits, transfer of development rights, local abatements or incentives, or other funding sources are not feasible to bridge the gap identified above.
- (6) For applications requiring DDRC review, if the DDRC does not find the property architecturally or historically significant, a Certificate of Design Approval (CDA) shall be granted to allow the demolition permit to be issued. Demolition may be conditional upon the detailed recordation of the subject property.
 - (7) Should the DDRC find the subject property to be architecturally or historically significant, a delay of demolition of up to one hundred eighty (180) days may be imposed at their meeting to allow the applicant time to find viable alternatives to demolition.
 - (8) No permits for demolition, new construction or alterations shall be issued during the delay period. Permits for repairs may be issued including emergency stabilization repairs to a property whose structural integrity has been compromised. Approval for such repairs must be approved in writing by the DDRC or DDRC staff.
 - (9) In order to avoid or mitigate the anticipated effects of demolition, staff shall, in conjunction with the property owner, accommodate reasonable requests from any interested parties for information about or access to the building or structure for the purpose of evaluating alternatives to demolition. Due consideration shall be given to all possible alternatives to demolition, including but not limited to the preservation, restoration, rehabilitation, relocation or sale of the property.
 - (10) After the 90th day of the delay of demolition, City Staff shall meet with the applicant(s) or agent(s) to assess the progress of the delay and ensure that applicants are compiling the necessary documentation to help reduce the possibility of further delays.
 - (11) By the end of the 180-day demolition delay period, the applicant must submit documentation to the DDRC that details and verifies any efforts to secure viable alternatives to demolition including but not limited to the preservation, restoration, rehabilitation, relocation or sale of the property. If provided with insufficient or incomplete data critical to the evaluation of the demolition request, the DDRC may impose up to an additional 180- day delay. Upon a complete submittal, the DDRC may either grant or deny the demolition request.
 - (12) Responsibilities of the applicant and staff during the delay period including, but not limited to documentation, assessments, estimates, plans, resource identification, and notification shall be set forth in the D/DRC bylaws, which require approval by City Council.
 - (14) If the DDRC approves a request for demolition, they may require as a condition of their approval that the building or structure be documented by the property owner prior to the demolition. Required documentation will minimally include photographs and a site plan.
 - (15) The removal or demolition of any building or structure within the designated demolition delay overlay without an approved demolition permit shall result in a five-year stay in the issuance of a building permit for any new construction at the site previously occupied by the historic building or structure.



- N. Main St. from Kinard to Mount Vernon
- Gervais St. from Pine to Woodrow
- Devine St. from Five Points to Amherst
- Design Preservation -DP Overlay
- City Center -DD Overlay

Columbia, SC—Proposed 180 Day Delay

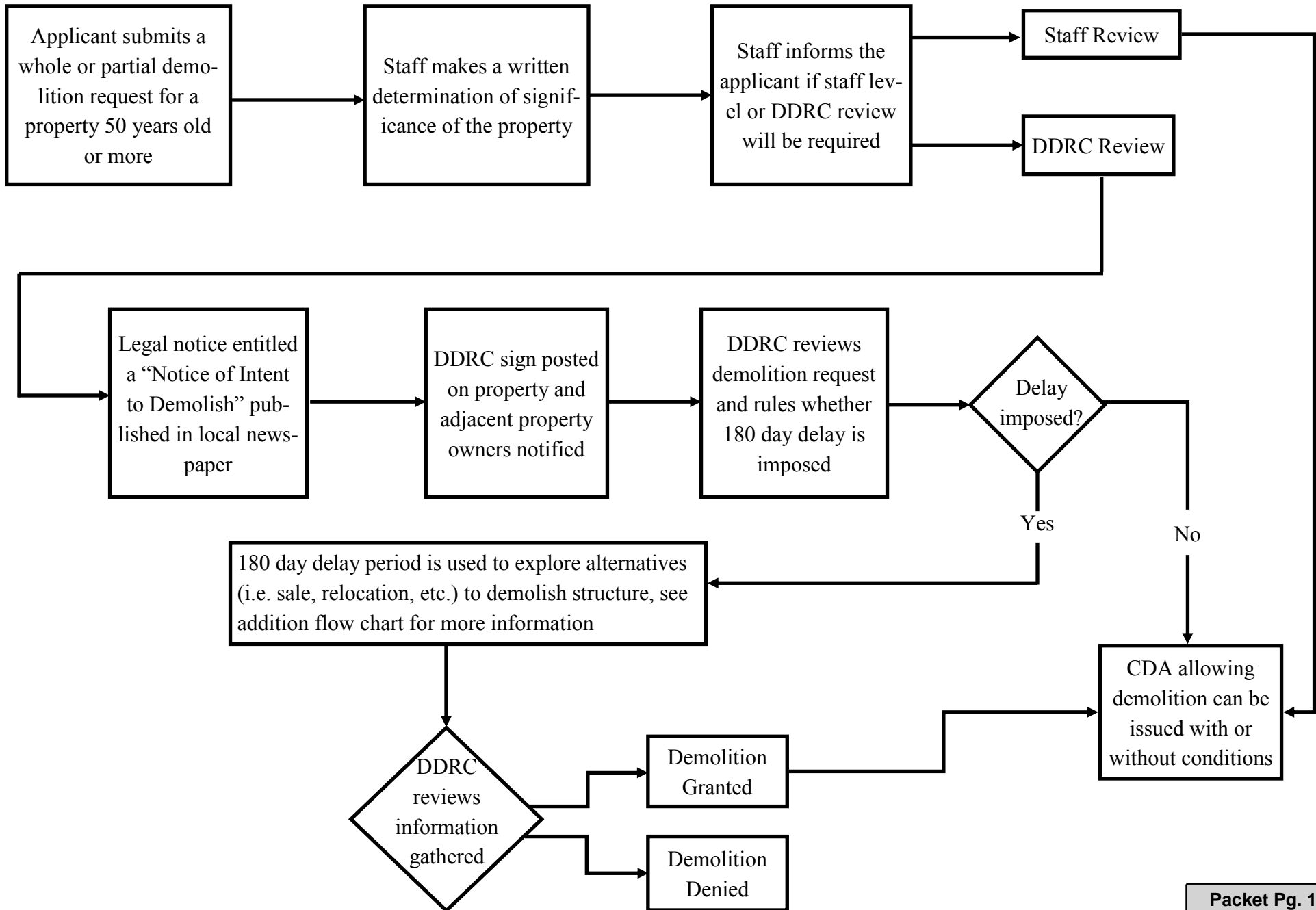
Includes determination period, application turn around, and delay



Key

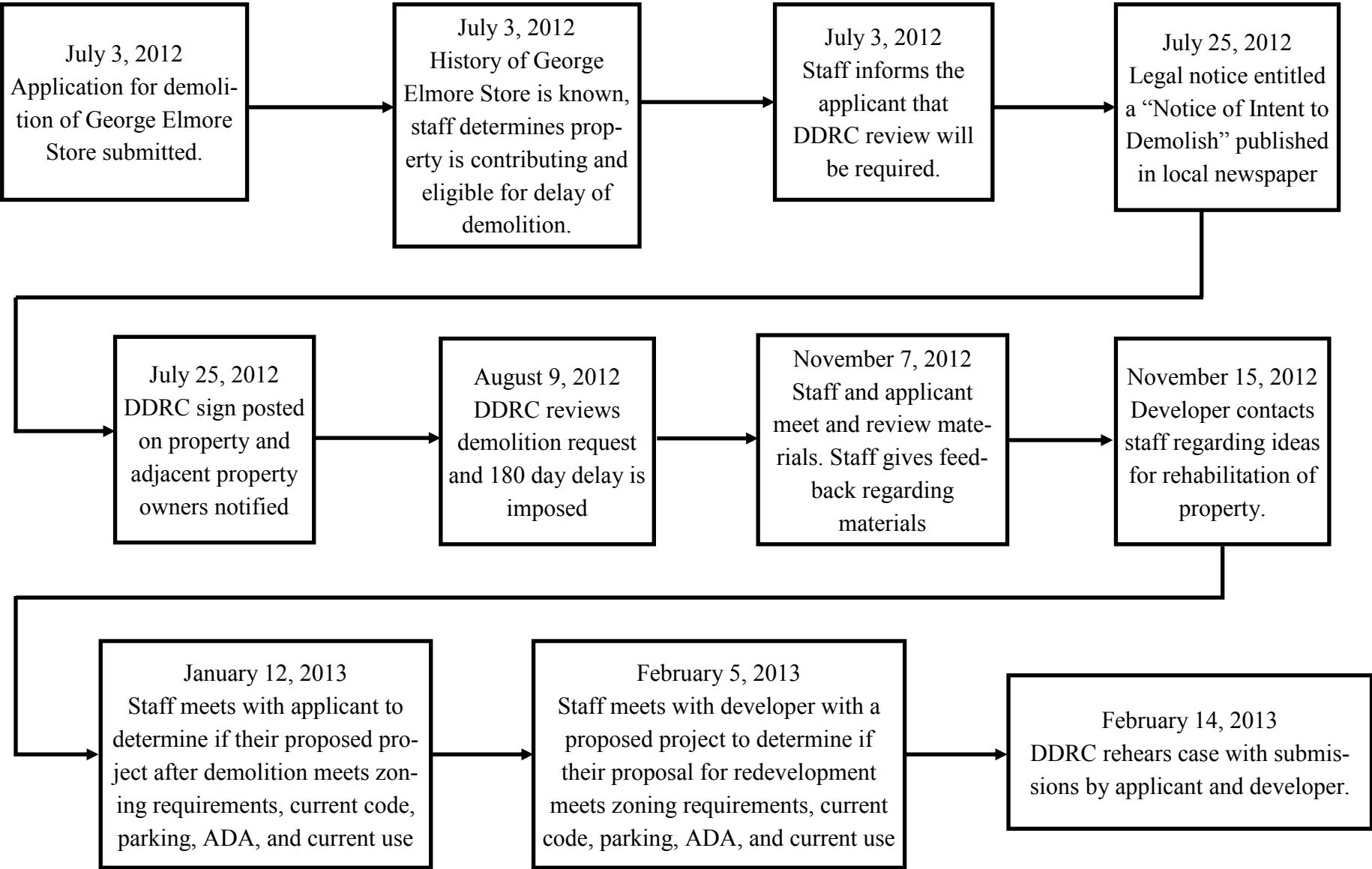
- Time dependent upon property owner/agent submittal
- Significance Determination Period
- Application Turn Around Window
- Demolition Delay Period

City of Columbia Application Process & Procedures—Delay of Demolition



Attachment: October Demo Delay Packet (4627 : Proposed Demolition Delay Ordinance)

City of Columbia
George Elmore Store Example



Attachment: October Demo Delay Packet (4627 : Proposed Demolition Delay Ordinance)

Recommended Document Checklist

Submission of these documents is not required, however, insufficient information may result in a delayed decision or a denial. It is highly recommended the checklist items be submitted by the dates below.

To be Submitted by Day 90

- Two to three detailed estimates of the cost of rehabilitation from qualified professionals*
- A detailed written estimate of the cost of demolition
- A history of maintenance
- Detailed structural report with measurements and photographs produced by an engineers, architect, and/or other qualified professional*
- Records, such as emails, that demonstrate the applicant has made the property available
- Plans for new construction including a site plan with building footprint, ingress and egress to the site, current zoning (minimally including usage, setbacks, and lot coverage), simple elevation drawings, and a list of primary materials

To be Submitted by Day 180

- Evidence of secured funding, such as an approved loan application, for the entire scope of the projects and a timeline for new construction
- A detailed written estimate of the cost of new construction
- Records, such as emails, that detail the number of viewings of the property and any offers including price and terms
- Estimated fair market value of the property produced by a licensed appraiser experienced in appraising historic properties. Report should address the value of the structure in its current condition, after demolition, after renovation, and after proposed redevelopment
- Market analysis prepared by qualified professional with extensive experience in both real estate and historic rehabilitation to demonstrate the following:
 - The current use does not generate a reasonable economic return
 - That appropriate or reasonable alternative uses, alterations, or additions could not generate a reasonable economic return
 - Potential Federal tax credits, transfers of development rights, local abatements or incentives or other funding sources are not feasible to bridge the gap identified above
- A rendering or image of the streetscape including the proposed building may be required
- As a last resort, potential sites for relocation should be explored and estimates from a qualified professional obtained or research demonstrating that a suitable site could not be found.
- Any documents not submitted or revised from day 90

*Qualified professionals should include a portfolio of a minimum of three projects that meet the Secretary of the Interior's Standards for Rehabilitation



We Are Columbia

MEETING DATE: October 2, 2018

DEPARTMENT: City Clerk

FROM: *Erika Moore, City Clerk*

SUBJECT: **Neighborhood Enhancements Through Demolition and Acquisition - Mr. William "Skip" Holbrook, Columbia Police Chief**

FINANCIAL IMPACT:

STRATEGIC GOALS: **Foster a healthy quality of life, Provide high quality municipal services**