

Mount Pleasant, SC: Planned Development – Workforce Housing zoning district

The Town of Mount Pleasant, located in Charleston County, SC, is one of several suburban communities surrounding the City of Charleston. Recent growth has changed this community from a small town of just over 5,000 residents in 1960 to one of the largest municipalities in South Carolina with over 65,000 residents. This growth has led to prosperity for the Town and residents have not seen a tax increase in over 15 years. However, due in part to its popularity, the Town has seen a rapid and steep increase in the average home price preventing many low to moderate-income families from purchasing homes in the community where they grew up.

In 2006, the median home price in Mount Pleasant was \$319,000 and the average home price was \$405,607. The 2006 median family income for the Charleston-North Charleston Metropolitan Statistical Area, which includes Mount Pleasant, was \$56,400. Based on this figure, a family of four could afford to spend approximately \$165,000 on a house – which is far below the price of typical homes available in Mount Pleasant. As a result, many people who work in the Town of Mount Pleasant are forced to live in other municipalities and commute – which significantly contributes to traffic congestion and stresses infrastructure. Recognizing the importance of and substantial need for workforce housing, Town Council established a Workforce Housing Advisory Committee (WFHAC) in 2006.

The Workforce Housing Advisory Committee was made up of 10 appointed citizens of Mount Pleasant who were appointed for four year terms. Each seat on the Committee had a specific occupational requirement, including residential home building industry, mortgage/banking industry, provider of workforce housing, real estate professional, advocate of low and very-low

income persons, as well as citizens-at-large. Representatives from East Cooper Habitat for Humanity as well as the United Methodist Relief Center also sat on the board. The Workforce Housing Advisory Committee's purpose was to advise Town Council on issues regarding the maintenance and promotion of workforce housing, make recommendations for policies governing existing programs, and provide advice and guidance on new policies related to programs that promote, preserve, and protect workforce housing in the Town. The goals of the Town's workforce housing programs and policies is to provide opportunities for private developers to produce housing affordable to moderate income households, particularly for essential workers such as teachers, nurses, police officers, and fire fighters.

The WFHAC spent several months developing a list of recommendations for addressing the issue of workforce housing. These recommendations were submitted to the Planning Committee of Council for review, which directed the WFHAC to proceed with the development of a Planned Development – Workforce Housing (PD-WFH) zoning district. The WFHAC, with input from the Lowcountry Housing Trust, spent nearly a year drafting the PD-WFH ordinance which was officially adopted by Town Council in October 2008. The Lowcountry Housing Trust (LHT) is a regional advocate for affordable housing established in 2004 to provide a dedicated ongoing source of funding for the production and preservation of affordable housing, and to actively work to encourage and implement policies that reduce unnecessary regulatory barriers to such production in Berkeley, Charleston, and Dorchester counties. LHT staff regularly attended meetings of the WFHAC and provided valuable input into the ordinances prepared by the Committee.

The purpose of the workforce housing planned development district is to achieve the goals of the Comprehensive Plan by allowing flexibility in development that will result in the provision of housing affordable to low and moderate income families. The incentives in the workforce housing planned development district are intended to encourage the development of workforce housing and provide mechanisms to reward developers who produce units meeting the standards of the ordinance. Workforce housing units must comprise at least 30% of the total units in the development. The primary incentive for developers is a substantial increase in density over what is allowed in other zoning districts. Density is based on the type of product built. Developments with detached single-family homes as the only product are allowed up to eight dwelling units per acre; developments with townhouses or duplexes as the only product are allowed up to twelve units per acre; a mixture of product types allows a developer to achieve up to sixteen units per acre. The PD-WFH ordinance is innovative and incorporates form based zoning into projects allowing for flexibility based on market conditions at the time of development. The conditions will dictate the type of product built (single-family, duplex, townhouse) and the number of each type of unit. This gives flexibility while still providing a predictable outcome in terms of site layout, appearance, total number of units, etc. Other incentives include variations from the regulations of the other established zoning districts concerning use, setbacks, lot size, density, bulk, and other requirements. Variations from requirements of the Land Development Regulations are also granted and include: right-of-way and road width, intersection radius, and the allowance of private and unidirectional streets. In return for these incentives, developers provide a mix of market-rate and workforce housing units in a variety of sizes. Developments offering workforce housing units only are discouraged because mixed-income neighborhoods are a key component of economically and socially sustainable communities.

Standards are set-up to determine eligibility and affordability for both, owner-occupied units and renter-occupied units. In order to qualify for a homeownership unit, an individual or family may not earn more than 120% of the area median income; individuals or families occupying rental units may not earn more than 80% of the area median income. Sale prices are limited by the owner's income, and monthly mortgage payments cannot exceed 35% of the owner's gross monthly income. The Town uses Fair Market Rents, established by the U.S. Department of Housing and Urban Development. These rents include a utility allowance. All workforce housing units must be deed restricted to remain affordable for at least ten years.

The Town's primary role in addressing workforce housing issues is to provide the means for private developers to create workforce housing opportunities. Since the inception of the program, three developments have come forward requesting Workforce Housing PD zoning. The first development (Carriage Hill Landing) received final approval from Town Council in March of 2009, the second development (The Village at Sweetgrass) received approval in July of 2009, and the third had first reading by Town Council in March of 2010. The vote for the third development was unanimous and final approval is anticipated in April 2010. Carriage Hill Landing is located on 6.25 acres and will have a total of 30 single-family units, 10 of which will be workforce housing. The Village at Sweetgrass is located on just under 10 acres and will have 49 units, including 15 workforce housing units. The number of units for the third development has not been determined yet, though the maximum permitted by the proposed development guidelines is 29, 9 of which will be workforce housing. Several developers have also approached the Town expressing interest in building "green" workforce housing developments,

which address long-term affordability not only through the sale price of homes but also through energy efficient improvements which keep costs low for moderate income households.

The Town is very proud of the fact that we are one of the first municipalities in the state to create a Workforce Housing Advisory Committee and take progressive steps by drafting and implementing ordinances. Other cities and towns are encouraged to use the Town's policies, programs, and ordinances as models. Other municipalities could also consider establishing a committee similar to the Workforce Housing Advisory Committee, as it would be comprised of local experts who could make the best possible recommendations for the particular municipality. Other cities and towns can also gain from some of the lessons that we learned during the process. First, involve folks from a variety of backgrounds in drafting a municipality's ordinance. The Town's WFHAC was comprised of a diverse group of people who could offer insights from many different perspectives. Next, education is critically important, as there is still a stigma associated with affordable housing. Citizens, as well as elected and appointed officials, need to understand the important role a variety of affordable housing options plays in creating a sustainable, successful community. Also, standards cannot be too strict or developers won't take advantage of the program. They have to be easy to understand and implement for everyone involved (municipal staff, developers, realtors, etc.). Finally, be open to suggestions. The Town's program is just getting off the ground, but staff welcomes feedback from the developers, designers, engineers, realtors, etc. who are trying to use the ordinance to create vibrant, mixed-income neighborhoods. This feedback is critical to the success of the program- if the ordinance does not work in practical application, the Town needs to make modifications in order to make the program as successful as possible.