

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



**TUESDAY MAY 6, 2025**

**2:00 PM**

**COUNCIL CHAMBERS**

# Richland County Council 2024-2025



Jessica Mackley  
District 9  
Chair



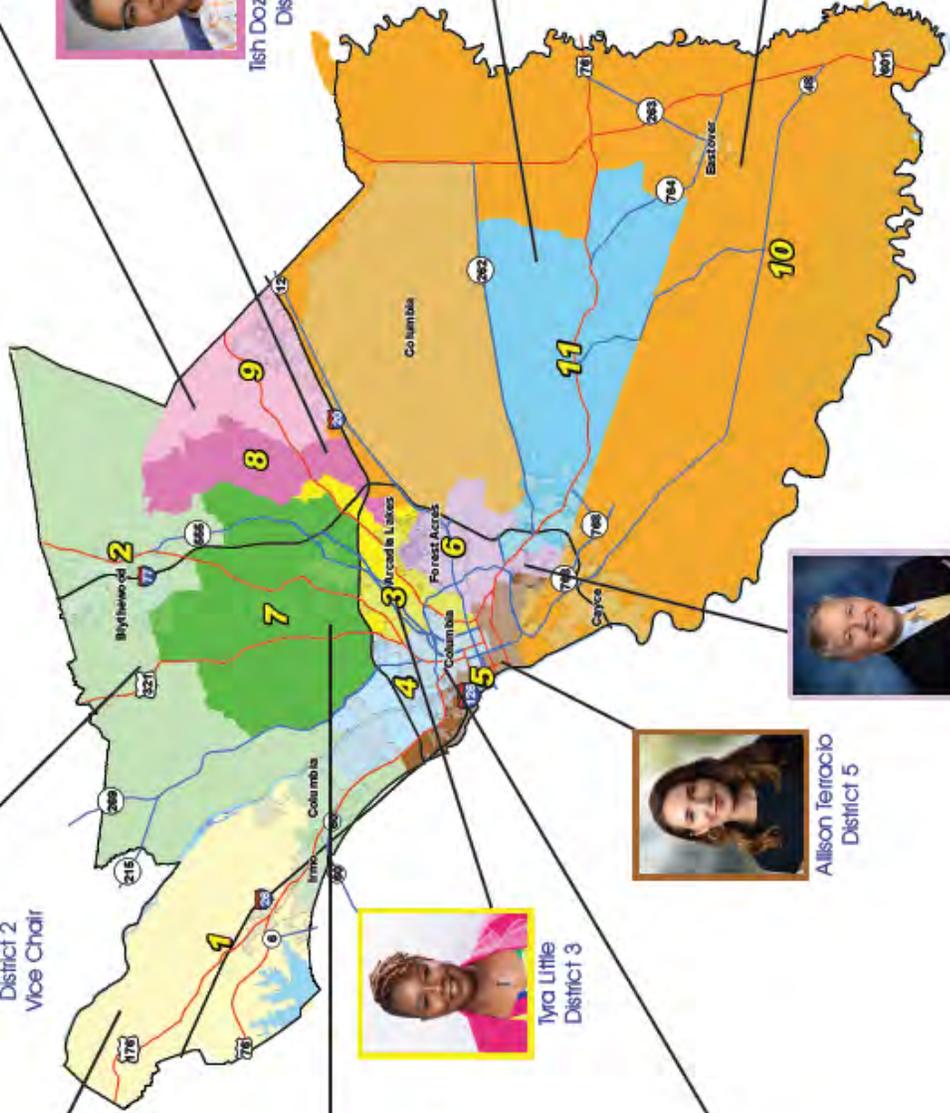
Tish Dozier Alleyne  
District 8



Chaikisse Newton  
District 11



Cheryl D. English  
District 10



Derrek Pugh  
District 2  
Vice Chair



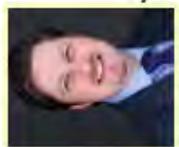
Iyra Little  
District 3



Allison Terracio  
District 5



Don Weaver  
District 6



Jason Branham  
District 1



Gretchen D. Barron  
District 7



Paul Livingston  
District 4



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

May 6, 2025 - 2:00 PM  
2020 Hampton Street, Columbia, SC 29204

The Honorable Allison Terracio	The Honorable Don Weaver	The Honorable Gretchen Barron	The Honorable Tish Dozier Alleyne	The Honorable Jesica Mackey
County Council District 5	County Council District 6	County Council District 7	County Council District 8	County Council District 9

1. **Call to Order** The Honorable Allison Terracio
  - a. Roll Call
  
2. **Election of Chair** The Honorable Allison Terracio
  
3. **Approval of Minutes**
  - a. May 7, 2024 **[PAGES 5-9]**
  
4. **Adoption of Agenda**
  
5. **Items for Discussion/Action**
  - a. Direct the County Administrator to create a Request for Qualifications (RFQ) to award up to \$4M for affordable housing, focusing on the priorities of down payment programs and giving priority to teachers and first responders, buy-down programs, and rehabilitating existing units. **[PAGES 10-14]**
  - b. Next Steps
  
6. **Adjournment**

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Richland County Council  
Affordable Housing Ad Hoc Committee Meeting  
**MINUTES**  
May 7, 2024 – 3:00 PM  
Council Chambers  
2020 Hampton Street, Columbia, SC 29204

COUNCIL MEMBERS PRESENT: Allison Terracio and Gretchen Barron, Don Weaver (arrived at 3:17pm)

OTHERS PRESENT: Paul Livingston, Chakisse Newton, Derrek Pugh, Jesica Mackey, Anette Kirylo, Patrick Wright, Angela Weathersby, Kyle Holsclaw, Jackie Hancock, Aric Jensen, and Leonardo Brown

1. **CALL TO ORDER** – Councilwoman Allison Terracio called the meeting to order at approximately 3:13 PM.
2. **APPROVAL OF MINUTES**
  - a. **March 19, 2024** – Ms. Barron moved to approve the minutes as distributed, seconded by Ms. Terracio.  
In Favor: Terracio and Barron  
Not Present: Weaver  
The vote in favor was unanimous.
3. **ADOPTION OF AGENDA** – Ms. Barron moved to adopt the agenda as published, seconded by Ms. Terracio.  
In Favor: Terracio and Barron  
Not Present: Weaver  
The vote in favor was unanimous.
4. **ITEMS FOR DISCUSSION/ACTION**
  - a. **Affordable Housing Fundamentals** – Assistant County Administrator Aric Jensen provided a presentation regarding the fundamentals of affordable housing.
    - “Affordable” is a subjective term.
    - 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 is effectively a commodity – value goes up and down depending on supply and demand
    - The cost to produce affects the value
    - 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 Community Housing Development Organizations (CHODOs)/Not-for-profits/charitable foundations
- Public sector housing development (high risk)

Ms. Barron requested Mr. Jensen further explain the “buy down” option. She inquired if it was a down payment plan or another method.

Mr. Jensen indicated there are multiple ways to do that. One is the county or charitable foundation will give funds to the developer while the project is being built, reducing their costs. In exchange, they will make a number of units affordable. There are also programs that offer down payment assistance.

Ms. Barron stated, for clarification, that if we decided to do a “buy down” program, we could give those funds to the developer, and in return, we could negotiate the unit cost with them.

Mr. Jensen assured Ms. Barron there would be an extensive contract with the developer for a period ranging from 15 to 30 years. There are specific instructions that the residents renting can only have a median income of “X” or lower. The rent can only escalate so much during that time or be tied to a CPI. The organization that pays the money down is responsible for doing a follow-up analysis or audit every five years to confirm they are still performing.

County Attorney Patrick Wright pointed out that in South Carolina, the county could not provide funding to a for-profit entity.

Ms. Terracio inquired if there would be an application or lottery process for individuals to receive these units. In Mr. Jensen’s experience, what has he found that worked well or best practices?

Mr. Jensen responded typically, working with a non-profit recognized by the federal government and doing this is your safest option. The housing authority is routinely given funds for this type of operation. If you wish to go another way, he would suggest getting an outside council skilled in this to do the negotiations on behalf of the county.

Ms. Mackey maintained that the county could still accomplish this with a tax incentive for the developer on the front end. If we know this is the outcome we want, we could technically do the equivalent of a “buy down” but with a tax incentive on the front end.

Mr. Jensen confirmed that in other states, this would frequently be done through a redevelopment agency by setting aside a portion of the tax.

- Options available to Richland County to support affordable housing:
  - Payments to extend existing affordability periods
  - Payment 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)

Ms. Barron recognized the ARPA funding was moved to the General Fund budget; therefore, she wanted to ensure we were talking about the right pot of money.

County Administrator Leonardo Brown indicated that when we initially discussed this matter, the funding source was ARPA funding. The funding available is General Fund dollars that can be used for any eligible program this committee and/or Council chooses to use them for.

Ms. Mackey pointed out that other counties used their ARPA funds to purchase land for developers, which allowed them to build at a more affordable rate because they did not have to worry about the land.

Mr. Weaver inquired if there was a deadline to expend ARPA funds.

Mr. Brown confirmed there is a deadline, but it is not relative to the discussion because the funds are General Fund dollars.

Ms. Mackey acknowledged there is no set deadline, but the issue of affordable housing is real. It was brought to light during COVID, which is why ARPA funds came about. Even though it is not tied to ARPA and we do not necessarily have a concrete deadline, she thinks, as a body, this is an issue we should be looking to address sooner rather than later with the \$4M and then looking at long-term initiatives.

Mr. Jensen stated that the remaining information in the presentation was more for informational purposes and could be addressed at a future meeting. Additional things, such as accessory dwelling units, could be focused on during the Comprehensive Plan process. He noted Charleston County is aggressively moving forward with accessory dwelling units. Regarding the \$4M, the items outlined in the presentation can be done quickly, and there are existing programs and formats the county could take advantage of without reinventing the wheel.

Mr. Weaver indicated that acquiring or building property should be the last thing on the county's list. It is controversial and takes a long time. He believes there are plenty of vacant buildings that we could utilize to help individuals. The easiest and quickest thing is to issue vouchers and subsidize rent to an existing rental structure. We could make it beneficial to Richland County by mandating that the person works in Richland County or use it for First Responders.

Ms. Barron stated she feels very strongly about the down payment programs. She does not want to create another thing for us to do because we have not decided we want to be in this "business." We know we want to invest in this area. We know it is a priority, but until we clearly define what we want to do and how we want to address affordable housing, we could partner with an existing organization to take on that responsibility. We are still accomplishing the goal we set. She is also a fan of partnering with an entity that has housing (i.e., the housing authority). She pointed out this is a crisis, and we cannot drag our feet in addressing it when we have the funds available. Therefore, let's determine how we spend the funds and whether it is through the down payment program or by getting properties back online. The best mechanism for doing so is to partner with an existing agency. Finally, it behooves us to continue the process we have already set forth by getting community input. She suggested doing a survey to find out the community's needs.

Ms. Terracio indicated she believes we have some data on what is needed in Richland County. She pointed out that just because someone does not have a certain kind of paycheck does not mean they are a specific type of person. Hopefully, as a part of this process, we can reduce some of the stigma associated with affordable housing. She maintained that when someone can better afford the house they live in and do not have to work two jobs or work up to 80 hours a week, they have more time to keep the property presentable.

Mr. Livingston suggested partnering with an entity that works with affordable housing and move forward with expending the \$4M. Then, we can come back and discuss future ways we could affect affordable housing in the community.

Ms. Barron believes we need to launch a campaign to inform the community about how Richland County defines affordable housing.

Ms. Terracio inquired if a buy-down program could be supportive of home ownership instead of rental.

Mr. Jensen responded in the affirmative. He has seen programs that bought down the loan cost or paid for a down payment that was forgivable over time.

Ms. Mackey noted she would like to see a targeted focus on either down payment assistance or identifying rental units for teachers, law enforcement, and first responders. She indicated that Fairfield County has already developed something similar for its teachers.

Ms. Terracio inquired if Ms. Mackey envisions this as an application process wherein a public servant employee would receive priority for housing.

Ms. Mackey suggested providing a portion of the funds to the organization and working with the school district(s) and law enforcement to determine if there is a down payment assistance program wherein the individual agrees to work for the school district, etc., for a specific period.

Mr. Livingston indicated that when we receive feedback from the organization(s) that work with affordable housing, we could inform them that we want to focus on affordable housing for teachers and other public servants. Then, the organization can detail how they plan to utilize the funds for the stated

purpose.

Ms. Barron visualizes splitting the funds into categories (e.g., buy-down program or rehabbing existing units). As a part of the application process, the organization(s) would note what they are applying for. Council would review the applications and award the funds accordingly.

Mr. Weaver asked if we should have staff contact Columbia Housing regarding rental assistance. We could also contact staff from South Carolina Housing to have them provide information related to down payment assistance.

Ms. Barron expressed that we need to open up an application process. It would be easy to enter into an agreement with Columbia Housing, but there may be entities that we do not know about. We need to proceed with the application process to give everyone a fair chance.

Ms. Barron moved to direct the Administrator to create an application to award up to \$4M for affordable housing, focusing on the priorities of down payment programs and giving priority to teachers and first responders, buy-down programs, and rehabbing existing units, seconded by Ms. Terracio.

Ms. Terracio made a friendly amendment to state, "up to \$4M."

Ms. Barron accepted the friendly amendment.

Mr. Pugh inquired if we would be developing some type of deliverables for the organizations receiving the funds so we can ensure they are used for the purpose we want.

Mr. Wright replied there would be an agreement between the county and the organization before the funds are dispersed. He suggested that Council consider including county employees among those prioritized for assistance.

Ms. Barron expressed that we should be specific about what we are looking for in the application process. It will be up to Council to determine measurable goals and things of that nature.

Mr. Weaver inquired if we are awarding the funds to another entity, with our criteria, or is the county providing a check directly to the tenants.

Mr. Brown stated, based on today's discussion, the application process would hear from community organizations, non-profits, or whoever does these types of programs. The organizations would present information detailing what they can do relative to affordable housing and in what ways. The committee, and ultimately Council, will decide which of the program(s) the county supports the work dictated in their application and meets the Council's criteria.

Ms. Mackey indicated that she does not view the organization's submission of information as an application process but as a Request for Qualifications. The county is looking for agencies that can fill these types of programs, and the organizations submit their qualifications to us.

Ms. Terracio made a friendly amendment to direct the Administrator to create a Request for Qualifications (RFQ) instead of an application.

Ms. Barron accepted the friendly amendment.

The motion reads: Ms. Barron moved to direct the Administrator to create a Request for Qualification (RFQ) to award up to \$4M for affordable housing, focusing on the priorities of down payment programs and giving priority to teachers and first responders, buy-down programs, and rehabbing existing units, 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 Ms. Terracio.

In Favor: Terracio, Weaver, and Barron

The vote in favor was unanimous.

The meeting adjourned at approximately 3:54 PM.



**Project Update**

<b>Prepared by:</b>	Aric Jensen, AICP	<b>Title:</b>	Assistant County Administrator
<b>Department:</b>	Administration	<b>Division:</b>	
<b>Date Prepared:</b>	April 10, 2025	<b>Meeting Date:</b>	May 6, 2025
<b>Approved for Consideration:</b>	County Administrator	Leonardo Brown, MBA, CPM	
<b>Committee/Meeting:</b>	Administration & Finance		
<b>Council Initiative/Project:</b>	Affordable Housing Funds RFQ		
<b>Agenda Item/Council Motion:</b>	“... direct the County Administrator to create a Request for Qualifications (RFQ) to award up to \$4M for affordable housing, focusing on the priorities of down payment programs and giving priority to teachers and first responders, buy-down programs, and rehabilitating existing units.”		

**EXECUTIVE SUMMARY (NARRATIVE STATUS):**

The Richland County Affordable Housing Ad Hoc Committee moved on May 07, 2024 “to direct the County Administrator to create a Request for Qualifications (RFQ) to award up to \$4M for affordable housing, focusing on the priorities of down payment programs and giving priority to teachers and first responders, buy-down programs, and rehabilitating existing units.” Administration prepared an RFQ in accordance with the Committee’s criteria, which was posted by Procurement on 10 February 2025 and closed on 12 March 2025.

Two organizations responded to the solicitation and were assessed based upon the posted evaluation criteria. Staff contacted organizations that viewed the solicitation but did not submit, and based on the feedback, recommend the Committee consider narrowing its focus to one or two specific objectives.

To assist the Committee, staff created a synopsis of various affordable and workforce housing incentive programs found in the “Analysis of Affordable Housing Incentive Programs/Options” section below. This is not an exhaustive list, but it includes a broad spectrum of possible programs.

While no action must be taken at this time, options include scheduling a work session and/or requesting detailed information on one or more housing incentive programs.

**KEY ACCOMPLISHMENTS/MILESTONES:**

10 February 2025	RFQ posted
12 March 2025	RFQ evaluation process started
06 May 2025	Report to Committee

## ANALYSIS OF AFFORDABLE HOUSING INCENTIVE PROGRAMS/OPTIONS

### *Down Payment Assistance*

- Funds provided at closing to a single beneficiary who meets pre-established criteria;
- Typically, a forgivable loan with a fixed schedule of 5 – 10 years;
- Requires annual monitoring of each loan, of the dwelling occupancy, and of ownership;
- Requires specialized (usually 3rd party) legal and financial evaluation services for each loan and for enforcement;
- Could be partially operated in-house;
- Suitable for:
  - New construction or existing units;
  - Attached and detached residential for sale product only;
- Financial considerations:
  - Higher monitoring costs;
  - Higher program costs;
  - Longer set-up time;
  - No capital recovery;
  - Lower cost to benefit ratio;
  - Higher risk.

### *Lease Buy Down*

- A lump sum payment to a property owner or developer in exchange for the provision of affordable housing units for a period of time;
- Involves setting a lease rate schedule and a period of affordability – current industry standard of 80% AMI for 30 years;
- Requires annual monitoring;
- Faster program creation;
- Could be operated substantially in-house;
- Suitable for:
  - New construction or existing units;
  - Attached and detached residential;
- Financial considerations:
  - Lower monitoring costs;
  - Lower program operation costs;
  - Shorter set-up time;
  - No capital recovery;
  - Middle to lower cost to benefit ratio;
  - Lower risk.

### *Impact Fee Waivers*

- A reduction in impact fees in exchange for the provision of affordable housing units, waiver amount is negotiated based on the benefit provided;
- May involve setting a lease rate schedule and a period of affordability – current industry standard of 80% AMI for 30 years;
- May require annual monitoring;
- Faster program creation (assuming the County had impact fees);
- Could be operated entirely in-house;
- Suitable for:
  - New construction only;
  - For sale and for lease product;
  - Attached and detached residential;
- Financial Considerations:
  - Lower monitoring costs;
  - Lower program operation costs;
  - Shorter set-up time;
  - No capital recovery;
  - Middle to lower cost to benefit ratio;
  - Lower risk.

### *Permit Fee and Impact Fee Installment Schedules*

- Reduces initial cost to developer by allowing building permit and impact fees to be paid over a period of time;
- Payments can be with or without interest, can be equal or graduated scale – parameters are established by Council when the program is created;
- May involve setting a lease rate schedule and a period of affordability – current industry standard of 80% AMI for 30 years;
- May require annual monitoring;
- Can be used to promote direct or indirect housing affordability (through reduced lease rate or increased housing supply);
- Could be operated completely in-house;
- Suitable for:
  - Attached and detached residential;
  - For lease or for sale
  - New construction only;
- Financial considerations:
  - Lower monitoring costs;
  - Lower program operation costs;
  - Shorter set-up time;
  - 100% capital recovery;
  - Higher cost to benefit ratio;
  - Lower risk.

### *Low Interest Loans*

- Reduces cost to developer or buyer through a below market rate loan in exchange for an affordability element that Council determines;
- May involve setting a lease rate schedule and a period of affordability – current industry standard of 80% AMI for 30 years;
- May require annual monitoring;
- Could be operated in-house;
- Suitable for:
  - Attached and detached residential;
  - New construction or existing;
  - Lease or for sale product;
- Financial consideration:
  - Lower monitoring costs;
  - Lower to moderate program operation costs;
  - Shorter set-up time;
  - Requires monthly bookkeeping;
  - 100% capital recovery;
  - Middle to higher cost to benefit ratio;
  - Lower to moderate risk.

### *Gap Financing/Extended Leverage*

- Allows a developer to build more units with less initial equity/capital – e.g., a bank would loan a maximum of 60% of construction cost (LTC) in a first position, and the County (or the program operator) would loan an additional 10-20% in a second position;
- May involve setting a lease rate schedule and a period of affordability – current industry standard of 80% AMI for 30 years;
- May require annual monitoring;
- Can be used to promote direct or indirect housing affordability (through reduced lease rate or increased housing supply);
- Could be operated in-house
- Suitable for:
  - Attached and detached residential;
  - Lease or for sale;
- Financial consideration:
  - Requires monthly bookkeeping;
  - Lower to moderate program operation cost;
  - Shorter set-up time;
  - 100% capital recovery, including interest;
  - Higher cost benefit ratio;
  - Lower to moderate risk.

### *Community Land Trust Program*

- The County or a land trust owns property that a multi-dwelling or single-dwelling development is built on, and the prospective and future buyers purchase only the physical buildings, which reduces the cost (land appreciation value stays with the County or land trust);
- Requires monitoring and review of every sale;
- Requires periodic monitoring of tenancy;
- Best operated by a land trust;
- Suitable for:
  - Attached and detached residential;
  - For sale product;
- Financial consideration:
  - There is no loss of capital, but it is encumbered indefinitely;
  - Middle to higher program operation cost;
  - Lengthy set up time;
  - Wide cost-benefit ratio;
  - Moderate to higher risk.