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3 Land Use

3.1 General Character along the Corridor

The following provides a general qualitative description of the various land use patterns along the LCRT corridor and within the study area. A quantitative description (at the parcel level) of the corridor land use is presented in Appendix B. A listing and description of some key activity centers/nodes within and around the study area is provided below.

3.1.1 Summerville to Ladson

A retail and mixed-use area is located along North Main Street near downtown Summerville and E 5th N Street from Berlin G Myers Parkway north. Going east toward I-26 on North Main Street from E 5th N Street, this stretch of the study area is characterized by big box retailers and smaller out-lot developments. The study area continues east along US 17 ALT crossing over I-26 to the Nexton development, a 4,000 acre development planned for a variety of uses, including 6,500 homes and a mixture of retail, commercial, and office space.



View of Main Street in downtown Summerville looking north

The southeast area is characterized by scattered mature commercial use (retail and light industrial), large undeveloped areas, and some residential neighborhoods. These neighborhoods are predominantly single family, with an increasing number of multi-family units approaching Berlin G Myers Parkway and Summerville.

Development decreases around the area of the US 78 and I-26 interchange. Some commercial and light industrial uses are present along US 78, but a significant amount of forested, undeveloped land and wetlands characterize this stretch. The area across from the Coastal Carolina Fairgrounds/Exchange Park contains a significant amount of industrial development.

3.1.2 North Charleston

One of the most active and intense portions of the study area is further southeast towards North Charleston. The area contains the Trident Medical Center, Charleston Southern University (CSU), and a large number of medical office and other related facilities. This area also has one of the highest concentrations of multi-family residential developments in the corridor, which are supported by a large number of retail stores. This portion of the study area also includes a major public open space/recreational amenity, the North Charleston Wannamaker County Park.

Further south, near the Otranto Road intersection, the study area is primarily commercial with residential uses behind the commercial development. More intense commercial uses exist to the west, ultimately giving way to the Charleston International Airport, Boeing, and Joint Base Charleston, located just west of the study area. The area surrounding the intersection of Ashley

Phosphate Road and Rivers Avenue is a major activity area with Trident Technical College, the Northwoods Mall, and additional large scale retailers. A significant amount of multi-family housing exists west of the corridor just north of Northwoods Mall. Commercial and retail uses exist along the western edge of the study area, along Montague Avenue and International Boulevard near the Charleston Area Convention Center.

Mature commercial (generally retail) uses continue to be the dominate land use along US 78 (Rivers Avenue). Along the east side of the study area and along the Cooper River are the Charleston Naval Complex and related industrial uses. Residential areas are predominantly single family with occasional concentrations of multi-family housing. On the east and north of McMillan Avenue are a significant number of garden apartments and two-family residences.

3.1.3 Charleston

Further south along the corridor, land use begins to change to industrial with some residential scattered on the east and west sides of the study area. The Port of Charleston lies just outside of the corridor to the east. The area along Meeting Street and south of the I-26 is characterized by newly developed multi-story mixed-use, along with development on the west side of the street. These developments include multi-family residential, first floor retail, hotel, and office uses. The Upper King Street retail/commercial corridor runs one block to the west. The area west of King Street is predominantly single family residential, with some multi-family residential and scattered retail. To the east of Meeting Street is a mixture of single family and multi-family residential.

Downtown Charleston is characterized by a large proportion of older and historic structures. Additional information on historic and cultural resources is provided in Chapter 9. The area north of Calhoun Street at the western edge of the corridor study area can be characterized as a medical district with MUSC, MUSC Health Center, Roper Hospital, and the VA Hospital. South of the medical district and Calhoun Street, the pattern is predominantly urban single family detached housing with some scattered multi-family housing, retail and institutional uses. Heading east along Calhoun, the predominance of multi-family housing and commercial development increases as the corridor heads past the College of Charleston and turns north on Meeting Street.

Figure 3.1 depicts a summary of the study area's land use composition derived from a quantitative land use analysis (see Appendix B: Quantitative Summary of Land Uses).

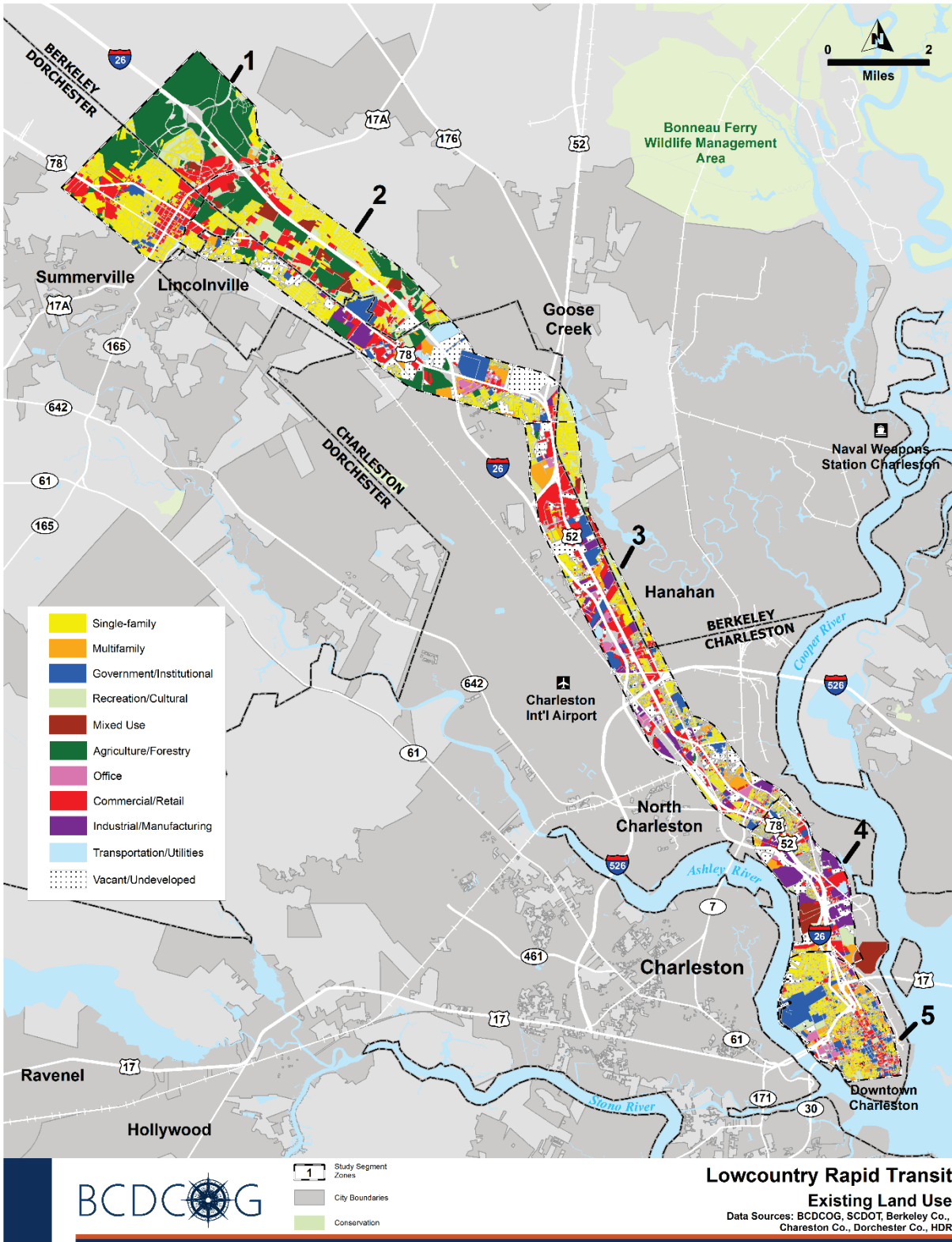


Figure 3.1 Existing Land Use

3.2 Activity Areas/Nodes

The study area contains a wide variety of activity zones, also referred to as nodes. These nodes include employment centers, recreation areas, retail centers, higher education institutions, health care facilities, entertainment districts, cultural resources, and transportation facilities. These nodes are important drivers of the local economy and major contributors to residents' quality of life. As such, increasing connectivity and mobility options for these destinations will have a positive impact on maintaining a dynamic regional economy. Some of the key existing nodes along the corridor and within the study area include:

- **Downtown Summerville** is a historic town center that serves as a dining, retail and cultural destination.
- **North Main Market/Azalea Square** is a regional shopping destination anchored by national big box retailers totaling over 750,000 square feet (SF).
- **Coastal Carolina Fairgrounds/Exchange Park** has been operated since 1957 by the non-profit Exchange Club. The South Carolina State Fair attracts over 400,000 guests every fall. The facilities host a variety of other events throughout the year.
- **Charleston Southern University** is a private university with over 50 undergraduate programs and 15 graduate programs. Approximately 3,500 students are enrolled at the 300-acre campus. Athletically, the university competes in the Big South Conference at the NCAA Division I level.
- **Trident Medical Center** is a comprehensive, 313 bed major medical center including a Level II Trauma Center and various specialty medical services serving the three county region. The hospital anchors a large medical district that includes the Charleston VA Medical Center.
- **North Charleston Wannamaker County Park** contains over 1,000 acres of woodland and wetlands alongside a seasonal waterpark and other amenities.
- **Northwoods Mall** is a regional shopping center with over 750,000 SF of retail and 132 stores.
- **Trident Technical College** is a two year college attended by over 15,000 students. The college's main campus (Thornley) and Palmer campus are located along the corridor.
- **North Charleston Intermodal Transportation Center** is a new facility offering intercity passenger rail (Amtrak) service along with intercity bus (Southeastern Stages, Inc.) and regional bus (CARTA) services.
- **Charleston Museum and Charleston Visitor Reception and Transportation Center** (Charleston Visitor Center) are located across the street from each other on the 300 block of Meeting Street. The museum, founded in 1773, is one of the oldest in the United States. The visitor center is located in an 1856 railroad building and provides a variety of information regarding attractions and activities in Charleston.
- **College of Charleston** is a public liberal arts college located primarily on a 52 acre campus in downtown Charleston. It is one of the oldest colleges in the United States and

currently enrolls more than 10,000 students in 61 undergraduate majors, 24 master's degree programs and 10 graduate certificate programs.

- **MUSC and MUSC Health Medical Center** is a public medical school and 700-bed teaching hospital located in downtown Charleston. Roper Saint Francis Healthcare also operates a 382 bed hospital on the MUSC campus.
- **Upper King Street Design and Dining District** in historic downtown Charleston offers a vibrant and eclectic mix of dining, retail, entertainment and cultural establishments.

Others activity nodes located outside the study area include:

- **The Citadel** is a state supported college with approximately 3,500 students in graduate and undergraduate programs. The Citadel is one of six senior military colleges in the United States and has a 2,500 member Corps of Cadets. The Citadel competes in the NCAA's Division I.
- **Lower King Street** is a mixed-use district and serves as one of the region's premier retail shopping areas. It is distinguished by its historic character and serves as a major visitor attraction.
- **Charleston International Airport** is a joint use airport with a civilian and military component (see below). The civilian airport serves approximately four million passengers annually.
- **Joint Base Charleston** is the result of a merger between the United States Air Force Base Charleston and the Naval Support Activity Center Charleston. The joint base encompasses over 20,000 acres and supports over 90,000 airmen, sailors, soldiers, marines, coast guardsmen, civilians, dependents and retirees. The base shares runways and other facilities with civilian and other operations at the Charleston International Airport (see above).
- **Boeing campus** is an assembly site for Boeing's 787 Dreamliner aircraft. It employs almost 7,000 people and covers 265 acres.
- **Charleston Naval Complex and shipyards** along the west bank of the Cooper River were formerly shipbuilding and repair centers for the United States Navy. The facility was closed in 1996 as part of the Base Realignment and Closure Act (BRAC). Currently, 230 acres of the site house FLETC (see below) and other federal agencies. In addition, 350 acres are being converted into an intermodal container transfer facility with new rail infrastructure.
- **Federal Law Enforcement Training Center (FLETC) Charleston** is one of three federal training centers in the United States and can house almost 700 trainees. The Department of State, National Oceanic and Atmospheric Administration, U.S. Coast Guard Base Charleston, SeaHawk Interagency Operations Center, and U.S. Maritime Administration all operate locations on the site.

- **Tanger Outlets Charleston** is an approximately 350,000 square foot retail destination. Its design incorporates elements of historic southern architecture and provides a variety of shopping and dining options.
- **North Charleston Coliseum, Performing Arts Center, and Charleston Area Convention Center campus** includes a 13,000 seat multi-purpose arena (Coliseum), a 2,300 seat theater (Performing Arts Center) and a 77,000 SF exhibition hall (Convention Center). The campus and facilities are owned by the city of North Charleston. The campus is located adjacent to a variety of hotels and retail establishments.

Figure 3.2 presents a map of the activity nodes. A map depicting historic districts/sites is provided under Chapter 9.

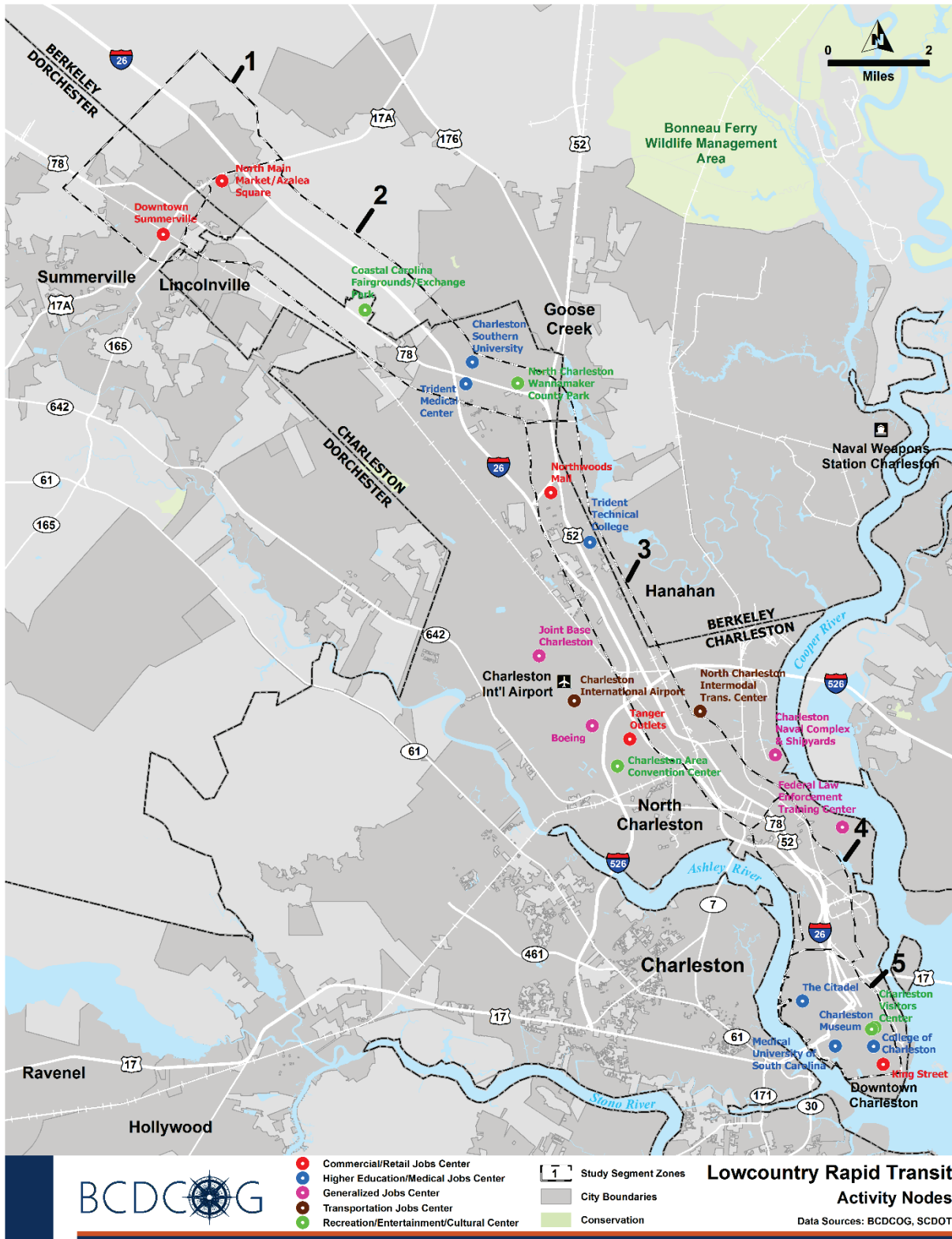


Figure 3.2 Activity Nodes

3.3 Economic Developments & Market Conditions

This section provides an overview of existing and recent economic development dynamics occurring in South Carolina, the Charleston region, and the study area. The discussion begins with a brief overview of general economic conditions and follows with a discussion of the impacts of those conditions on economic development in the corridor.

3.3.1 State and Regional Background

South Carolina as a whole has experienced a period of economic strength since the 2008 Great Recession. The Charleston metropolitan statistical area (MSA) has been a leading driver of this positive momentum, with growth generally exceeding the national economy. Figure 3.3 illustrates the growth in gross regional product between 2001 and 2017.¹

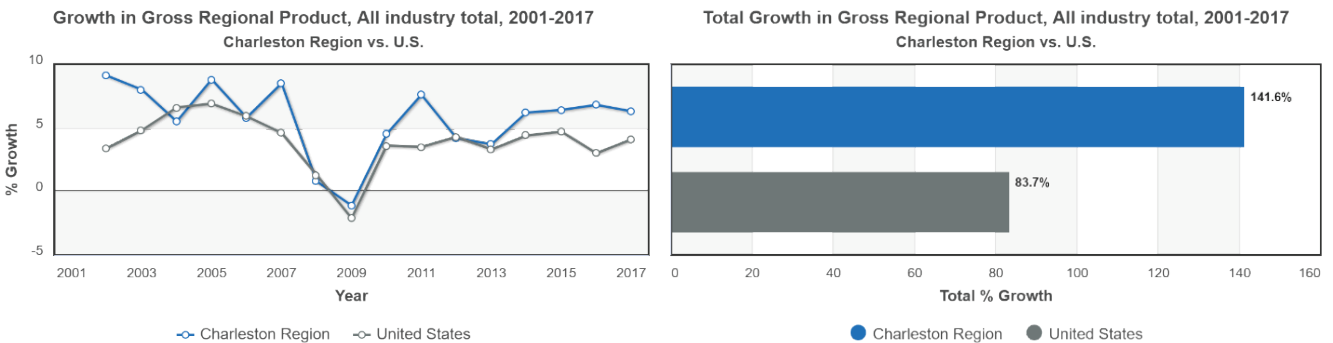


Figure 3.3 Gross Regional Product Growth

This momentum has impacted development in the study area, and will provide continuing opportunities going forward. Area Development Online², a site selection organization, ranked South Carolina second in their Top States for Doing Business and Yelp³ ranked Charleston number one for small business growth in 2018. The region’s strong job creation has resulted in similar population growth, with 28 people moving to the region each day.⁴ The state and MSA are poised to continue to benefit from this strong dynamic.

The strength of the South Carolina and Charleston economies can be shown by employment and income metrics. Continuing a decade of improvements, South Carolina’s unemployment rate in November 2018 was 3.3 percent versus the national rate of 3.7 percent (Figure 3.4).⁵ Charleston began its recovery shortly after the Great Recession and by 2012 exceeded pre-recession levels of employment. In 2018, total employment in Charleston grew 2.2 percent versus a national rate of 1.7 percent. Additionally, Charleston continued to lead metropolitan

¹ Charleston Regional Data Center. Gross Regional Product Dataset. <https://charlestonregionaldata.com/> [Accessed December 28, 2018.]

² Lee and Associates Commercial Real Estate Services. 2018. *Quarterly Reports*.

³ Charleston Metro Chamber of Commerce and Charleston Regional Development Alliance. 2018.

⁴ Lee & Associates Commercial Real Estate Services. 2018 *Retail Report*.

⁵ Federal Reserve Bank of Richmond. Beige Book and Monthly Updates. <https://www.richmondfed.org/> [Accessed December 28, 2018.]

areas in the state with an unemployment rate of 2.8 percent.⁶ While the outlook for 2019 and beyond is somewhat moderated by tariff issues and rising interest rates, it is anticipated that South Carolina and Charleston will continue to see an expanding labor force and positive labor force absorption.⁷

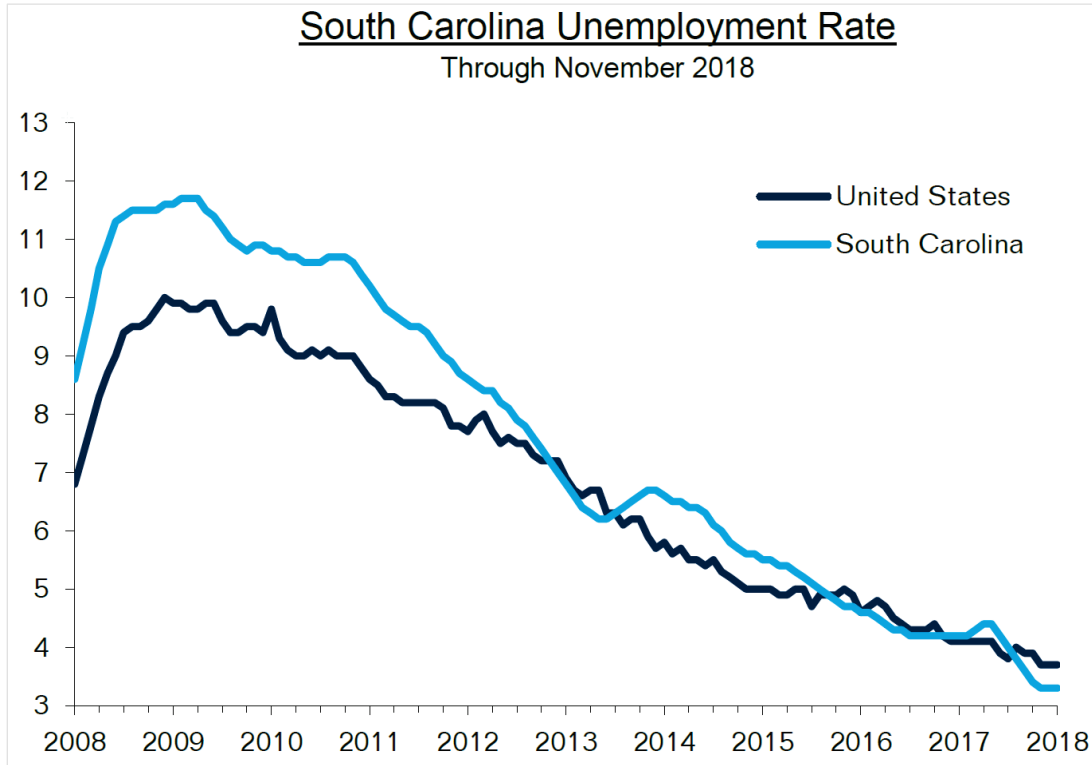


Figure 3.4 State Unemployment Rate

Generally, real personal income indicates an individual’s income adjusted for inflation. It therefore provides a good measure of growth and prosperity. While the national rate of growth has slowed in the past two years, South Carolina has experienced real personal income growth for five consecutive years and eight of the past ten years overall. In a related measure, Charleston’s median family income increased a healthy 8.3 percent year-over-year in November 2018, outpacing the state’s two largest MSAs and reinforcing the gains made in real income over the past decade. Figure 3.5 is an illustration of South Carolina’s real personal income growth from 2008 to 2018.⁸

⁶ South Carolina Department of Employment, Workforce Business Intelligence Department. 2018. South Carolina Economic Analysis Report.

⁷ University of South Carolina. 2019. South Carolina Economic Outlook.

⁸ Federal Reserve Bank of Richmond. 2018. Beige Book and Monthly Updates. [Accessed December 28, 2018.]

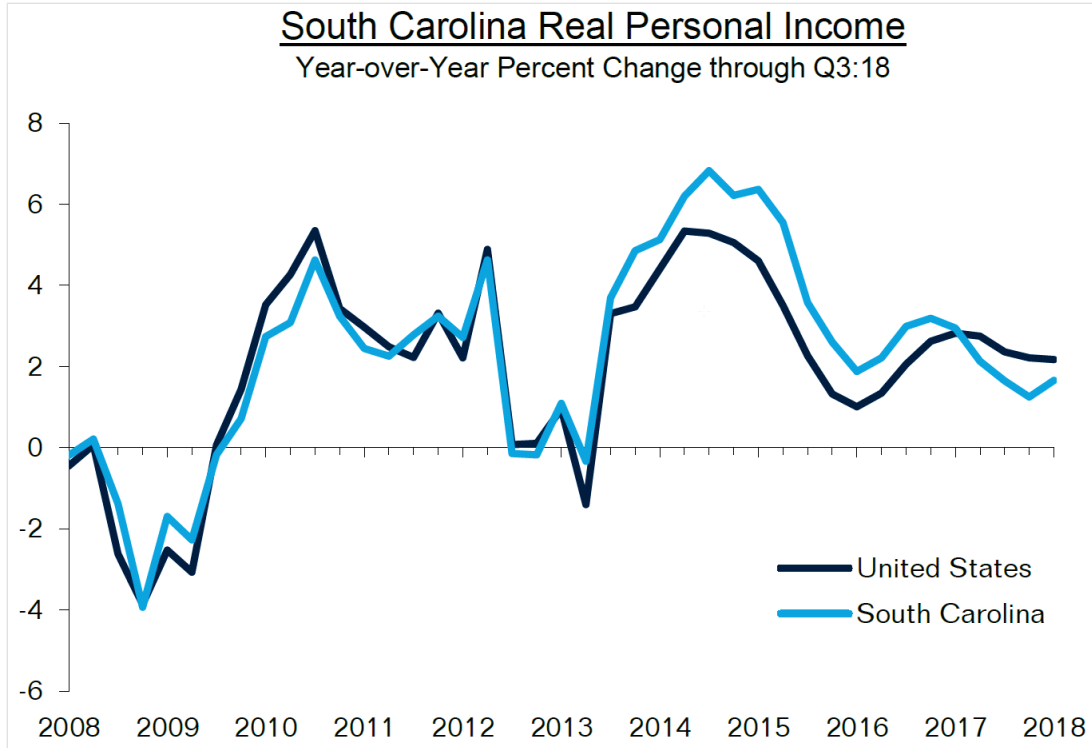


Figure 3.5 Real Personal Income

The service sector, driven by a thriving tourism industry, has long contributed to Charleston’s economy and has been a driver in the area’s recent growth. According to statistics from the U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research (OPDR), the sector’s payroll grew by 52 percent from 2000-2017.⁹ Tourism provided \$4.2 billion of economic impact, according to the Charleston Metro Chamber of Commerce. The government sector, led by Joint Base Charleston and the Charleston Naval Complex, is estimated to bring \$4 billion in direct investment and \$2.3 billion in indirect investment to the MSA while employing approximately 22,000 according to HUD OPDR.

While the service economy and nation’s third largest naval base continue to be important factors in economic development, major investments in the advanced industry sector have played an increasing role in Charleston’s development. In the past decade, Boeing, Mercedes-Benz, Volvo, and others have established major manufacturing presences in the region over recent years and existing firms such as Bosch have reinvested and expanded their local operations. An additional factor in the region’s growth has been investment in the Port of Charleston in order to accommodate Post Panamax ships. The port, along with Charleston’s airport and rail facilities, contributes to a robust logistics and supply chain infrastructure in the region. This, in turn, supports continued strength in the advanced industries. The net result was a ranking in 2016 by the Brookings Institution, which placed Charleston twentieth out of the top 100 metro areas for

⁹ United States Department of Housing and Urban Development. 2017. Comprehensive Housing Market Analysis Charleston-North Charleston, South Carolina.

growth in the Advanced Industry Sector.¹⁰ This transformation and diversification has helped drive the steady growth experienced by the Charleston MSA. While the transformation growth has been achieved through a diverse range of companies, a look at the region’s largest private employers (Table 3.1) underlines the region’s shift. The majority of these firms have a science, technology, engineering, and mathematics (STEM) focus:

Table 3.1 Largest Private Sector Employers - Charleston, SC MSA

Company	Product or Service	Employees
The Boeing Company	Aircraft manufacturing	7,000
Roper St. Francis Healthcare	Roper and Bon Secours St Francis Hospitals	5,700
Trident Health System	Hospital system	2,600
Walmart Inc.	Retail merchandise	2,300
Robert Bosch LLC	Antilock brake systems, fuel injectors, common rail & unit injectors	2,000
Blackbaud, Inc.	Specialty computer software development & design	1,400
Publix Supermarkets	Retail grocery stores	1,200
iQor	Inbound/outbound customer service call center	1,200
BenefitFocus	Custom benefits software	1,000
Harris Teeter Supermarkets	Retail grocery stores	1,000
KapStone Charleston Kraft LLC	Paper, packaging manufacturing	1,000
Kiawah Island Golf Resort	Resort	1,000
Nucor Steel	Manufacture carbon & alloy steel in various forms	1,000
Volvo Car USA LLC	Manufacture Volvo S60 sedans (for USA and export)	950
SAIC	Scientific, engineering & technology applications; national security, energy, critical infrastructure, health sectors	915
Mercedes-Benz Vans, LLC	Assembly of Sprinter vans for the U.S. market; Semi-knockdown (SKD) production of Metris van.	900

According to the University of South Carolina, the outlook for 2019 onward is generally positive. It is anticipated that growth will be moderate (due to tariffs, rising interest rates and changes in the global economy), but will remain steady with job growth at or above two percent, and an unemployment rate below 3.5 percent.

3.3.2 Real Estate Market Conditions

The strong labor market and growing personal incomes derived from the region’s dynamic economy have resulted in corresponding growth in the region’s real estate market. As the region has added jobs and residents, a corresponding need for office, industrial, retail, and housing space has resulted in a strong development cycle and market conditions.

¹⁰ Charleston Metro Chamber of Commerce and Charleston Regional Development Alliance. Center for Business Research 2018.

3.3.3 Office

Consistent employment growth and a transforming economy have led to a strong office market. While vacancy rates increased towards the end of 2018, they remained below six percent. Rental rates also continue to rise and the development pipeline had nearly 800,000 SF of new space under construction at the end of the third quarter of 2018. The outlook for the market looks strong, with continued investment and job growth in the region. There are also opportunities for new products that appeal to the tech industry and other advanced industry sector companies.

North Charleston is the region's largest office market by square footage. It includes major concentrations in the airport vicinity, along Cross County Road, and proximate to the area's military and government employment centers. While these areas generally lie at the edges of the project corridor, they nonetheless have significant impacts on demand within the corridor. Linking these areas to the project will be a key consideration. North Charleston currently has vacancy rates above the regional average (4.2 percent according to CoStar as presented by Lee & Associates), but this is generally due to the large amount of new development in the area over the past 18 months. Rental rates are around the regional average and the area includes significant retail amenities. The area aligns closely with the region's advanced industry sector, as many of these users have facilities located within the same vicinity.

Downtown Charleston, much of which lies in the project corridor, is the second largest office market in the region and carries the highest average rents at \$31.95 per square foot. While vacancy rates remain low, there are indications that businesses moving into or expanding within the MSA may be looking for more modern office spaces than are generally prevalent downtown. Downtown will continue to be an attractive office address; however, repositioning of some spaces may help reinforce this status.

The office market within the rest of the project corridor is generally limited to small professional offices within or close to retail centers, and medical offices near major medical facilities. The demand for small professional offices has been stable, while the region's medical sector continues to expand.

3.3.4 Industrial

The study area's industrial market has benefited from the region's prosperity and, in particular, the growth of advanced manufacturing. Trade issues, including tariff risk, have moderated growth; however, vacancy rates remain well below 10 percent, and the region had nearly 1.9 million SF under construction at the end of the third quarter of 2018.

North Charleston is the region's leading industrial market, containing approximately 40 percent of the regional industrial space and nearly all of the industrial space within or proximate to the project study area. The airport, Cross County Road, and the military and government job centers in North Charleston are all located adjacent to the study area. Rental and vacancy rates in North Charleston closely track the regional averages of around 7 percent. While growth has moderated and some more suburban locations are beginning to compete more for tenants, the area continues to add and absorb new space. North Charleston's industrial development areas appear poised to continue their role as part of a dynamic regional employment center.

3.3.5 Retail

While retail continues to undergo major changes on a national level, the study area’s market has exhibited unusual strength. Over the past five years, rental rates have generally increased and absorption has been positive. Over that same period, vacancy rates in the region have declined to an average rate at or below 3 percent. These low vacancy rates are indicative of a constrained supply which, when combined with the region’s continued growth in population and employment, point to continued strength in the retail sector for the region.

The North Main Market and Azalea Square developments total over 750,000 SF of retail. With the surrounding area, that number is approaching one million SF. With strong freeway access and the existing concentration of well-known national tenants, this area continues to attract additional growth. The Nexton development is poised to become an extension of this retail destination. The area is also close to downtown Summerville, which presents a traditional town center format as an alternative to the big box, regional center character of North Main/Azalea.



Nexton entrance along Brighton Park Blvd. looking northwest

North Charleston is the region’s largest retail market. The largest retail sections in North Charleston are located near office and industrial spaces close to the airport, Cross County Road, and centers for military and government jobs. In addition to this retail space, a substantial amount is located directly on Rivers Avenue, including the area around Northwoods Mall and the Trident Medical Center/CSU area.

Downtown Charleston trails North Charleston and other suburban markets for size, but nonetheless can be regarded as the region’s premier retail address. Rental rates are nearly double the regional average and vacancy rates are below the regional average. The Upper and mid King Street corridor lies within the corridor and is a premier dining and shopping destination. A significant amount of new retail is in the pipeline for this area, with much of it being placed in new mixed-use developments. The continued growth of the residential market in downtown will continue to support this new retail.



New mixed-use development in downtown along Meeting St. near I-26

In addition to these areas of concentration, there are significant amounts of other retail up and down the corridor, immediately along the alignment. While many retailers may be in older structures that show signs of decline, the region’s general supply constraints act as stabilizing forces for occupancy. These areas are performing better than their peers in other metro areas.

3.3.6 Construction Housing

Population increases have followed strong workforce and employment gains in the region. The Charleston housing market has experienced similar growth to office markets, industrial markets, and the region's general economy. The forecast for continued job growth is a positive sign of continued demand for housing units. This demand growth means a relatively stable market going forward, with some complications. Rising interest rates as well as other affordability constraints (such as more stringent underwriting standards) will moderate the real estate market. Even with this moderation, significant new single family projects are planned throughout the region, including the Nexton development. This development is located on the northeast portion of the study area and is one of the largest housing projects in the region. Additional developments are planned within the study area in North Charleston, Ladson, and Summerville.

On the multi-family side, the growth has been more pronounced. According to Hunt Mortgage Group Managing Director John Beam, multi-family "inventory expansion has outpaced nearly every other U.S. metro area" and "more than a third of the area's apartments have been built since 2010."¹¹ The pipeline is forecasted to continue adding units with numerous projects under construction or on the drawing boards. Even with continued demand growth, the rapid supply expansion has led to a vacancy rate over 10 percent and modest rental growth of roughly 2 percent as of 2018. In general, rent rates for existing and older product are stable with most of the rate growth being driven by new and higher end units. These older, established units are exhibiting lower vacancy rates (less than 10 percent) than the market average, likely due to their relative affordability. While the pipeline continues to deliver new higher end units, this sector of the multi-family market is exhibiting vacancy rates over 15 percent.

Within the project area, downtown Charleston is notable for having some of the highest rents in the region and delivering a large number of new units, generally in mixed-use buildings. Major development areas downtown and in the project area have been along Meeting Street and the West Edge. As downtown sites increase in price and become harder to find, multi-family, mixed-use development is slowly moving up the neck area of Charleston and into the Wagener Terrace area. Investments such as the Lowcountry LowLine multi-use trail and the LCRT project will enhance the connection to downtown, perhaps even becoming an extension of the downtown area.

Additional multi-family growth is happening throughout the study area. As amenities such as transit and retail increase, so will the attractiveness of developments like the one planned at Berlin G Myers Parkway and US 78. The Nexton development has proposed to add a large number of multi-family units in addition to the planned single family and commercial areas.

3.4 Permit Activity

At the time of this report, each county is working on reviewing its permit database as much of the new information since the recovery from the 2008 recession reflects reapplication of previously cancelled permits. The BCDCOG also has an inventory of the tri-county data since

¹¹ Gonzalez, Travis, *Why Charleston Is The U.S.' Latest Multifamily Hot Spot*. 2018. <https://www.bisnow.com/charlotte/news/multifamily/why-charleston-is-the-us-latest-multifamily-hotspot-90671> [Accessed December 28, 2018.]

2009.¹² The data are being validated and consolidated for consistency across all counties and years in preparation for the next phase of this project. The counties will make the data available for analysis as soon as possible. Some cities in the study area, as well as HUD report selective historical permit information for single-family homes. There is limited information on commercial development permits.

For the study area, the town of Summerville has an inventory of historical permit data.¹³ For 2018, 86 percent of the 3,490 permits were for residential use and 14 percent were for commercial. Of those, 1,883, or 54 percent were permitted for new construction and 1,667 (remaining 46 percent) were specifically for residential development. In both 2017 and 2018, construction of new commercial development dropped significantly compared to previous years, with a 20 percent decline each year. For residential development, construction slowed from 8 percent in 2017 to -1 percent in growth in 2018.

For the Charleston-North Charleston area, the Comprehensive Market Analysis conducted by HUD reports that during the 12 months ending June 2017, 4,750 single-family homes were permitted, 3 percent more than a year earlier (preliminary data).¹⁴ In the previous four years from 2012 to 2016, permits for housing grew 12 percent a year.¹⁵ The city of Charleston Department of Planning publishes a separate report on population estimates that includes permit data for 2017. Charleston reports 1,084 single-family unit permitted in 2017. Of those, 50 were issued within the Peninsula area. Another 1,717 were issued for multi-family units, 700 of them are within the Peninsula area. Compared to 2016, permits for single-family homes within the Peninsula dropped 40 percent while those for multifamily homes grew 37 percent.¹⁶ The slowdown in permitting for single-family homes is consistent with the data reported by the town of Summerville. Data from the city of Charleston indicate construction of multi-family homes outpaces that of single-family units.

3.5 Housing Characteristics

According to the U.S. Census Bureau (USCB), about 96 percent of the 320,413 housing units in the tri-county area are occupied and 4 percent are vacant.¹⁷ The majority of the units are located within Charleston County; about 58 percent (of units, not of land area). Over 60 percent of the tri-county's housing units are single-family detached homes and over 18 percent range from single-family attached to nine-unit homes (low density multi-family). About ten percent are multi-family homes with ten or more units (high density multifamily). Mobile homes, take up almost ten percent of the total housing stock.

¹² <https://bcdcoq.com/construction-quarterly-q4-2018/> [Accessed April 16, 2019.]

¹³ https://www.summervillesc.gov/index.asp?SEC={EA813AC7-B5A2-47BC-A5E2-7E1112F9B0E2}&Type=B_BASIC&persistdesign=none. [Accessed December 12, 2018.]

¹⁴ United States Department of Housing and Urban Development. 2017. Comprehensive Housing Market Analysis Charleston-North Charleston, South Carolina.

¹⁵ For the city of Charleston, 2018 is readily available via the city's permit viewer portal; however, there is no historical data for growth comparison, and the data does not seem to have information on new construction.

¹⁶ <https://www.charleston-sc.gov/DocumentCenter/View/17250> [Accessed December 12, 2018.]

¹⁷ U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.

Within the study area, census tract level data are used for tracts that fall within the boundary.¹⁸ There are 34,655 occupied housing units. Within that total, 16,543 units (48 percent) are single-family detached homes. Low and high density multifamily homes account for 9,558 units and 5,228 units (28 and 15 percent) respectively. Figure 3.6 depicts the housing stock composition not accounting for boats, recreational vehicles, vans, etc., as those estimates are negligible. The composition comparison shows the study area has greater density and is more mixed in terms of housing stock.

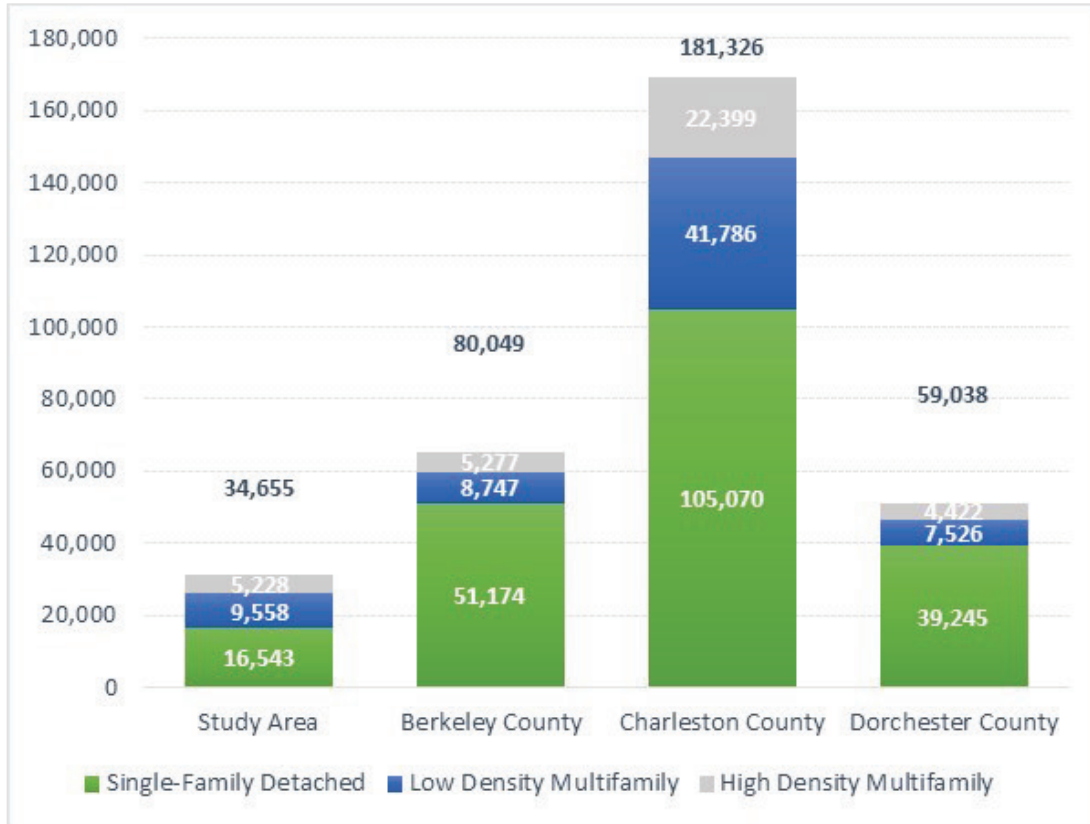


Figure 3.6 Housing Stock Comparison

In terms of home age, data for the tri-county area show about 2 percent were constructed after 2014, and about 7 percent were built after 2010. Between 1990 and 2010, over 40 percent were constructed, and between 1970 and 1990, 32 percent were constructed. The data show that the majority of homes are between 20 to 40 years old. About 14 percent were constructed between 1950 and 1970 and only about 7 percent were built before 1950.

¹⁸ Unlike the parcel data, the Census tract data for the study area is obtained by the intersection of the study area boundary and the tracts. Fractions of a tract are produced by the intersection at the boundary, and count data (such as number of housing units and not median household income) are divided proportionally using the land area of tract. Other data (such as median household income) are assumed to be the same through the tract regardless of the intersection.

In the study area, recovery from the 2008 economic recession in terms of new construction is slower, with only 2 percent built since 2010. However, new construction may be constrained by preservation of historical communities. Census data show there is a high concentration of older homes with over 7,000 units (21 percent of the total housing stock) built prior 1950. Figure 3.7 shows a distribution of the housing age.

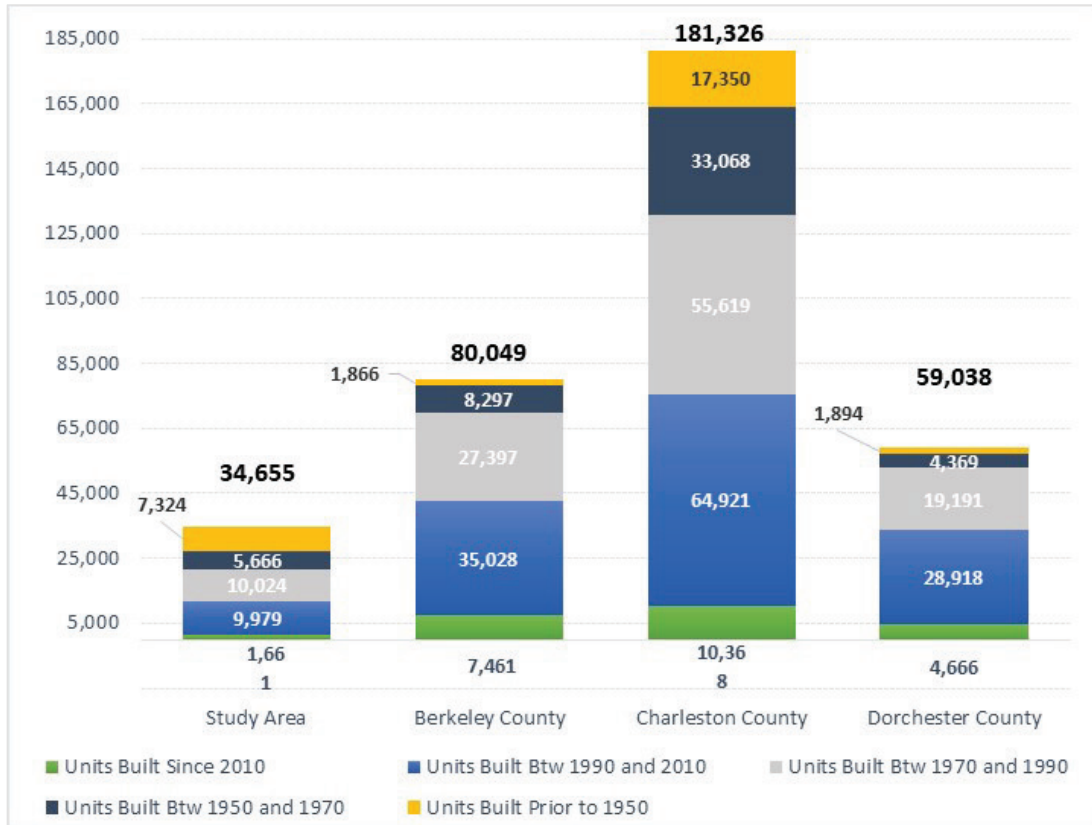


Figure 3.7 Housing Age Distribution

3.6 Affordable housing

Given recent development, renovation, and revitalization efforts, the housing dynamics in the study area has changed dramatically. The following describes how economic development activities may have impacted affordability. However further analysis is needed to address opportunities in inclusive housing policy that addresses affordability at different income levels.

HUD defines affordable housing as, in the case of dwelling units for sale, housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 28 percent of the annual household income for a household earning no more than 80 percent of the area median income, by household size, for the MSA as published from time to time. In the case of dwelling units for rent, housing for which the rent and utilities constitute no more than 30 percent of the annual household income for a household earning no

more than 80 percent of the area median income, by household size for the MSA as published from time to time by HUD SC Priority Investment Act Section.¹⁹

However, according to a tri-county land use analysis for the area, there is no “legally binding affordability restricted” housing in the area, except for the city of Charleston. Some municipalities have temporary restrictions on affordability, but these are established in individual development agreements with a range of affordability stipulations.²⁰ As there is no affordable housing policy in place, and for consistency with the Berkeley-Charleston-Dorchester Housing Needs Assessment, affordable housing for the study area is defined as dwelling units for which housing expenses constitute no more than 30 percent of the annual household income.^{21,22}

3.6.1 Housing Affordability

According to the U.S. Census Bureau, the median household income (MHI) in occupied housing and median owner-occupied home value for the tri-county area is about \$57,755 and \$205,167 respectively.²³ Specific to the study area, the census tract data show the MHI in occupied housing and median owner-occupied home value is about \$46,312 and \$159,150 respectively. Figure 3.8 compares income versus home price in the study area and the three counties. The chart shows that while income and home price may be lower in the study area, there is a significant dispersion in home price within Charleston County buried in the census data. In fact, the average home value in the study area (across census tracts) is about \$239,869, which is over \$80,000 higher than the median estimate.

¹⁹ Charleston County. 2018. Charleston County Comprehensive Plan.

²⁰ Berkeley Charleston Dorchester Council of Governments. 2016. I-26 Fixed Guideway Alternatives Analysis. Screen One Analysis. David & Floyd, Inc. February 2016.

²¹ Berkeley Charleston Dorchester Council of Governments. 2014. Berkeley-Charleston-Dorchester Housing Needs Assessment.

²² Housing expense include rent, utilities, mortgage, amortization, taxes, insurance, and condominium or association fees, etc.

²³ Average of the three counties from U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.



Figure 3.8 Income and Home Price Comparison

The median home price may not provide an accurate assessment of the housing cost burden faced by many households because of the value dispersion. In fact, the city of Charleston acknowledges it is facing a housing affordability crisis.²⁴ Roughly 26 percent (about 13,141) of the households in owner-occupied housing pay over 30 percent of their income on housing related costs. For renters, over 51.5 percent (about 14,426) of households are housing cost-burdened.

Census data report similar estimates. Figure 3.9 depicts housing affordability using census data in the study area as well as the region. The data show that disproportionately, when compared to owners, renters are spending over half their income on housing costs. This supports the trend that renting is becoming more prevalent as mortgages become harder to obtain and people seek greater mobility. The weighted average of housing cost burden data show 42 percent of households in the study area are paying over 30 percent of MHI in housing. The weighted average for the tri-county area is 34 percent, which indicates the housing affordability crisis is more prominent in the study area.

²⁴ City of Charleston. 2018. Lowline Affordable Housing Development Project. Procurement Division.

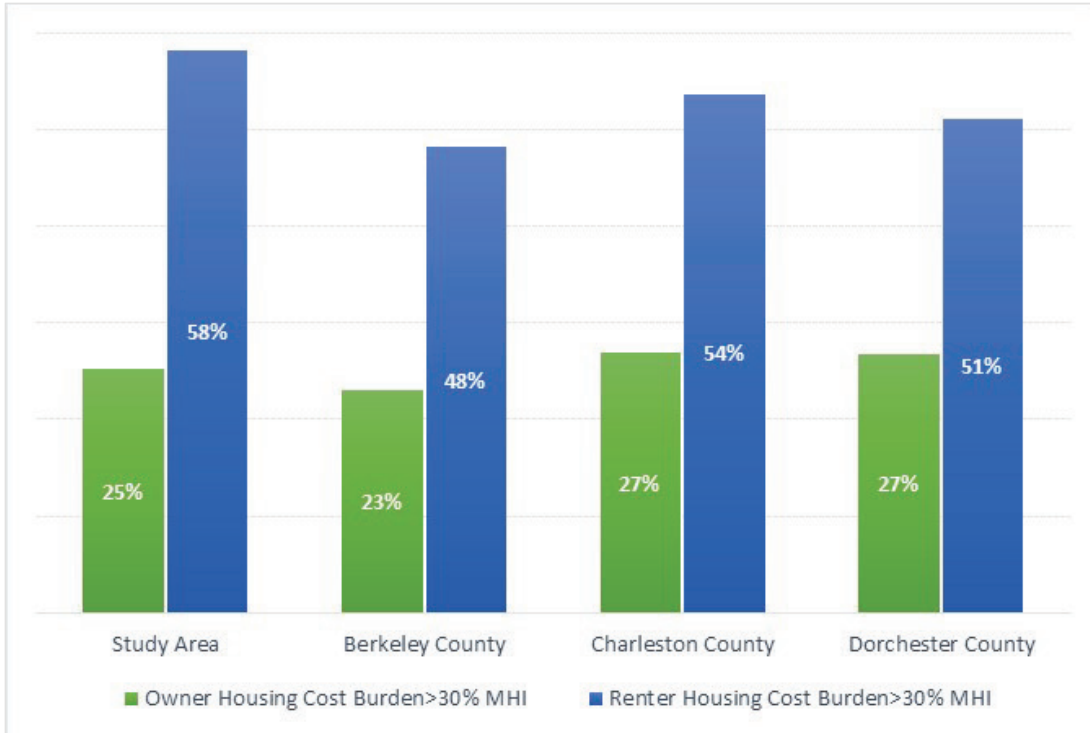


Figure 3.9 Housing Affordability

A map of the cost burden within the study area is provided in Figure 3.10. The data are developed by weighted average cost burden of renters and owner households.

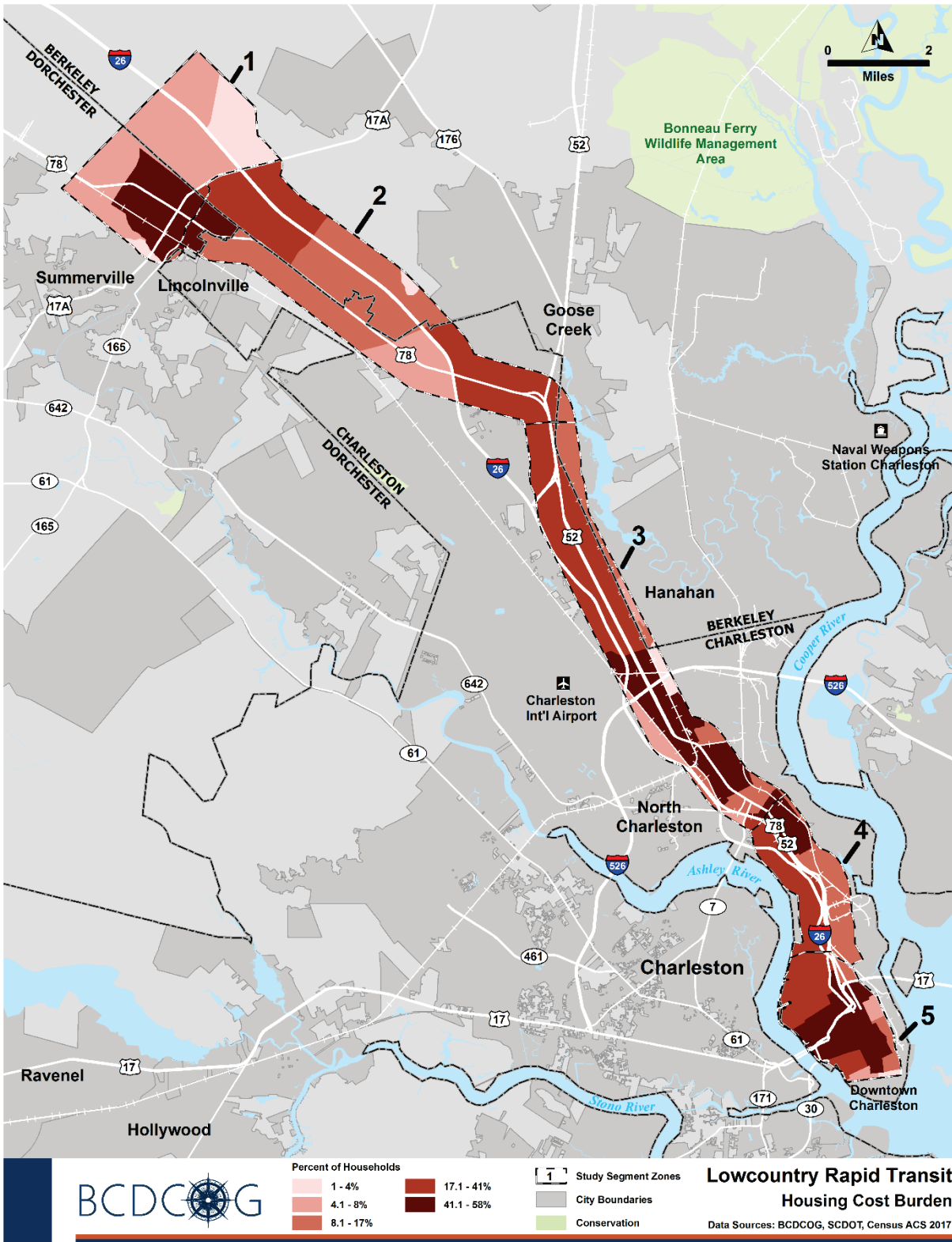


Figure 3.10 Housing Cost Burden

Together with housing costs, the addition of transportation expenses can have significant impact on people’s quality of life. The tri-county’s Housing Needs Assessment reports that 69 percent of the region’s population did not live near public transportation and the majority of employment opportunities were located in areas where housing was least affordable.²⁵ According to the BCDCOG, the deficit of affordable housing is compounded by gentrification and displaced residents, which means even higher transportation costs to access employment. The Center for Neighborhood Technology (CNT) produces the Housing + Transportation fact sheet which reports the households in cities of the study area spend over 51 percent of their income on housing and transportation costs.²⁶ A graphical representation of the data are provided on Figure 3.11.

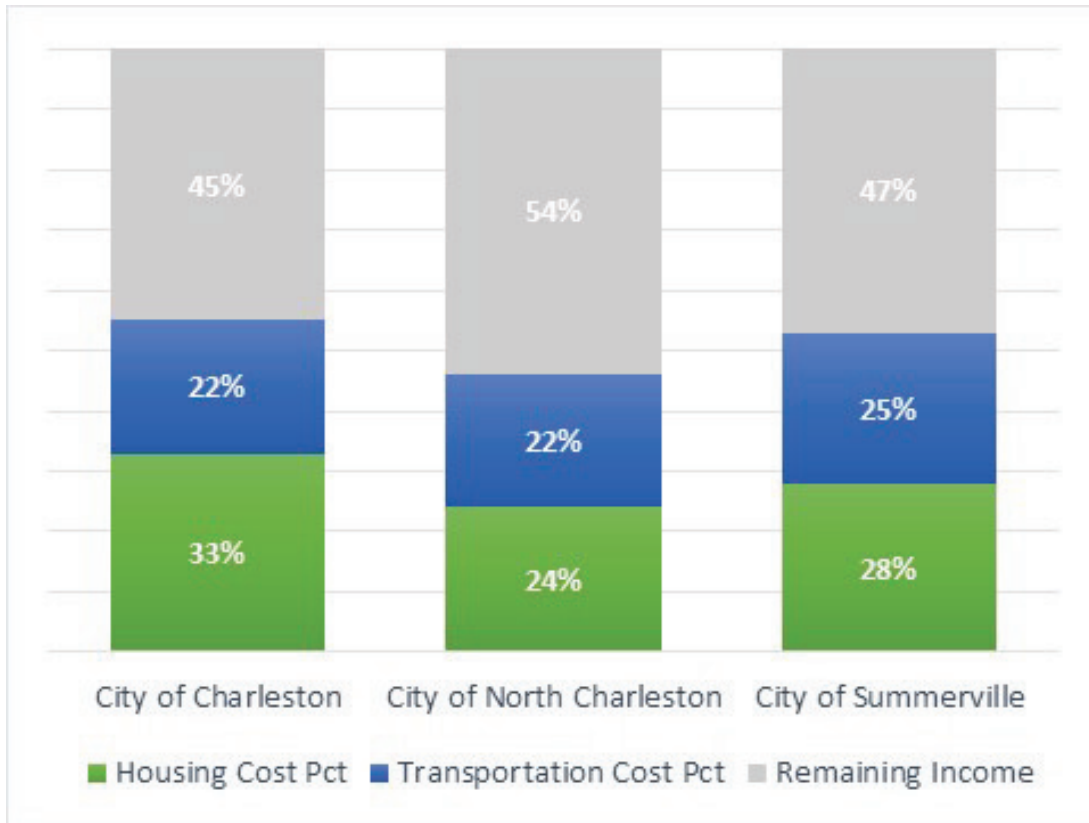


Figure 3.11 Housing + Transportation Costs

3.7 Regulatory Environment

A variety of efforts have been initiated over the past few years to improve policies related to housing.

- The Housing Needs Assessment identified the following opportunity areas:²⁷

²⁵ Berkeley Charleston Dorchester Council of Governments. 2014. Berkeley-Charleston-Dorchester Housing Needs Assessment.

²⁶ Center for Neighborhood Technology. H+T Affordability Index. <https://htaindex.cnt.org/map/> [Accessed December 7, 2018]

²⁷ Berkeley Charleston Dorchester Council of Governments. 2014. Berkeley-Charleston-Dorchester Housing Needs Assessment.

- Local zoning regulations often encourage low-density, single family/single lot development resulting in higher priced housing and environments where residents are forced to drive to commercial services, offices, employment, parks, public transportation, etc. Encouraging higher density, transit-oriented development patterns in proximity to future transit investments could create opportunities for a variety of housing types and affordability levels as well as fewer car dependent households.
- Local zoning incentives intended to encourage development of housing affordable to households earning 120 percent or below of the median household income have rarely been utilized by developers in the past. However, inclusionary zoning strategies are beginning to have impact. The city of Charleston has had success with innovative regulations requiring private developers to include affordable homes in large developments in certain zoning districts. Density bonuses are often used to offset subsidy costs and to incentivize this type of development. Charleston County and other jurisdictions are adopting similar regulations.
- Development policies have traditionally been focused on creating homeownership. However, renting is becoming more prevalent nationally and locally as both a mobility preference and a practical option; as rising prices and interest rates along with more onerous underwriting standards have made mortgages harder to obtain. While homeownership will continue to be important, policies must be balanced to benefit renters as well.
- The city of Charleston passed a referendum in 2017 to issue a \$20 million bond for affordable housing. Charleston continues to develop a plan for using the bond funds and has delayed issuance until that plan is completed. It is anticipated the bond will not be issued before mid-2019. While this will delay the creation of new affordable units, it may also present an opportunity. Transit-oriented development (TOD) planning related to the LCRT project could be coordinated with this bond program and some of the other programs discussed to produce affordable housing units in mixed income projects in the corridor.
- The city of Charleston Special Housing Committee for affordable housing²⁸ proposed the following:
 - Expand development opportunities by making public land available for housing, reusing abandoned property, and rezoning the use and density of properties.
 - Reduce red tape by zoning for diverse housing types, expediting permitting and review, and reviewing or revising fees.
 - Take advantage of markets by utilizing tax increment financing (TIFs) for affordable housing, creating or expanding trust funds, and offering voluntary, incentive-based inclusionary zoning.
 - Support bond measures and explore other funding options.

²⁸ <https://www.charlestoncounty.org/departments/county-council/committee-minutes/housing/07-24-18-Special-Housing.pdf>

- South Carolina currently caps Low-Income Housing Tax Credit (LIHTC) projects at 72 units. The high land prices in the city of Charleston portion of the corridor make projects difficult to achieve at this scale and have been a constraint on the delivery of LIHTC units.

The current efforts in the city of Charleston as well as the findings of the BCDCOG assessment have identified the general range or “toolkit” of affordable housing strategies. These strategies need to be further developed and applied throughout the corridor.

3.7.1 Affordable Housing Availability

The tri-county governments have housing departments that are dedicated to directly providing affordable housing opportunities. Within each county, individual departments, such as the Charleston County Community Development Department, work to fund affordable housing and community revitalization projects. Existing regional programs and incentives include:²⁹

3.7.1.1 Charleston County Community Development Department

- HUD grants: the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and Housing Opportunities for Persons w/AIDS (HOPWA) grants³⁰ promote the development and rehabilitation of housing for lower income families and individuals.
- Grants are used to fund: Homeowner Rehabilitation Program, Homeownership Initiative, and Operation Home- Homeowner Repair which provide funding in the form of subsidies as homeownership incentives.³¹

3.7.1.2 Mixed-Use, Workforce Housing District Zoning Ordinance³²

- Mixed-use workforce housing (MU-WH) zoning districts MU-1/WH and MU-2/WH require that 20 percent of housing units in proposed developments are made available to individuals making 80 percent (rental) or 120 percent (owner-occupied) of the area median income or that the majority of the ground floor is dedicated to non-residential uses. Affordable housing units are protected for 25 years. A fee in lieu option is available for developer to opt out of constructing subsidized units directly under their development.

3.7.1.3 Housing Choice Voucher and Public Housing units

Both Housing Choice Voucher and Public Housing unit programs offer rental assistance opportunities (other than those available in the public housing program) to low-income families.³³ While locations of specific affordable housing units are not mapped in this study, the HUD data for the study area show that the majority of affordable housing units are within the

²⁹ City of Charleston. 2018b. 2018-2019 Annual Action Plan. Department of Housing and Community Development. <https://www.charleston-sc.gov/DocumentCenter/View/98> [Accessed December 7, 2018].

³⁰ HOPWA funding enables the extension of services to the Charleston-North Charleston-Summerville, SC Metropolitan Statistical Area or MSA, which includes Berkeley, Charleston, and Dorchester Counties.

³¹ City of Charleston. 2015. 2015-2020 Consolidated Plan. Department of Housing and Community Development. <https://www.charleston-sc.gov/DocumentCenter/View/19320> [Accessed December 7, 2018]

³² City of Charleston. 2017. Mixed-Use Workforce Housing Changes.

³³ United States Department of Housing and Urban Development. 2018. Continuum of Care- Public Housing Agency Crosswalk. <https://www.hudexchange.info/resources/documents/FY-2018-CoC-PHA-Crosswalk-Report.pdf> [Accessed December 17, 2018]

cities of Charleston and North Charleston, where the project study area serves (Figure 3.12). However, the overall inventory shows public housing and housing choice voucher units total only 6,307, which represents just over 2 percent of the 274,408 occupied housing units with the tri-county area. The data provide additional evidence regarding the housing affordability crisis in the study area, where reportedly 43 percent of households are burdened by housing costs.

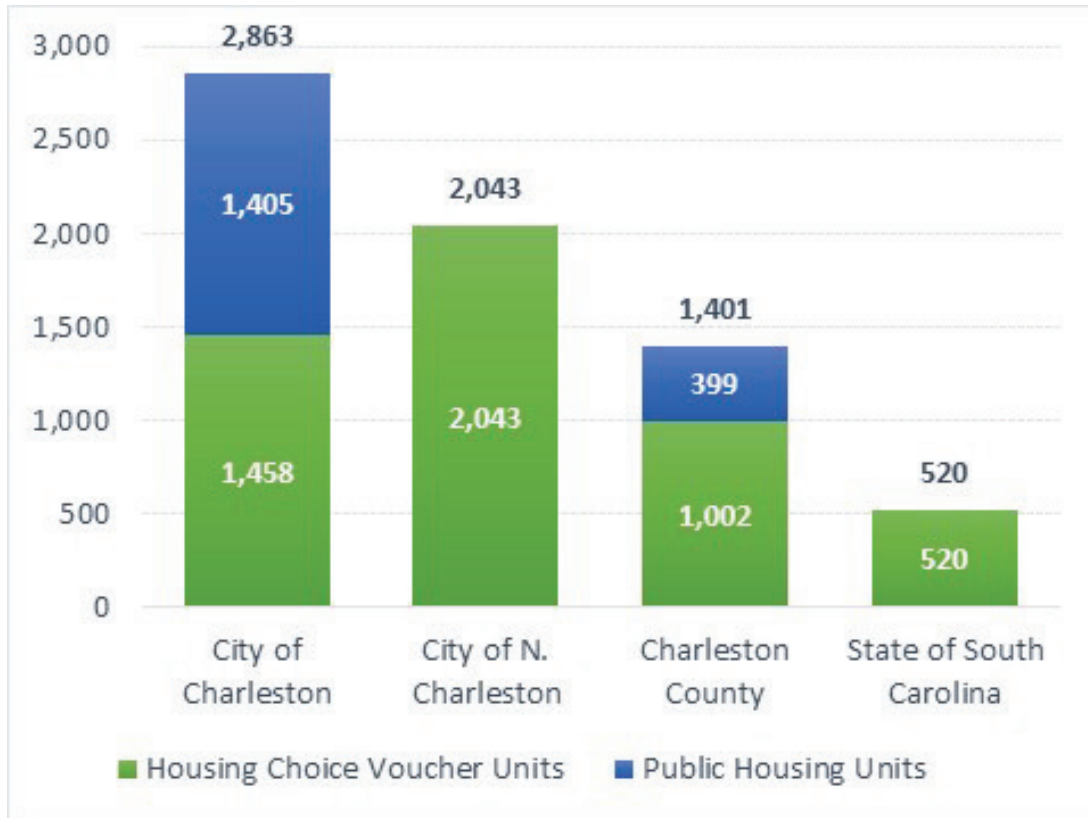


Figure 3.12 Affordable Housing Inventory

3.8 Conclusion

Future plans for land use within the tri-county area aim to accommodate growth that respects the unique character of the area while protecting cultural and natural resources (such as designated conservation areas), promotes economic opportunity, reserves private property rights, and is coordinated with the provision of community facilities. In terms of development, with forecasted population and employment growth, the regional real estate market is poised for continued expansion. The study area has seen a significant share of the region’s new development over the past five years and is well positioned to see similar results going forward. Investment in transit infrastructure and services in the corridor should provide additional leverage for future development and promote the design of interconnected and multimodal complete streets.

With respect to affordability, the cost burden analysis indicates the housing affordability crisis is more prominent in the study area relative to the tri-county area. Recent economic development may be impacting housing affordability, but further analysis is needed to address opportunities

in inclusive housing policy that addresses affordability at different income levels. It seems that housing policy must strike a balance between home ownership and rental unit affordability. While continuing to incentivize ownership, it is important to accelerate adoption of inclusionary zoning regulations to encourage private developers to include diverse types of affordable homes in large developments.

In order to reduce transportation cost burden (in additional to housing cost), TOD planning related to the LCRT could be coordinated with the affordable housing bond program and other initiatives to produce affordable housing units in mixed income projects in the corridor. Additionally, study area ordinance should be reviewed to consider expanding the MU-WH district zoning to generate employment opportunities within the study area to alleviate the transportation and housing cost burden.