



Ratification
Number 2019-132

AN ORDINANCE

TO AMEND PART 15 (MIXED USE 1 - WORKFORCE HOUSING DISTRICT MIXED USE 2 - WORKFORCE HOUSING DISTRICT) OF ARTICLE 2 (LAND USE REGULATIONS) OF CHAPTER 54 OF THE CODE OF THE CITY OF CHARLESTON, SOUTH CAROLINA (ZONING ORDINANCE), TO IMPLEMENT THE FEDERAL OPPORTUNITY ZONE PROGRAM, BY CREATING CERTAIN INCENTIVES TO ENCOURAGE THE DEVELOPMENT OF WORKFORCE HOUSING UNITS WITHIN DESIGNATED QUALIFIED OPPORTUNITY ZONES. (AS AMENDED)

BE IT ORDAINED BY THE MAYOR AND COUNCILMEMBERS IN CITY COUNCIL ASSEMBLED:

Section 1. Part 4 of Article 3 of Chapter 54 of the Code of the City of Charleston, South Carolina (Zoning Ordinance) is hereby amended to read as follows (new text in **bold and double underlined** and deleted text with ~~strikethrough~~):

~~PART 15 – MIXED USE 1 WORKFORCE HOUSING DISTRICT MIXED USE 2 WORKFORCE HOUSING DISTRICT~~ **DISTRICTS AND OPPORTUNITY ZONES**

Sec. 54-297. - Findings.

- a. City Council finds that its urban areas have traditionally included mixed use developments that incorporate housing opportunities for persons of varying means and incomes, along with complementary nonresidential uses. City Council finds that these mixed use developments have contributed significantly to the economic success and unique fabric of its urban environment by enhancing diversity and providing job opportunities, and that it is in the public interest that incentive-driven districts be established to encourage the continued development of mixed use projects.
- b. **City Council finds that opportunity zones, which were added to the federal tax code by the Tax Cuts and Jobs Act (the “Act”) on December 22, 2018, provide for preferential tax treatment for new investments in economically-distressed areas, including areas within the City designated as qualified opportunity zones under the procedures set forth in the Act.**

Sec. 54-298. - Purpose.

- a. ~~These~~ The MU-1/WH and MU-2/WH base zoning districts are intended to promote a mixture of housing opportunities within a single development, along with appropriate nonresidential uses, by providing incentives for the creation of such developments in urban areas of the ~~city~~ City where on street parking or other public parking is customary and can be reasonably accommodated.
- b. The creation of qualified developments in areas of the City designated as qualified opportunity zones is intended to take advantage of the Act and the economic development tools provided therein to spur economic development and job creation in distressed communities, while ensuring appropriate housing is provided in these areas.

Sec. 54-299. – Availability.

- a. Except as set forth in Sec. 54-299.b, The MU-1/WH and MU-2/WH districts, being incentive based, are only available to ~~property~~ owners who apply for the district designation.
- b. Subject to the terms, conditions, and restrictions set forth in this Part, notwithstanding Sec. 54-299.a, any owner may apply for the incentives applicable to the MU-1/WH or MU-2/WH districts without applying for the district designation, by demonstrating to the Zoning Administrator that the proposed development on the owner's property meets all of the following criteria:
 - i. The development is funded wholly or in part by a qualified opportunity zone fund.
 - ii. The development lies wholly or in part within a designated qualified opportunity zone.
 - iii. The development will occur on property lying entirely in at least one of the following base zoning districts: UC, GB, LB, CT, GO, BP, LI, or HI.

Sec. 54-299.1. – Definitions.

Terms in this Part shall be defined as follows: ~~For the purpose of this part, the following terms mean:~~

- a. Owner occupied workforce housing unit: A dwelling unit where at least one occupant is an owner, and where all occupants have, in the aggregate, household income less than or equal to one hundred twenty (120%) percent of the area median income (AMI) for owner occupied units. ~~Area median income (AMI) shall be determined annually by the United States Department of Housing and Urban Development as adjusted by the City of Charleston Department of Housing and Community Development, or their successors.~~

- b. Rental workforce housing unit: A dwelling unit, where occupants have, in the aggregate, household income less than or equal to eighty (80%) percent of the area median income (AMI) for rental units. ~~Area median income (AMI) shall be determined annually by the United States Department of Housing and Urban Development as adjusted by the City of Charleston Department of Housing and Community Development, or their successors.~~
- c. Qualified household: Households where occupants have, in the aggregate, (1) a household income less than or equal to one hundred twenty (120%) percent of the area median income (AMI) for owner occupied **workforce housing** units; (2) and a household income less than or equal to eighty (80%) percent of the area median income (AMI) for rental units. Area median income (AMI) shall be determined annually by the United States Department of Housing and Urban Development as adjusted by the City of Charleston Department of Housing and Community Development, or their successors. **workforce housing units; or (3) a household income less than or equal to sixty (60%) percent of the area median income (AMI).**
- d. Initial maximum allowable sales price: An amount equal to three (3) times one hundred twenty (120%) percent of the area median income (AMI), ~~as determined annually by the United States Department of Housing and Urban Development as adjusted by the City of Charleston Department of Housing and Community Development, or their successors~~ plus any subsidy available to the buyer/purchaser.
- e. Affordable rent: An amount equal to thirty (30%) percent of eighty (80%) percent of the annual Area Median Income (AMI), ~~as published annually by the United States Department of Housing and Urban Development, or its successor, for the Charleston-North Charleston Metropolitan Statistical Area, as may be adjusted by the City of Charleston Department of Housing and Community Development, or their successors~~ AMI. Affordable rent for efficiency/studio units is the High HOME rents as published annually by the United States Department of Housing and Urban Development, or its successor, for the Charleston-North Charleston Metropolitan Statistical Area, as may be adjusted by the City of Charleston Department of Housing and Community Development, or their successors. In the absence of such information, the ~~rents~~ total annual rent charged by the owner shall not exceed thirty (30%) percent of the annual household income.
- f. Household income: All sources of financial support, both cash and in kind, of adult occupants of the housing unit, to include wages, salaries, tips, commissions, all forms of self-employment income, interest, dividends, net rental income, income from estates or trusts, Social Security benefits, railroad retirement benefits, Supplemental Security income, Aid to Families with Dependent Children or other public assistance welfare programs, other sources of income regularly received, including Veterans' (VA) payments, unemployment compensation and alimony, and awards, prizes, government or institutional or eleemosynary loans, grants or subsidies and contributions made by the ~~H~~household members' families for medical, personal or educational needs.

- g. **Area Median Income (AMI).** Area median income (AMI) shall be as determined annually by the United States Department of Housing and Urban Development, as adjusted by the City of Charleston Department of Housing and Community Development, or their successors.
- h. **Designated qualified opportunity zone:** A designated qualified opportunity zone is a qualified opportunity zone, as defined in subsection (a) of Section 1400Z-1 of Title 26 of the United States Code, that has received a designation pursuant to that section.
- i. **Qualified opportunity zone fund:** The term “qualified opportunity zone fund” is defined in subsection (d) of Section 1400Z-2 of Title 26 of the United States Code.
- j. **Qualified development:** A development satisfying the criteria in Sec. 54-299.b, as determined by the Zoning Administrator.

Sec. 54-299.2. – Land uses for MU-1/WH and MU-2/WH districts.

[The provisions of the current Sec. 54-299.2 are incorporated fully herein by reference]

Sec. 54-299.3. – Parking and loading.

[The provisions of the current Sec. 54-299.3 are incorporated fully herein by reference]

Sec. 54-299.4. – Height, area and setback regulations.

a. The height, area and setback regulations for the MU-1/WH and MU-2/WH districts are listed under ~~Article 3, Part 1, Table 3.1: (Height, Area and Setback Regulations.)~~ **of Article 3 (Site Regulations) of this Chapter in Table 3.1 (Height, Area and Setback Regulations).**

b. **The height, area and setback regulations for the MU-1/WH and MU-2/WH districts, as set forth in Table 3.1, shall also apply within qualified developments.**

Sec. 54-299.5. - Affordable/workforce housing account.

[The provisions of the current Sec. 54-299.5 are incorporated fully herein by reference]

Sec. 54-299.6. - Existing MU-1/WH and MU-2/WH classifications.

[The provisions of the current Sec. 54-299.6 are incorporated fully herein by reference]

Sec. 54-299.7. – Lot frontage requirements.

a. New lots created in the MU-1/WH and MU-2/WH zone districts shall not be required to have frontage on a street, ~~per Section~~ **as set forth in Sec. 54-824.**

- b. New lots created within a qualified development shall not be required to have frontage on a street, unless such frontage would be required on a new lot created in the MU-1/WH and MU-2/WH zone districts.

Sec. 54-299.8 – Land Uses for Qualified Developments.

With respect to a qualified development, the following standards shall apply:


- a. Every qualified development containing dwelling units shall be subject to the same incentives and requirements applicable to a development in the MU-1/WH or MU-2/WH zoning districts except that the option of a fee payment in lieu of workforce housing units as set forth in Sec 54-299.2(c) shall not apply.
- b. Nonresidential uses allowable in a qualified development are the nonresidential uses allowable in the base zoning district of the property.

Sec. 54-299.98–54-299.10. – Reserved

Section 2. This Ordinance shall become effective upon ratification.

Ratified in City Council this 17th day of December in the year of Our Lord, 2019, in the 244th Year of the Independence of the United States of America.

By:


John J. Tecklenburg, Mayor
City of Charleston

By:


Vanessa Turner Maybank,
Clerk of Council

ATTEST: