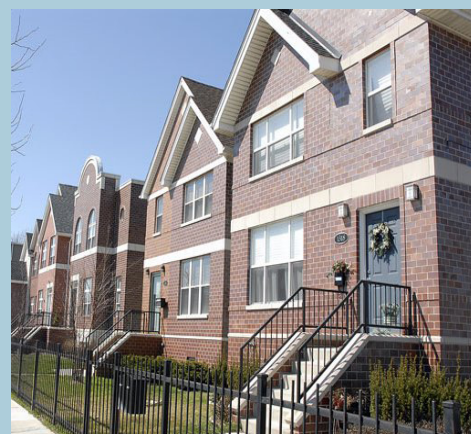


February 2014

Berkeley-Charleston-Dorchester Housing Needs Assessment

Executive Summary



Prepared collaboratively by:
Charleston County Zoning & Planning Department and
Berkeley Charleston Dorchester Council of Governments (BCDCOG)

To access the full report, please visit
<http://www.charlestoncounty.org/Departments/Planning/index.htm>.

2014 Housing Needs Assessment

Advisory Committee

The Advisory Committee, comprised of representatives from the organizations listed below, met regularly throughout 2012-2014 to draft the Housing Needs Assessment.

Berkeley-Charleston-Dorchester Council of Governments
Berkeley County Government
Charleston County Government
City of Charleston
City of North Charleston
Dorchester County Government
South Carolina Community Loan Fund (formerly Lowcountry Housing Trust)
Town of Mount Pleasant

Focus Group

A draft of the Housing Needs Assessment was sent to Focus Group members for review and commentary prior to finalizing the Housing Needs Assessment.

Amy Barrett, Permar, Incorporated
Ashley Heggie, SC Community Loan Fund (formerly Lowcountry Housing Trust) Board Member
Corwyn Melette, Local Realtor and Charleston Trident Association of Realtors Member
Dudley Gregorie, City of Charleston Council Member
Kendra Stewart, Joseph P. Riley, Jr. Center of Livable Communities
Linda Ketner, KSI Leadership and Management Development
Lisa Turansky, Coastal Conservation League
Mary Graham, Metro Chamber of Commerce
Michael Sally, Local Realtor and City of Hanahan Council Member
Peggy Huchet, SC Community Loan Fund (formerly Lowcountry Housing Trust) Board Member
Steve Warner, Charleston Regional Development Alliance
Tracy Doran, SC Affordable Housing Coalition

Special thanks to the Charleston Trident Association of Realtors (CTAR) and Permar, Incorporated for providing valuable data on the local housing market.

Executive Summary

As the tri-county (Berkeley, Charleston, and Dorchester) region's population has grown in recent years, housing costs have increased and the availability of homes affordable to existing and new residents that are located close to employment centers and existing public facilities and services has declined. As a result, in 2009, the Charleston County Planning Commission created an Affordable Housing Committee to address the provision of affordable and workforce housing consistent with the recommendations of the Charleston County Comprehensive Plan. The Committee represents a variety of groups including several County Planning Commission members; representatives from the City of Charleston, City of North Charleston, Town of Mount Pleasant; SC Community Loan Fund (formerly Lowcountry Housing Trust); Berkeley Charleston Dorchester Council of Governments (BCDCOG); for-profit and non-profit developers; and County staff.

The Housing Needs Assessment:

- Identifies current and emerging housing trends and needs;
- Generates a greater understanding of local housing issues; and
- Provides direction for addressing housing-related issues.

The Committee, as well as Charleston County Council, recognized the need to have a current assessment of housing in the region. County Council requested on March 11, 2011 that the BCDCOG conduct a regional housing needs assessment to identify current and emerging housing needs and trends in the region; generate a greater understanding of local housing issues; and provide direction to the BCDCOG, local jurisdictions, and all interested stakeholders for addressing housing-related issues. Release of new Census data enabled the team to update demographic information to correspond with the market data to conduct the market analysis in 2013. The Charleston County Zoning and Planning Department offered assistance and technical support in late 2012 to complete the document in a timely manner.

A thriving region is weakened by an unaffordable housing market that fails to meet the needs of its residents. Housing is linked to business, economic development, tourism, health, neighborhood vitality, community, education, the environment, transportation, and land use. **Without a viable housing strategy to guide regional decision-making, housing costs will continue to increase and the region's housing stock will continue to become less and less affordable to the region's residents.**

What happens if the **housing affordability crisis** is not addressed?

If the housing issues facing the region are ignored, residents will continue to migrate to the outskirts of the region where fewer employment centers exist, public transportation is inaccessible, and public facilities are scarce. This outward migration from the urban core where services and amenities exist creates unintended sprawl, which increases commuting costs, strains public infrastructure, increases traffic congestion, and negatively impacts the quality of the environment. Local jurisdictions, and ultimately taxpayers, are left burdened with costs from the unintended consequences of sprawling development. **As outlined in the Housing Needs Assessment, a collaborative effort of local governments, housing providers, community leaders, private sector businesses, non-profit organizations, and other key stakeholders is required to address the housing affordability crisis the region is facing and plan for the future of our community.**

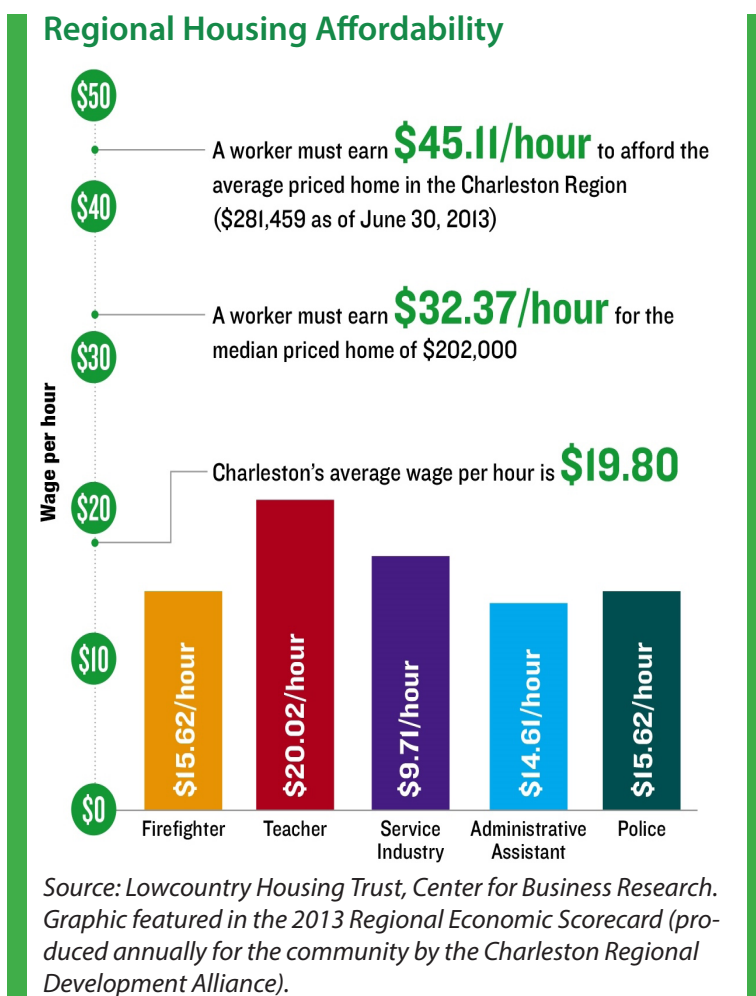
"Would you tell me, please, which way I ought to go from here?" asked Alice. "That depends on where you want to get to," said the Cat.

- Lewis Carroll, *Alice's Adventures in Wonderland*

Since 1990, the region's population has increased exponentially, growing 31 percent, or by almost 158,000 people, to a total population of 664,607 in 2010. Based on recent growth trends and development approvals by local jurisdictions, the BCDCOG projects that the region's population will grow by an additional 16 percent, or by 106,393 people, to a total population of 771,000 by 2025.

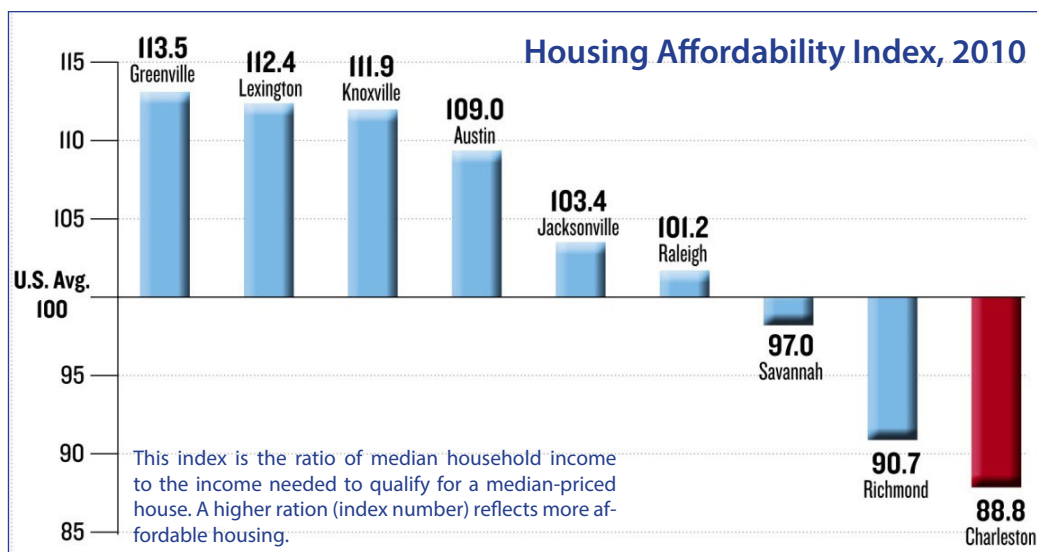
As the regional population has grown, the availability of homes for sale or rent that are affordable to existing and new residents has not kept pace due to an expensive housing market and discrepancies between wages and home prices. Residents are left with fewer options and many are only able to afford homes that are not in close proximity to employment centers and existing public facilities and services.

As defined by the US Department of Housing and Urban Development, housing is considered "affordable" when a household pays less than 30 percent of monthly income on monthly housing expenses, which include mortgage, rent, utilities, taxes, insurance, etc. As exhibited by the **Regional Housing Affordability** figure below and the **Faces of Housing Affordability** on page 8, many members of the community, such as fire fighters, teachers, police officers, waitresses, and administrative personnel, cannot afford to purchase or rent housing in the region. This alarming fact confirms that the region is indeed facing a **housing affordability crisis**.



The region is a desirable place to live and an attractive area for economic developers to relocate their industries; however, the region is currently not competitive when compared to similar cities such as Austin, Raleigh, Greenville, or Savannah. As exhibited by the **Housing Affordability Index** below, housing in the Charleston area is less affordable when compared to competitor cities, which **negatively impacts our ability to attract new industries**.

In the past decade, the region has been fortunate to have a growing, diversifying economy. Many new residents have relocated to the region for job opportunities afforded to them by the expansion of knowledge-based sectors such as aerospace/aviation, advanced security and information technology, biomedical, and energy systems. While many of these industries pay growing wages, the region's economy is largely service-based, and many residents are left unable to afford much of the housing stock. **Housing affordability greatly impacts the ability to retain existing businesses and attract new industries.**



Source: National Association of Realtors. Graphic featured in the 2012 Regional Economic Scorecard (produced annually for the community by the Charleston Regional Development Alliance).

Housing Affordability Crisis

Lack of housing that is affordable to the majority of residents

- Approximately 33% of homeowners and 50% of renters are **living in housing they cannot afford**.
- Wage gaps in the region are contributing to unaffordable housing costs. While average wages in the region have grown almost 20% since 2005, the region's average wages are **only 85% of the national wage AND a household making the regional median household income cannot afford to purchase an average priced home**.

Lack of affordable housing located near employment centers and public facilities

- **69% of the region's population (457,862 residents) DO NOT live near accessible public transportation**. This means over 450,000 residents are most likely spending much of their income on high housing AND commuting costs.
- The majority of **employment opportunities are located in areas where housing is least affordable**.

Lack of diverse housing options

- 61% of the housing types in the region are single-family, detached; however, with household sizes decreasing and single-person households increasing, **this housing type may not be as desirable in the future**.
- More **affordable, alternative housing types such as townhouses, rowhouses, and apartments comprise only 27% of the region's housing stock**. This is not amenable to small household sizes or the renting population.

Regulatory Barriers

- Local zoning regulations often **unintentionally encourage low-density, single-family/single-lot development resulting in higher priced housing and auto-dependent communities**.
- The Biggert-Waters Flood Insurance Reform Act of 2012 will result in **drastically increased flood insurance rates**, which will impact the affordability of housing in the region.

Lack of an active collaborative partnership

- A collaborative partnership among housing advocates, policy makers, non-profit organizations, developers, and private businesses is **necessary to address local housing issues and plan for the future**.

Faces of Housing Affordability

Housing affordability affects a diverse group of people, varying from minimum-wage workers and young professionals to elderly residents living on fixed incomes. Pictured below are examples of real people in our community that **could not afford the average priced home or average rent in the region when they were searching for housing.**



Amy, an architect



Emnet, a United States Marine



Angela, a bus driver



Kimberly, a County employee



John, a fireman



The Paradiso Family, contractors



Paul and Stephanie, young professionals



Lisa, an administrative assistant

Photos courtesy of Chris and Cami Photography, LLC via South Carolina Community Loan Fund

Goals & Strategies

Based on the findings of the Housing Needs Assessment, the Advisory Committee has identified two main goals for the region:

Goal 1 Increase the proportions of both owner- and renter-occupied housing in the region that are affordable to households earning below 120 percent of the median household income (\$61,598) and are located in close proximity to employment centers and existing public infrastructure, as identified in *Our Region, Our Plan*, by at least ten percent by 2020.

Goal 2 Increase the average hourly wages and salaries in the region paid by existing industries, encourage the recruitment of businesses and industries that pay the wages necessary to afford housing (\$32.37/hour), and train residents to obtain higher paying jobs through coordination with the Charleston Regional Development Alliance (CRDA) and local Economic Development Departments.

To make strides towards accomplishing these goals, it is recommended that a **regional housing coordination office** is established to coordinate housing efforts across the region by providing a variety of services from technical assistance to local jurisdictions to facilitating partnerships among public and private sector organizations. To ensure that the housing affordability crisis that is outlined in this document does not persist and gain strength, housing issues must be advocated for at all levels of government, as well as in local communities, in a coordinated effort. **All of the region's residents deserve to have affordable, safe homes in close proximity to employment opportunities and public facilities.**