

City Council Minutes
Special Council Meeting
April 25, 2024

Orangeburg City Council held a Special Called meeting on Thursday, April 25, 2024, at 6:00 PM with Mayor Michael C. Butler presiding.

PRESENT:

Michael C. Butler, Mayor
Annette Dees Grevious
Jerry Hannah
Dr. Kalu Kalu
L. Zimmerman Keitt, Mayor Pro Tem
Richard F. Stroman

ABSENT:

Sandra P. Knotts

City Administrator Evering addressed Council concerning second reading of an ordinance amending Chapter 2: Administration of the City Code, by adding Section 2-5.4 to provide for a Vendor Procurement Protest Policy. He stated, "As you may recall, we have been working with the United States Environment Protection Agency (EPA) on a grant. Part of the grant guidelines require that the City have a vendor procurement protest policy. I am requesting Council consider postponing second reading until our attorney can work with the EPA to get this language exact."

Mayor Butler stated, "Mr. Evering can you give us more details on this."

City Administrator Evering stated, "We have been working with the EPA on a grant. The EPA stated for the City to be in compliance with the grant, a vendor protest policy agreement, grievance policy for vendors is needed. We have gone back and forth with them on what language is needed. We are requesting this second reading be postponed until we can get the language exact."

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Stroman to postpone second reading of an ordinance amending Chapter 2: Administration of the City Code, by adding Section 2-5.4 to provide for a Vendor Procurement Protest Policy. The motion was unanimously approved.

City Administrator Evering addressed Council concerning first reading of an ordinance for consideration of a Zoning District Map change from B-1, General Business to B-2, Central Business District for properties belonging to Fred Felder location at 761 Russell Street TMS#0152-20-01-005.000, TMS #0152-20-01-007.000, TMS #0152-20-01-002.000 and TMS# 0152-20-01-006.000. He stated; "This is a proposal for a workforce housing project. Ms. Sarah Niemann is here to present the project to you and the public for consideration in terms of why she is requesting the zoning change."

Ms. Sarah Niemann stated, "I am representing the developer, Prestwick Development Company which is one of my partners. I am an affordable housing consultant. I have been working in this field since the late 1990s and I work with SC Housing to identify locations across the state. I live in metro area of Atlanta, Georgia but I work solely in the state of South Carolina. Currently, I own eleven communities in South Carolina, and I am a possible owner for this community. They are a multi-family, affordable housing developer who own about 50 properties between South Carolina and Georgia. On your desk are photos of existing workforce housing that we have built which gives you an idea of the different styles. The one with Peaks at Manning on the front is a comparable community within driving distance of Orangeburg. It is a successful community built in 2018. Also, in one of the packets is a letter of support from the City of Manning City Manager. In the back is the Point of Elmwood in Downtown Columbia with a similar L-shaped building. We are proposing sixty-eight multi-family units of one bedroom, one bathroom; two bedrooms, two baths; and three bedrooms, two bathrooms to include washer and dryer hookups in each unit. Inside the L, on the main level, will be the community areas to include leasing office, community room with a kitchen, laundry facility for those without washer and dryers in their units, trash chute, elevator, fitness room with equipment and business center with computers and printers available

for resident use. Outside we will have a commercial playground area and pocket park. An independent management company will professionally manage the property. On your screen is the site plan of the apartment community requesting rezoning from B1 to B2. The dark brown area is the covered drive-up. This is the area that will house all our amenities located in the center. The rest of the first floor will be one-bedroom units. The playground is in the back corner and pocket park at the corner of Russell and Seaboard Streets. The property will have security cameras covering the first floor as well as the parking areas. We will have regular office hours with local staffing and all hallways to each of the other floors will be closed and conditioned. It works out well for overall maintenance and with reducing sound and noise from the community. It will be key fob entry. You must swipe your key fob in designated areas, and it is the only way to access inside and out, which is additional security for all our residents. We have talked with all utilities on site to include electricity, gas, water, and sewer and have current accessibility and capacity to the site. If secured with financing, the closing of the property will be the end of the first quarter of 2025, and we would have preleasing about the summer of 2026. Workforce housing is not Section 8 and is not public housing. There is not a subsidy on this property offered to a tenant. Workforce housing is a federal program setup by SC Housing. You are granted \$1.75 per capita for affordable housing in your state. There is a competitive process that we apply to the state of South Carolina. We submitted in February the preliminary application along with four other applicants that are submitting in Orangeburg County. There is \$23 million in federal credits, and I think \$15 million in state credits this year which will equate to about 20 projects across the state. Orangeburg competes in group B which are the smaller communities. Group A is setup for the larger communities such as Greenville, Charleston, and Columbia. We apply for federal credits and go through the application process that is due May 24. The state takes the summer for underwriting, going through the process and determines a scoring category from highest to lowest compared to others across the state. Funding runs out every year. I purposely came to the City several months ago and started talking about locations. We talked about multiple locations that you would like to see affordable housing as well as where I thought the scoring would come in. How the affordable housing program works is we get federal credits that are dollar for dollar reduction for tax credits. We then sell these to syndicators which might be Walmart, IBM, or banks, at a particular cent per dollar which helps us with 30 to 40% of our total development cost. In exchange, we will reduce our rent to make it more affordable for the working class. There is no subsidy that we offer in addition. We will have a regular construction loan and then a permanent loan. All tenants are required to have employment and pass a criminal background check and a credit check. They must qualify and must prove income and employment. Next are the demographics for workforce housing. Your average median income in the County of Orangeburg is \$52,000. We are targeting the average person who earns 56% of your area median income. You have five or six comparable properties that are full and have waiting lists. You do not have enough housing for this demographic that would live in these communities. Orangeburg has not seen funding in over ten years. The last one built here was Parkside at Boulevard with around 40 units. Without workforce housing, you are missing a demographic in your community. You need grocery store baggers, hourly employees, and people who work at restaurants. You need entry level people. As people graduate high school or college and go into the workforce, where are they supposed to live? You have one market rate property here with rent closer to \$1,500 a month. When you are making \$10 an hour, \$1,500 a month it is not obtainable which is why workforce housing exists. You are filling a demographic where you need to build the base of your workforce employment that comes into the City. You have City workers who qualify. You need a place for people to grow and a place for people to age in place. As seniors retire and are on a fixed income, we offer one-bedroom units. Apartments are for families and individuals who cannot afford a down payment on a home. I see this as a way to stimulate the economy, stimulate the area of Russell Street and get an economic boost. Railroad Corner is currently working on Phase One and there is a Phase Two planned. Similar zoning change from B-1 to B-2 was changed there to allow mixed-use retail and housing. We see ourselves as the other side of Russell Street as an economic boost that bookmarks the two areas. This is an independent, private seller who is retiring and selling his land. This is a very expensive piece of property for the City of Orangeburg. When we were pulling comps to determine land valuation, there were not many comps. This is adding a comp for the community and adjacent landowners. This is a property that was available, and we thought this was a good opportunity to bring housing here. We will pay property taxes. Currently there are low property taxes on these parcels. Taxes are based off an income approach and will be approximately \$1,000 a unit. I am imposing a \$25 - \$30 million investment. I am not asking the City to put any money into the project. This will be privately financed. There is infrastructure around us which is another reason to come to this property. This \$30 million property will be a very high end, 68-unit community. I have a proposal to purchase a piece of land from the City

that is adjacent to the back of the property. I do not need the extra parcel in the back but have heard feedback to offer additional parking to the adjacent beer garden, which is something we think we can provide. There is a walking area shown on the screen that we could partner with the City to complement the Gardens. I hope you are as excited as I am to bring this opportunity to Orangeburg.”

Mayor Pro Tem Keitt asked, “Have you looked at any other properties here in Orangeburg?”

Ms. Niemann stated, “Yes, I had prior conversations with the City. I must look at the scoring the state is looking for and back into our best opportunity to get an award. There are 45 applicants in group B, and I need to be in the top eight. I think with this parcel, I can get there. There are reasons we chose this parcel because of the structures on it and because it is on Russell Street. There is an economic plan already for Russell Street that identifies this area for economic growth. Those are all scoring criteria that will help us be successful for the application.”

Mayor Pro Tem Keitt stated, “When I look at this profile and I think about the Edisto Memorial Gardens and what we will have there, I am not pleased with what I am seeing. The Gardens are so beautiful and to me this type of building would take away from the Gardens.”

Ms. Niemann stated, “As far as design of the building, I welcome any comments. I am happy to find a plan that incorporates into the Gardens. For now, this is just a concept as I am in the pre-development phase. I can take your thoughts and concerns, try to re-work the plan, and bring it back to you for feedback. This is why we decided on the bigger plan to include a walking path in the back so it would be a transition from the apartment community to parking and then into recreational and green space.”

Councilmember Grevious asked, “You stated the tenants would be required to meet certain requirements to lease. Are these requirements set in stone?”

Ms. Niemann stated, “The requirements are employment. You must income qualify and show W-2 or pay stubs. We look for someone that is not over debt burdened; not more than 30% of income. We are looking for entry level people such as firefighters, police officers, and teachers. Every adult that lives in the community must show all their employment. That is how they qualify.”

Councilmember Grevious asked, “You mentioned something about 56 percent of the area median income. Those would be the people that would qualify. That is set in stone?”

Ms. Niemann stated, “We income average 56 percent. A single person at 60 percent earns about \$32,000 a year. Fifty-six percent would be slightly under that on average. It is a mathematical equation. All tenants overall, all 68 units must average together 56 percent of your area median. I may have some at 60 percent and some at 40 percent, so it collectively works together. As someone moves in, we must look at the overall health and economics of the property, and we determine how to bring in new residents.”

Councilmember Grevious stated, “Do you know the required credit score?”

Ms. Niemann stated, “No, that is managed by the management company that is independent from us. I could find out the credit score and let you know.”

Councilmember Grevious asked, “Are you able to identify which properties in the handouts are workforce housing?”

Ms. Niemann stated, “They are all workforce housing except the one on the cover of the Prestwick Development Company handout with the pool. It is a market rate community.”

Councilmember Stroman asked, “I represent this district. I have had calls from constituents stating they feel apartments should not be in the Gardens. I must go with people that put me here. It seems you could find a property with no buildings on it as there are plenty of properties around town that are vacant. Why a commercial area?”

Ms. Niemann stated, “In order to bring workforce housing to this area, there is a scoring criterion I must follow, and other properties will not score. Often, we choose commercial areas because of

the walkability. Also, multi-family is usually the buffer between commercial and single-family homes. We are not usually in single-family communities as single-family communities typically do not like that. As far as the Gardens are concerned, I see it as a positive of having a recreational area to enjoy. It was our goal to be able to put in the walking trail to complement and be the transition between the community and the Gardens.”

Councilmember Stroman stated, “People just do not want it in the Gardens as I have received a lot of calls. Have you tried to walk across the 301? I would not try it as it is dangerous.”

Ms. Niemann stated, “I appreciate the feedback, but I also have support letters from the community that would like to see the economic boost. The Gardens are a wonderful amenity, but I do not know the economic boost it produces.”

Councilmember Kalu stated, “In real estate, location, location, location is important. There is quite a difference between affordable housing and subsidized housing. You are using the word affordable but when you went into the narrative of workforce and the percentage of the income, you mentioned Greenville. Greenville and Orangeburg are not the same. The real estate in Manning and what you are proposing at the Gardens are not the same in terms of the workforce. The Gardens is high-priced real estate. The building you are showing looks nice but at the same time, the occupancy is the problem because we try to attract visitors to Orangeburg and the Gardens is an exhibit that brings people into the City. Then you are looking at the environment of the people occupying that area may make a difference. You are building and will let someone else run the business. The terms of admission of occupants or tenants may not be what you have in mind. There are a lot of folks that are supporting the project as I see support letters from merchants and businesses. Orangeburg needs affordable housing. For that property and what you are trying to establish must be something upscale, not \$700 to \$1,000. The design of the building will need to be more attractive than the Gardens and at the same time more secure for the City. From what you are saying, we need a master plan from Railroad Corner to the Gardens so everything can come together.”

Ms. Niemann stated, “You have a vision plan dated 2014. It is why I am in the location I am in because that is the only plan you have. You do not always have attention in the County of Orangeburg. You have it right now because your county has not received funding in the past ten years. The scoring changes every year. Just because I am here now, there is zero guarantee that anybody will be at your door next year. The state changes the scoring criteria every year.”

Councilmember Kalu asked, “The citizens elect us. I am in favor of moving this to the second reading so we can hear from the citizens. What else do you have if you do not bring in affordable housing?”

Ms. Niemann stated, “I do not have anything else as I cannot build market rate.”

Mayor Butler stated, “We are politicians, and we must listen to our constituents as that is why we are here. The Gardens are a precious commodity to the City as we have thousands of people come here to visit the Gardens. There are people that have lived here all their lives. We are bound to listen to what they say. No offense to you as you have done your due diligence, and we must do our due diligence. Anything around the Gardens, at the front or the back, will always be a concern.”

Councilmember Hannah asked, “The ordinance states first reading of a zoning change from B1 to B2. I was expecting you to explain reasons we should change the zoning. I had people calling me concerning this. You presented something that was good for some cities, but City Council must be on board with it.”

Mayor Pro Tem Keitt stated, “We need housing in the City of Orangeburg. But at this point I do not think we are satisfied with what we are seeing. I make a motion that we cancel the first reading of an ordinance for consideration of a Zoning District Map change from B-1 to B-2.”

The motion died as there was not a second.

A motion was made by Councilmember Kalu, seconded by Councilmember Grevious to approve first reading of an ordinance for consideration of a Zoning District Map change from B-1, General

Business to B-2, Central Business District for properties belonging to Fred Felder located at 761 Russell Street so the public hearing can be held to listen to the citizens. The motion was approved 4-1-0. Councilmember Stroman opposed. Councilmember Hannah did not vote.

City Administrator Evering addressed Council concerning authorizing the transfer of certain parcels of real property with improvements, if any, located near the western corner of the intersection of Seaboard Street and Russell Street, identified as all of TMS #0152-20-01-008.000, a portion of TMS #0152-20-01-002.000, and a portion of TMS #0152-20-01-006.000. He stated, "As you all know, the City owns a portion of the property that is adjacent to the Pecan Company. Sarah's group is offering to purchase these parcels. This ordinance would authorize the sale of a portion or half of that parcel to have the site plan that is before you that would allow additional parking. They are offering a purchase price of \$17, 500."

A motion was made by Councilmember Grevious, seconded by Councilmember Kalu to approve first reading of an ordinance authorizing the transfer of certain parcels of real property with improvements, if any, located near the western corner of the intersection of Seaboard Street and Russell Street, identified as all of TMS #052-20-01-008.000, a portion of TMS #0152-20-01-002.000, and a portion of TMS #0152-20-01-006.000 so we can hear from the citizens at the public hearing. The motion was approved 5-0-0. Councilmember Hannah did not vote.

Mayor Butler stated, "The Public Hearing will be held on May 7, 2024, at 6:00 PM."

A motion was made by Councilmember Kalu, seconded by Mayor Pro Tem Keitt to adjourn. The motion was unanimously approved.

Respectfully submitted,



Linda McDaniel
City Clerk

