

# **City of Clemson Comprehensive Plan 2014**

## **Housing Element Update –Affordable Housing**

The Priority Investment Act (PIA), passed by the SC General Assembly in 2007, amends the Local Government Comprehensive Planning Enabling Act of 1994 (Title 6, Chapter 29 of the SC Code of Laws). The Enabling Act establishes the process mandated by the state for comprehensive planning in the state. The PIA “housing element” of comprehensive plans, as described in SC Code § 6-29-510(D)(6), requires local governments to analyze “unnecessary nonessential regulatory requirements” that act as barriers to affordable housing. These items include, but are not limited to: standards/requirements for minimum lot size, building size, setbacks, spacing between buildings, impervious surface, open space, landscaping, buffering, road width, pavements, parking, sidewalks, culverts, and application review procedures that require or result in extensive and lengthy review periods [S.C. Code § 6-29-1110(6)] . The PIA also requires local governments to analyze the use of market-based incentives that may be offered to encourage development of affordable housing. These incentives consist of, but are not limited to: density bonuses, relaxed zoning regulations, reduced or waived fees, accelerated permitting, and design flexibility [S.C. Code § 6-29-1110(3)].

SC Code § 6-29-1110(1) states that affordable housing *“means 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 twenty-eight percent of the annual household income for a household earning no more than eighty percent of the area median income, by household size, for the metropolitan statistical area as published from time to time by the U.S. Department of Housing and Community Development (HUD) and, in the case of dwelling units for rent, housing for which the rent and utilities constitute no more than thirty percent of the annual household income for a household earning no more than eighty percent of the area median income, by household size for the metropolitan statistical area as published from time to time by HUD.”*

It should be noted that this portion of the Update of the 2014 Comprehensive Plan utilizes some figures derived from the *2006-2010 American Communities Survey*. The earlier portions of the plan, due to the timing of the rewrite process, rely entirely upon the findings of Census 2000. Given the nature of the issues addressed by this section of the Update, the insight provided by the updated information was included in this analysis.

## **Barriers to Affordable Housing in Clemson**

During the 1970's through the 2007, housing prices increased significantly across the state, a trend that included the City of Clemson. While the recession has greatly impacted housing costs, the Clemson housing market is still faced with a lack of affordable housing for a growing number of low- and moderate-income households. The Priority Investment Act of 2007 highlighted the need for affordable housing as a key component in a community's strategy for developing a strong economy, vibrant housing market, healthy environment, and sustainable transportation system.

There are several factors that limit affordable housing within the City of Clemson, primarily driven by the physical and economic circumstances of the area. As a starting point, an evaluation of regulations in the City supports the conclusion that no ordinances exist that unduly prevent access to affordable housing; in addition, pending revisions of the zoning ordinance provide further support the effort to provide affordable housing in the City of Clemson. The following is an analysis of factors that play a role in the limitation of affordable housing in Clemson.

### **Availability of Land**

The City of Clemson faces a serious situation with the availability of vacant land in the city. The vast majority of the land within the confines of the city limits is already developed. The remaining undeveloped land is either constrained by physical limitations that make its use difficult or impractical as a building site. This situation is further complicated by the difficulty of annexing new land into the city because of State statutes governing the process. Municipalities do not have the authority to annex land, even land entirely surrounded by properties within the city, without the expressed wishes of the landowner. As a consequence, the corporate boundaries of Clemson have remained relatively unchanged for many years.

The Towns of Central and Pendleton present further impediments to the city's growth to the northeast and southeast as they physically abut current city limits. Lake Hartwell and Clemson University and its associated lands similarly represent a barrier to expansion to the north, south, and west. And finally, a court-assigned annexation line exists that assigns certain tracts of nearby unincorporated lands to the City of Clemson and others to the Town of Central. (See: *City of Clemson Comprehensive Plan 2014* Map IX-6).

It is also of significance that much of the developed residentially zoned land in the city is comprised of relatively large lots. The average lot size exceeds a third of an acre. The vast majority of

these lots were platted long before the first city zoning ordinance was adopted. Given the established pattern of development created by these existing subdivisions, many of the available lots left as potential building sites are subject to deed restrictions that prohibit further subdivision into smaller, more affordable lots.

The creation of affordable housing developments within the City of Clemson will require utilization of some of the few remaining developable tracts, redevelopment of older areas, or targeted annexation of new lands along the city’s boundaries. While there are several large tracts contiguous to the city limits within unincorporated portions of the county, many are owned by Clemson University. Their annexation requires State approval. This fact, coupled with the costs of extending water and sewer infrastructure and the overall difficulty of annexation in South Carolina, create challenges to their eventual use in meeting the affordable housing needs of the area.

### Cost of Land & Housing

Housing prices in the City of Clemson are significantly higher than in surrounding communities as shown in *Table 1*. According to *2006-2010 American Communities Survey*, the median value of housing units in the City was \$180,400. This compares with a median valuation of \$123,500 in Pickens County and \$134,100 for the State for the same reporting period.

**Table1: Housing Units, Median Value and Median Gross Rent  
City of Clemson, Pickens County and South Carolina  
Housing**

Jurisdiction	Census 2000			2006-2010 American Community Survey		
	# of Units	Median Value*	Median Monthly Gross Rent	# of Units	Median Value	Median Monthly Gross Rent
Clemson	5,679	\$129,900	\$535	6,853	\$180,400	\$683
Pickens County	46,000	\$84,800	\$479	50,854	\$123,500	\$660
South Carolina	1,753,670	\$83,100	\$510	2,088,100	\$134,100	\$701

*Source: US Census Bureau, Census 2000; 2006-2010 American Community Survey*

The median gross rent within the City of Clemson is also higher than average for the Pickens County, suggesting that affordability of rental housing may be an issue for low- to moderate-income households. This situation was illustrated in the *City of Clemson Comprehensive Plan 2014, Table VI-20*. As was noted in *the 2014 Comprehensive Plan*, it is generally accepted that housing costs should not

exceed 30% of household income for the housing to be considered affordable. Using this as a benchmark for determining the number of individuals in Clemson that were cost-burdened by housing, 18.1% of homeowners lived in housing that consumed more than 30% of the household income. This figure was roughly in line with the Pickens County's 19.6% and less than the 2000 statewide 20.5%. Figures for households residing in rental properties were, however, far higher than either the county (27.4%) or state (24.4%) percentages. 39.5% of Clemson residents living in rental properties paid in excess of 30% of their total household income for housing in 2000. While significant, this figure was likely skewed by the fact that Clemson is a college town, where many students living in rental properties have little or no household income. In many cases, these households were heavily subsidized by their parents, most not living in Clemson. Further and more detailed study of this issue is warranted.

**Table 2: Owner and Renter Costs as a Percentage of Household Income, 2006-2010**

Housing Unit Value	Clemson		Pickens County		South Carolina	
	#	%	#	%	#	%
Less Than \$49,999	166	5.8%	4,385	14.1%	169,766	13.9%
\$50,000 to \$99,999	426	15.0%	7,669	24.7%	267,976	22.0%
\$100,000 to \$149,999	452	15.9%	7,544	24.3%	243,160	20.0%
\$150,000 to \$199,999	600	21.1%	4,721	15.2%	185,156	15.2%
\$200,000 to \$299,999	750	26.4%	3,841	12.4%	172,145	14.1%
\$300,000 to \$499,999	383	13.5%	2,185	7.0%	111,843	9.2%
\$500,000 to \$999,999	43	1.5%	559	1.8%	50,269	4.1%
\$1,000,000 or more	18	.06%	192	.06%	17,187	1.4%
<b>Total</b>	<b>2,838</b>	<b>100.0%</b>	<b>31,096</b>	<b>100.0%</b>	<b>1,217,502</b>	<b>100.0%</b>

Source: 2006-2010 American Communities Survey

From *Table 2*, the percentage of housing in the range of \$150,000 to \$499,999 available in the City of Clemson is much higher than comparably priced housing in either Pickens County or the State as a whole. In the city, 61% of the housing stock was valued between \$150,000 and \$499,999, while only 34.6% of houses in Pickens County and 38.5% in South Carolina were similarly valued. Conversely, only 36.7% of the housing stock is valued at less than \$149,999. This contrasts to 63.1% of the housing stock in Pickens County that falls into this price range and 55.9% in South Carolina. Interestingly, the figures reverse themselves for housing valued over \$500,000, respectively reported as 1.56% in Clemson, 1.86% in Pickens County, and 5.5% for the state as a whole.

One additional feature about the Clemson rental housing market is again tied to the impact of Clemson University students. In contrast to the rental markets in other communities, many of the available rental properties are rented by the bedroom as opposed to by the unit. This fact, coupled with the housing subsidy provided by parents that allow their children to afford off-campus housing and the desire to live close to campus, has created a rental environment that supports and sustains higher rental rates within the city.

## **Real Estate Market Dynamics**

The real estate market dynamics in the City of Clemson present a unique challenge to the development of affordable housing within the City due to a number of factors. The presence of Clemson University and a large student population results in a high number of multi-family developments that cater to the student rental housing market rather than to low- to moderate-income households. Additionally, median family incomes in the City of Clemson are higher than the county and state, which results in a single-family housing market that does not cater to low- to moderate-income households. (See: *City of Clemson Comprehensive Plan 2014* Page III-13 for information about income and poverty within the City of Clemson.)

## **Existing Strategies Supporting Affordable Housing**

The City of Clemson currently is engaged in the Community Development Block Grant (CDBG) program. The intent of the CDBG funds are used for the betterment of Low-to Moderate-Income individuals/areas and are not limited to housing issues exclusively.

### **Community Development Block Grants**

Whenever possible, the City has taken advantage of CDGB grants to provide working capital infrastructure to improve or provide buildable areas for affordable housing. A good example of this is the Blitz Build project the City helped sponsor with the Clemson Area Habitat for Humanity in 2000. CDBG funds were used to extend utility services and roads/drainage to the Forest Lane neighborhood. The land was then subdivided into 13 lots and developed by Habitat. An additional phase of this project provided 13 new affordable homes to the housing stock on Stephens Road.

## **Proposed Strategies to Support Affordable Housing**

New strategies for affordable housing in the City of Clemson should address the needs of various market segments; therefore, a variety of strategies is needed to address each area. Among

these are regulatory, institutional, and educational strategies. The primary aim of these proposed strategies are to stabilize low- to moderate-income housing and assure that zoning and land development regulations present no barriers to affordable housing.

### **Regulatory Strategies**

Regulatory strategies available to the City include planning policies, zoning regulations, and development incentives.

### **Inclusionary Zoning**

Inclusionary zoning is a useful tool that can be used to aid in the creation of affordable housing. Incentives included as a part of conditional standards that promote the inclusion of affordable housing units or other aspects of affordable housing programs are pending in revisions of the Zoning Ordinance. For example, in the most recent draft of the City of Clemson's Zoning Ordinance, density bonuses can be awarded to developments that provide sub-market housing units as a part of the overall development scheme. These bonuses are available in the proposed revisions of the multi-family districts. The rewrite has also proposed significant modifications to lot size in all of the RM districts, that both reduce the cost of land for new housing and to allow for a greater range of choices in the Clemson housing market. Finally, the proposed changes include the creation of a new floating zoning that allows some creativity and flexibility in design/density in exchange for specific requirements through incentives and conditional standards.

### **Affordable Housing Districts**

Affordable housing districts (AHD) are locations designated for the development of affordable housing. An AHD can be created as an overlay zone. The zoning requirements within these areas are modified to encourage both a diverse and sizeable stock of affordable units. Developers are often given economic incentives to build in affordable districts. This strategy may be useful in a city such as Clemson because of the restricted amount of developable land in the City and may be targeted to areas with concentrations of low- to moderate-income households (as referenced on Map VI-8 in the *City of Clemson Comprehensive Plan 2014*). Certain strategies may be used to encourage development in an AHD, such as:

1. Waiving or rebating certain fees associated with both building and rehabilitating affordable homes;
2. Relaxed parking requirements for affordable housing units; and

3. Expedited environmental reviews and certain other approval requirements for developments within the district.

## **Institutional Strategies**

Institutional Strategies generally involve both public and non-profit or private entities expending funds to provide assistance to affordable housing construction, rehabilitation, down-payment assistance, and other miscellaneous services.

### **Affordable Housing Trust Fund**

*Housing Trust Funds* are distinct funds that are established by local governments that dedicate revenue to support affordable housing. These funds identify a dedicated revenue source to allow the City to better plan for housing programs.

### **Community Land Trust**

A land trust for affordable housing would be an agreement by which the City or non-profit (which would be established to administer the land trust) agree to hold ownership of a piece of real property to be developed as affordable housing by a third party. An example of this would be if the City (or its dedicated non-profit entity) purchased land for use by Habitat for Humanity or another related program.

### **HUD Good Neighbor Next Door Program**

The HUD *Good Neighbor Next Door Program* takes place in HUD-approved revitalization areas. This program assists law enforcement personnel, firefighters, EMS personnel, and teachers in purchasing homes that are acquired by HUD through an FHA foreclosure at half price.

## **Educational Strategies**

Educational strategies in support of affordable housing generally take the form of *homebuyer counseling services*. A primary part of this strategy must address *financial literacy education* to prepare inexperienced, low-to moderate-income households with the financial discipline required for homeownership.

## Appendix

### Section 8 Housing in Clemson\*

<b>Hunters Glen, ALP</b> 854 Issaqueena Trail Central, SC 29630  <i>Corcoran Jennison Management Company</i>	<b>Creekwood Village, ALP</b> 201 West Lane Clemson, SC 29631  <i>Westminster Company</i>
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*\*As listed by the US Department of Housing & Urban Development and the SC State Housing Finance & Development Authority*

### HRAP/DELRAP Approved Condominium Projects in Clemson\*

<b>Oakledge on Calhoun</b> 209 Calhoun Street Clemson, SC 29631	<b>Riverbank Commons</b> 250 Elm Street Clemson, SC 29631
<b>Tillman Place Condominiums</b> 155 Anderson Highway Clemson, SC 29631	<b>University Terrace</b> 102 Calhoun Street Clemson, SC 29631

*\*Each property has completed the HUD approval process and contains a percentage of FHA units out of the total.*

### Income Restricted Apartments in Clemson

<b>Sterling Woods Apartments</b> 423 Lindsay Road Clemson, SC 29631  <i>Carroll Management Group</i>	<b>Falls Landing Apartments</b> 1146 Old Central Road Central, SC 29630  <i>Carroll Management Group</i>
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