

## Chapter 3.6 Housing Element

### 3.6.1: OVERVIEW

Housing is included in the *Comprehensive Plan* to ensure policies are in place to promote safe and affordable housing in the County and provide housing options for residents of various demographic and economic backgrounds. As a desirable place to live, the demand for housing is high in Charleston County. The County's population increased 13 percent (40,240 residents) from 309,969 residents in 2000 to 350,209 residents in 2010. By 2025, the BCDCOG predicts that the County will reach a population of 383,300. This continual growth will require additional housing units that are diverse in type, size, and affordability.

#### Purpose and Intent

*Charleston County includes the housing element in the Comprehensive Plan in compliance with South Carolina State Law. Furthermore, the intent of this chapter is to promote a sufficient, diverse supply of housing with access to facilities and services and promote housing alternatives for low and moderate income households. The strategies for housing are meant to preserve existing housing stock and encourage community revitalization while promoting a supply of safe and structurally sound homes. To further enhance the quality of life of County residents, the strategies encourage attractive land uses that promote community identity and support a wide range of housing needs with particular emphasis on promoting diverse and affordable housing opportunities.*

### 3.6.2: BACKGROUND AND INVENTORY OF EXISTING CONDITIONS

The primary role of the County in provision of affordable and safe housing is guided by South Carolina State Law which endows the County with certain regulatory powers over development activity. The County Government does not have a housing

department dedicated to directly providing affordable housing opportunities; however, the Charleston County Community Development Department works to fund affordable housing and community revitalization projects through Community Development Block Grants and other funding sources. This Department prepares the *Five-Year Consolidated Plan*, which outlines the County's priorities for housing and community development projects. In creating this plan, the County consults with agencies and organizations actively involved in public assisted housing, affordable housing development, and homelessness to ensure the strategies included in the plan align with community needs. In addition to creating and implementing the *Consolidated Plan*, the County provides regulatory incentives for the provision of affordable units and monitors building standards and quality through the *Building Code* and the Beautification Section of the *Charleston County Code of Ordinances* (Ordinance #1227). The County also periodically reviews the development process for any hindrances to the provision of affordable housing and seeks out ways to streamline processes. Furthermore, the recommendations of this Plan, including the Future Land Use Plan, promote mixed-use growth with a variety of housing types to help further the provision of affordable housing units in the County.

The County can also increase the supply of affordable housing through coordination with other agencies such as the South Carolina Community Loan Fund (CLF) (formerly the Lowcountry Housing Trust), which is a regional advocate for affordable housing and sustainable communities. CLF is a non-profit organization established to provide a dedicated ongoing source of funding for the production and preservation of affordable housing, as well as healthy food retail, community facilities, and community businesses. Charleston County has long partnered with CLF to promote the implementation of policies that reduce unnecessary barriers to affordable housing.

In May 2013, CLF hosted the first annual Tri-County Housing Summit. The

County Planning Commission's Affordable Housing Committee along with partners from other jurisdictions and non-profits were instrumental in the planning of the event. This day-long conference brought together professionals from the private, public, and non-profit sectors to discuss housing trends and issues and how housing matters to various fields from banking to education to government. The Summit focused on identifying possible solutions to housing problems in the region.

### Regional Housing Needs

In 2011, County Council requested that the BCDCOG conduct a regional housing needs report to: identify current and emerging housing needs and trends in the region; generate a greater understanding of local housing issues; and provide direction for addressing housing-related issues. The BCDCOG report consists of three sections:

- Issues and Trends;
- Community Profile; and
- Housing Market Analysis.

The Community Profile highlights the region's demographics. The Housing Market Analysis includes data on the existing housing inventory, housing market, future needs, and housing issues. Analysis of these two sections, as well as national and state demographic trends, was utilized to create the Issues and Trends section, which highlights the top five most pressing issues facing the region.

Two groups - an Advisory Committee and a Focus Group - oversaw the creation of the report. Stakeholders from the private, public, and non-profit sectors partnered to provide valuable feedback in identifying the top issues, as well as the goals and strategies to address the issues.

### Housing in Charleston County

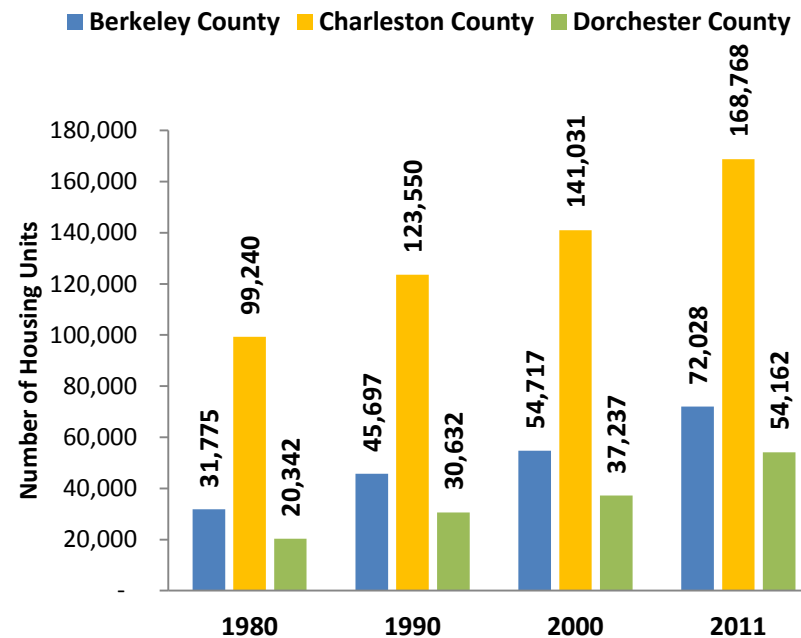
Charleston County contains 57 percent (168,768 housing units) of the total housing units in the region (294,958 housing units). While the majority of the regional housing stock is in Charleston County, more development has been occurring in Berkeley and Dorchester Counties in recent years as housing prices in Charleston County have become out of reach for many residents. *Figure 3.6.1* indicates the growing number of housing units in the tri-county region.

Understanding the existing housing conditions in the County is crucial to planning for the needs of current and future residents. The following sections closely examine the existing housing stock by assessing housing characteristics, tenure, and costs.

Like many other communities, the majority of the housing units in Charleston County (59 percent or 98,653 homes) are in the form of single-family detached homes. As shown in *Figure 3.6.2*, Charleston County has a slightly more diverse housing stock than South Carolina, with 25 percent of the housing units in the form of apartments and nearly ten percent of units in the form of townhouses, rowhouses, or duplexes. The housing stock in Charleston County is fairly comparable to that of the nation.

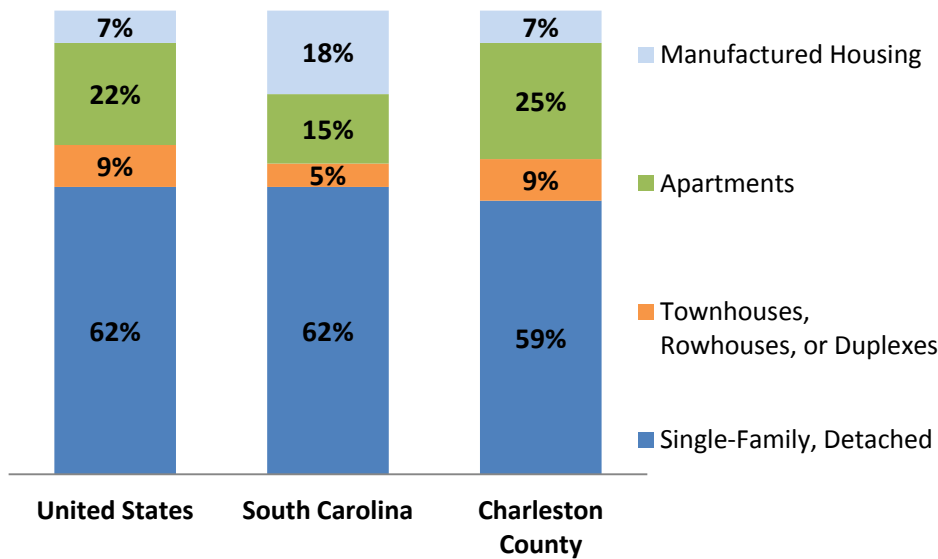
*Figure 3.6.3* demonstrates the changing housing tenure in Charleston County. Between 1990 and 2011, the percent of owner-occupied housing units remained relatively constant; however, the percent of renter-occupied housing units decreased slightly over the same

FIGURE 3.6.1: TOTAL HOUSING UNITS BY COUNTY, 1980-2011



Sources: U.S. Census Bureau, 1980-2000; American Community Survey, 2007-2011

FIGURE 3.6.2: HOUSING TYPE, 2011



Source: American Community Survey, 2007-2011

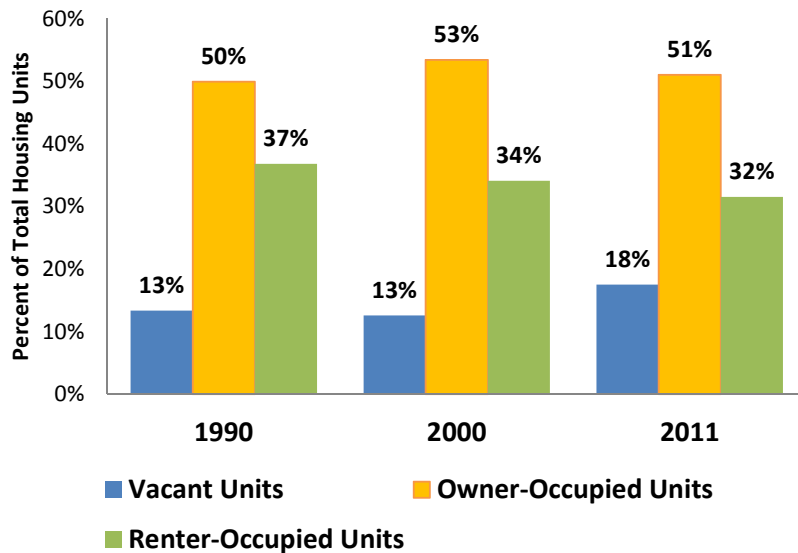
period of time and the percent of vacant units, which include seasonal homes (second homes and vacation rentals), increased slightly.

Figure 3.6.4 compares the County’s housing tenure to state and national trends. In 2011, Charleston County had a lower percentage of owner-occupied units than both South Carolina and the United States, but the percentages of both renter-occupied units and vacant units were higher in Charleston County than either the state or nation.

The age of the local housing stock can be used as an indicator of local housing quality. Data from the American Community Survey 2007-2011 Five-Year Estimates indicates that 53 percent (89,538 units) of the housing stock in Charleston County was built after 1980, which means that the majority of the housing stock is relatively new. While this information provides some indication of the quality and age of housing, the true measure of quality is dependent on more factors than are reported in Census data. The County’s *Building Code* and the Beautification Section of the *Charleston County Code of Ordinances* (Ordinance #1227, as amended) help sustain quality housing in the County.

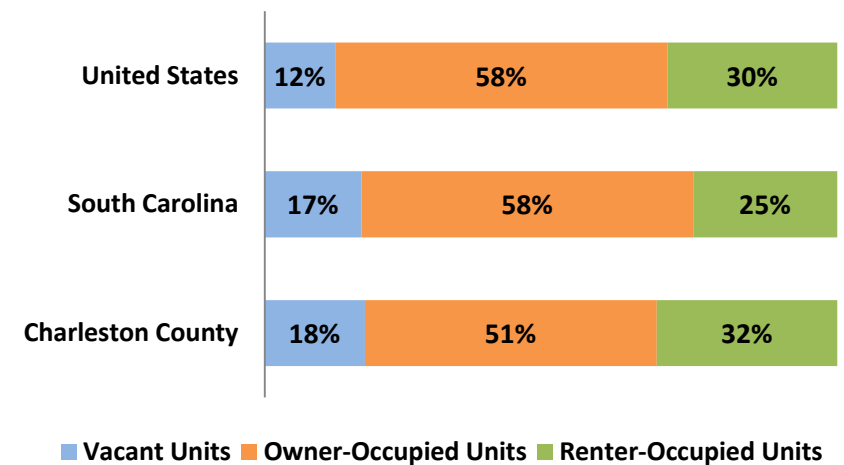
Home values and median gross rent both tend to be higher in Charleston County, when compared to state and national figures. In 2011, the median home value of owner-occupied homes (as reported to the Census) was \$242,000. This is much higher than the state median (\$137,000) and national

FIGURE 3.6.3: HOUSING TENURE IN CHARLESTON COUNTY, 1990-2011



Sources: U.S. Census Bureau, 1990-2000; American Community Survey, 2007-2011

FIGURE 3.6.4: HOUSING TENURE, 2011



Source: American Community Survey, 2007-2011

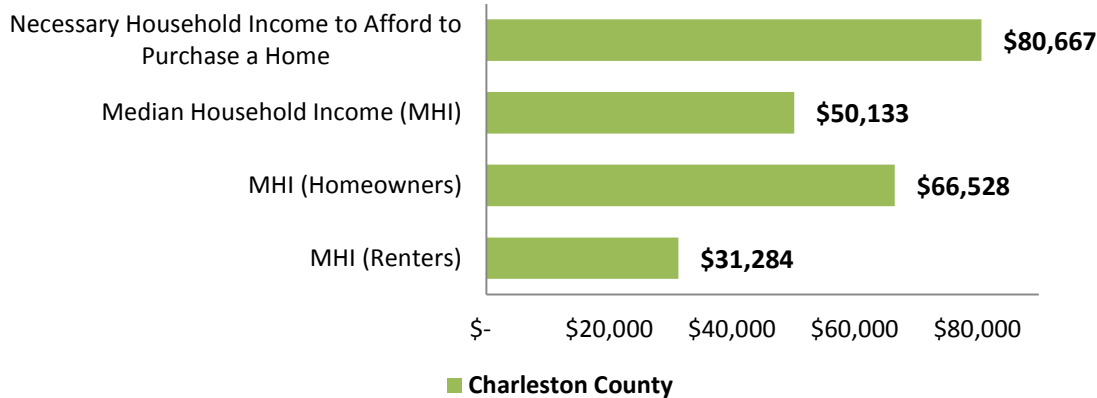
median (\$186,200). *Map 3.6.1* demonstrates the median home value by Census block group for Charleston County. The map demonstrates median home value in two categories: homes that are affordable to households earning up to 120 percent of the Median Household Income (\$60,159) and homes that are not affordable to the same households. As demonstrated, many areas in the County are unaffordable to households earning less than \$60,159. Median gross rent in Charleston County was \$895, again higher than the state median (\$728) and national median (\$871). Housing affordability is a critical issue in the region as housing costs are consistently higher than surrounding areas and comparable metros.

**Housing Affordability**

The affordability of homes in Charleston County is an area of concern, particularly for service workers, low- to moderate-income earners, seniors, and entry-level professionals. *Figure 3.6.5* demonstrates the annual household income needed to afford to purchase a home in Charleston County (\$80,667) compared to the actual median household incomes of all residents, homeowners, and renters in Charleston County (\$50,133, \$66,528, and \$31,284, respectively). As illustrated, the income necessary to afford to purchase a home in Charleston County is 38 percent (\$30,534) higher than the median household income earned in 2011. According to Census data, renter-occupied households earn significantly less than owner-occupied households, which indicates a greater affordability issue for the renting population.

Housing is considered affordable when occupants pay less than 30 percent of their monthly income on monthly housing costs. In 2011, slightly more than one-third of homeowners and one-half of renters in Charleston County, a total of 56,882 households, were paying more than 30 percent of income on housing costs (see *Figure 3.6.6*). In the region, a total of 92,830 households reported that they spend more than 30 percent of

FIGURE 3.6.5: HOUSEHOLD INCOME RELATIVE TO MEDIAN HOME VALUE, 2011

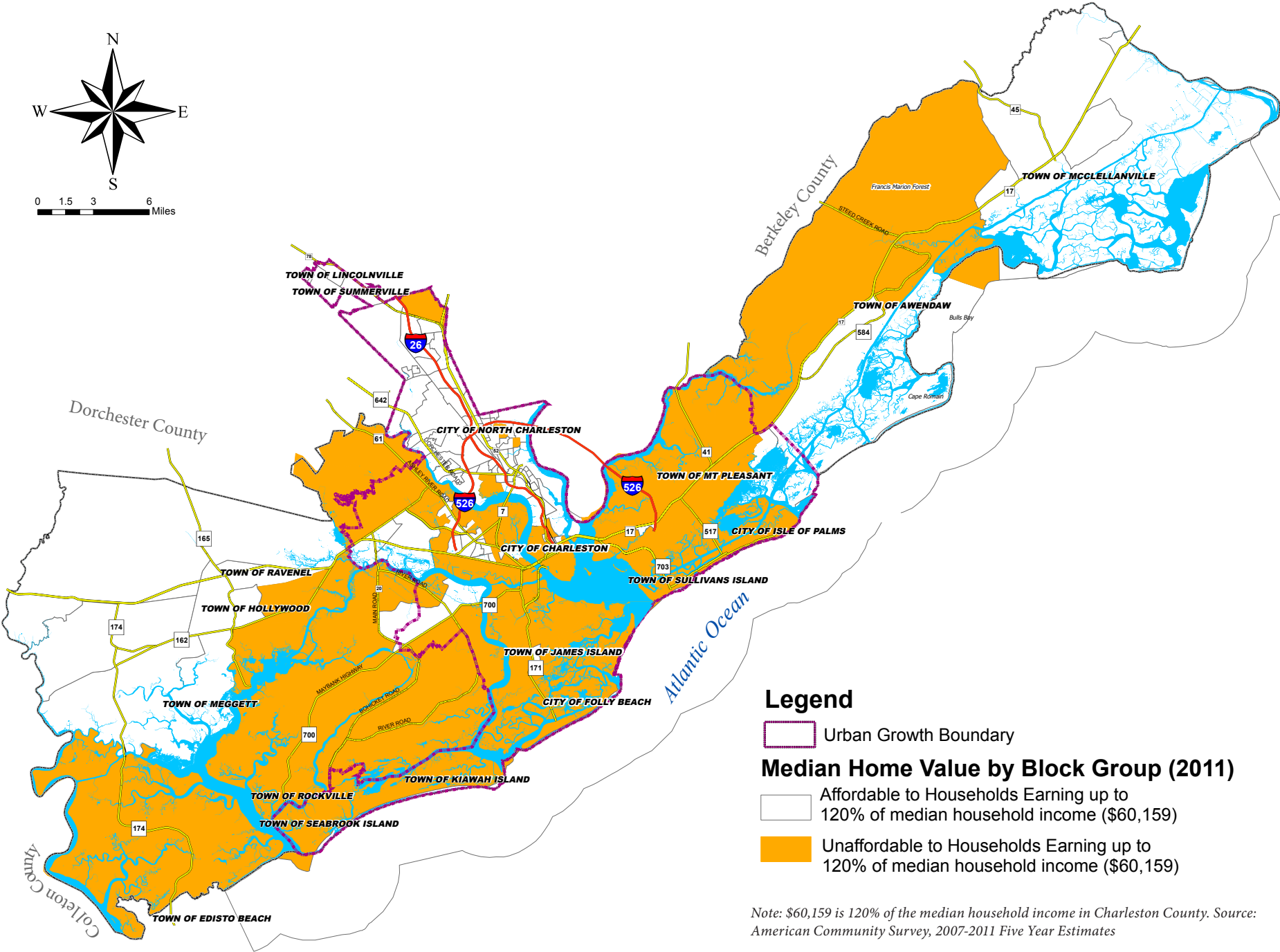


Note: Home Price is based on the Median Home Value in Charleston County is \$242,000.

Source: American Community Survey, 2007-2011



MAP 3.6.1: MEDIAN HOME VALUE BY BLOCK GROUP IN CHARLESTON COUNTY, 2011



### Housing Issues and Trends

1. Lack of affordability
2. Housing located far from employment centers and public facilities
3. Lack of diverse housing options
4. Regulatory barriers
5. Lack of an active partnership

income on housing costs.

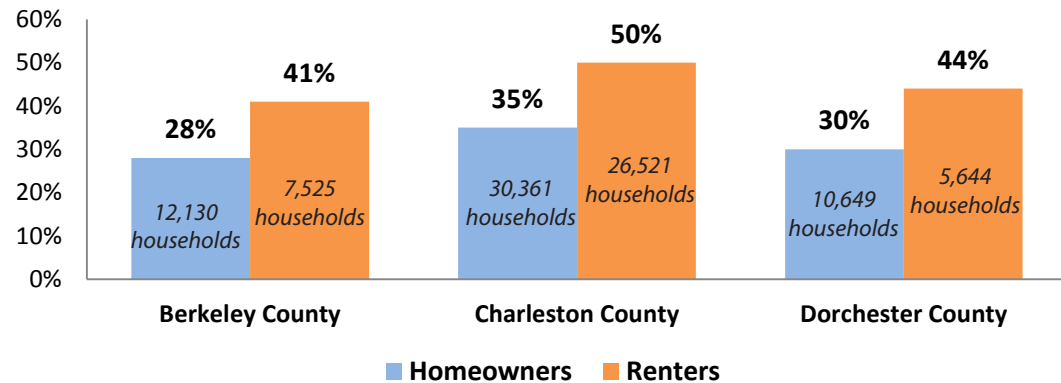
As shown in *Figure 3.6.7*, Charleston County consistently had the highest median sales prices of homes in the region between 2007 and 2012, based on data from the Charleston Trident Association of Realtors (CTAR).

*Table 3.6.1* demonstrates the average sales prices of homes in the region in 2012, according to CTAR data. To account for possible outliers in the data, Charleston County was assessed with and without home sales in the beach communities, due to the higher priced homes located in these communities. Berkeley County was also assessed with and without home sales on Daniel Island, as the homes in that community tend to be much higher priced than in other areas of Berkeley County. The income necessary to afford the average-priced home in any area of the region is higher than both the regional median household income (\$51,332) and the median household income in Charleston County (\$50,133). It should be noted that *Table 3.6.1* compares average sales data to median household income data because neither median sales data nor average household income was available for comparison.

As stated in the *2013 Economic Scorecard*, published by the Charleston Regional Development Alliance (CRDA), while average wages in the Charleston region have grown almost 20 percent since 2005, the region's average wages are only 85 percent of the national average. *Figure 3.6.8* provides an example

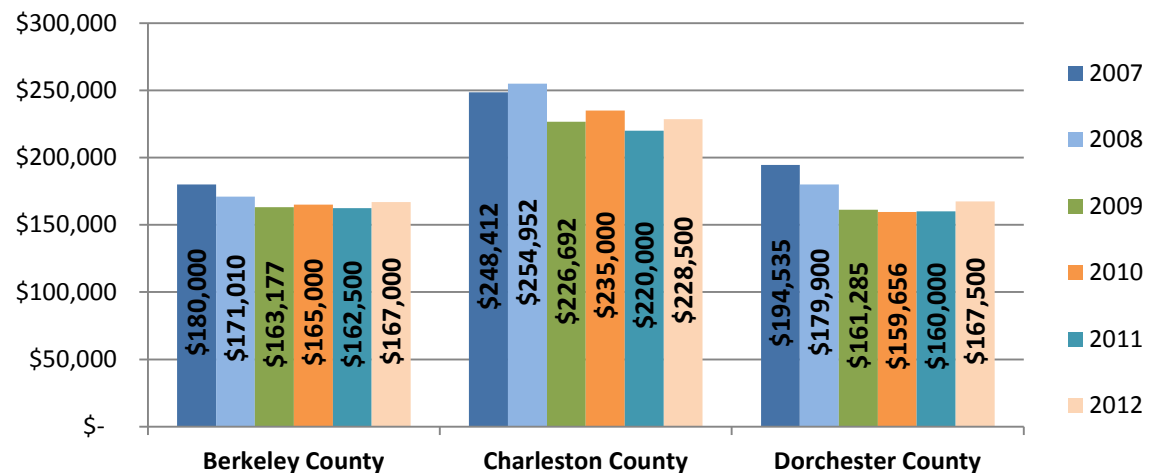
of how residents employed as firefighters, teachers, and service workers are not earning enough to afford housing in the region.

FIGURE 3.6.6: PROPORTION OF HOMEOWNERS AND RENTERS SPENDING MORE THAN 30% OF MONTHLY INCOME ON HOUSING COSTS BY COUNTY, 2011



Source: American Community Survey, 2007-2011

FIGURE 3.6.7: MEDIAN HOME SALES PRICES BY COUNTY, 2007-2012



Source: Charleston-Trident Housing Market Annual Report, 2012, Charleston Trident Association of Realtors

**Location of Housing that is Affordable**

Much of the most affordably-priced housing is located in the rural parts of region, far from employments centers. This results in residents driving further to find housing they can afford, which can increase living expenses by up to 15 percent, increase traffic congestion, excessively burden transportation infrastructure, and negatively impact economic development and the quality of the environment.

Transportation costs can increase overall living costs by up to 15 percent, which can make housing more or less affordable based on its location and proximity to services, employment, and alternative transportation modes. The BCDCOG report looked at public transportation accessibility in the region and found that only 31 percent of residents (206,745 residents) live within one-quarter mile of a public transit stop (see Figure 3.6.9). When residents live further than one-quarter mile from transit, they are much less likely to utilize the service, which means that nearly 70 percent of residents in the region are not likely to use public transportation. Looking at public transportation use as reported by the Census, it is even more evident that public transportation is severely underutilized in the Charleston area - only two percent of the County’s population reported using public transportation to commute to and from work. The dependency on automobiles in the region is resulting in traffic congestion, high costs for local

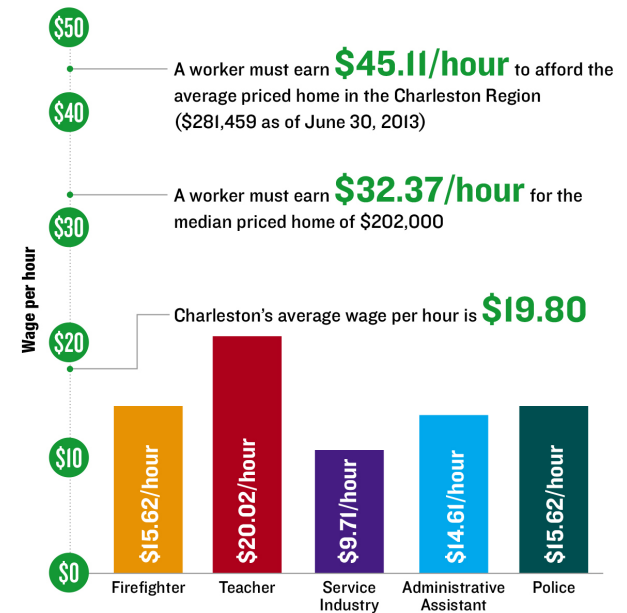
TABLE 3.6.1: INCOME NECESSARY TO AFFORD AVERAGE-PRICED HOMES, 2012

	Average Sales Price	Income Necessary to Afford	Necessary Income as % of MHI
Region	\$265,806	\$88,804	173% of MHI
Berkeley County	\$214,334	\$71,351	139% of MHI
Berkeley County (without Daniel Island)	\$173,000	\$58,005	113% of MHI
<b>Charleston County</b>	<b>\$314,207</b>	<b>\$104,717</b>	<b>204% of MHI</b>
<b>Charleston County (without Beach Communities)</b>	<b>\$278,003</b>	<b>\$92,911</b>	<b>181% of MHI</b>
Dorchester County	\$176,931	\$59,032	115% of MHI

Note: MHI is an acronym for Median Household Income. The regional MHI in 2011 was \$51,332.  
 Source: Multiple Listing Service (MLS) Closed Sales, Charleston Trident Association of Realtors, 2012.

FIGURE 3.6.8: WAGE VERSUS HOME PRICE COMPARISON

**WHY HOUSING MATTERS**



Sources: Lowcountry Housing Trust; Center for Business Research  
 Source: Graphic published in 2013 Economic Scorecard, Charleston Regional Development Alliance (CRDA).

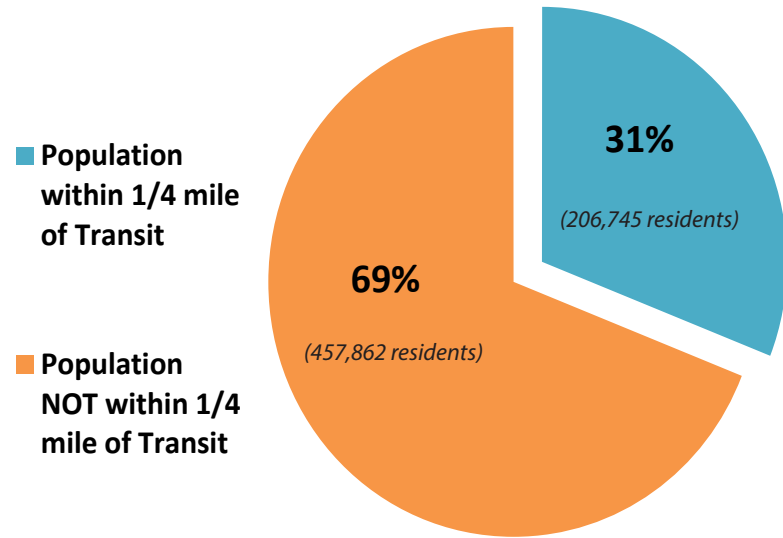
governments and taxpayers to maintain the extensive road infrastructure system, and sprawling development.

Housing that is affordable to residents should be encouraged in the Urban/Suburban Area of Charleston County where public infrastructure, facilities, and employment exist. Encouraging infill development will increase the concentration of residents near existing public transportation stops, which could increase utilization of the routes and decrease reliance on automobiles.

**Diverse Housing Options**

Changing demographics and lifestyle preferences are resulting in changing housing preferences. Nationally, household sizes have been decreasing for years, and Charleston County is no different. From 1990 to 2011,

FIGURE 3.6.9: PUBLIC TRANSPORTATION ACCESSIBILITY IN REGION, 2010



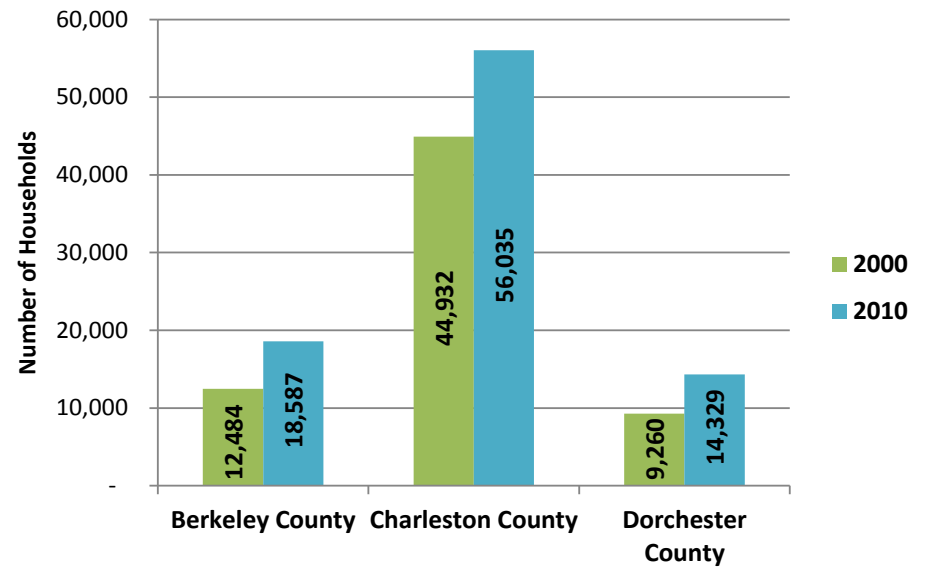
Source: ESRI Business Analyst via U.S. Census Bureau, 2010

the average number of persons per household decreased from 2.61 to 2.41 in the County. Additionally, the number of single-person households are on the rise, as shown in *Figure 3.6.10*. In 2010, single-person households in Charleston County comprised 39 percent (56,035 households) of the total households. Additionally, almost a quarter of those households were individuals over 65 years of age. The number of single-person households is expected to continually increase in future years. By 2025, nationally, single-person households are expected to equal family households; by 2050, single-person households are expected to exceed family households.

Decreasing household sizes will impact the types of housing units that need to be provided. As mentioned previously, the majority (59 percent) of the housing stock in the County is in the form of single-family detached units. *Figure 3.6.11* demonstrates the size of existing homes in the County, South Carolina, and United States based on the number of bedrooms. In the County, 63 percent of housing units have three or more bedrooms. The existing housing stock and size of units might not be compatible for current and future residents in the County as household sizes continue to decrease and more people live alone.

Lifestyle changes are also already impacting local housing markets. Two genera-

FIGURE 3.6.10: SINGLE-PERSON HOUSEHOLDS BY COUNTY, 2000-2010



Sources: U.S. Census Bureau, 2000, 2010

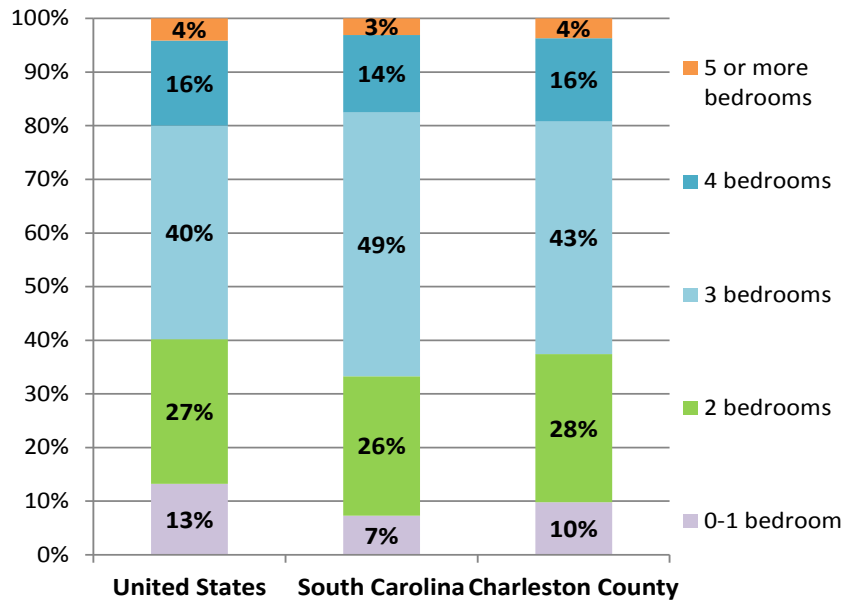
tions, the Millennials and Baby Boomers, have very distinct needs and preferences when choosing where and how they want to live. Baby Boomers have traditionally lived in large, single-family detached homes, often in suburban settings; however, as they age, they may prefer smaller homes located closer to services. Some may not want the onus that comes with home maintenance and as they stop driving, walkable environments with access to public transportation will be important.

Millennials, the largest generation in the United States at around 86 million people, have very different preferences than the generations before them. Millennials tend to move more, desire more urban or dense suburban settings with access to public transportation, are less likely to marry at a young age, and are better educated. Renting is often more prevalent in this generation. The mobility afforded by renting is attractive to many Millennials and changes to mortgage lending practices combined with large amounts of student loan debt may make homeownership unattainable for many in this younger generation.

Overall, people of all ages are finding renting more appealing than homeownership. In recent years, the perception of renting has changed (see *Reference Box 3.6.1*). According to the American Community Survey 2007-2011 Five Year Estimates, ap-



FIGURE 3.6.11: HOUSING SIZE BY BEDROOM COUNT, 2011



Source: American Community Survey, 2007-2011

proximately 38 percent of the housing units in Charleston County (53,151 units) are renter-occupied, which is higher than the proportions of renters in both South Carolina (30 percent) and the United States (34 percent).

Not all residents live in individual privately-owned or rented homes. A small proportion of the County's population (3 percent or 11,379 residents) resided in group quarters in 2011, which can be categorized into two general groups - institutional and non-institutional. The institutionalized group quarters population includes but is not limited to people living in adult correctional facilities, juvenile facilities, nursing facilities/skilled nursing facilities, in-patient hospice facilities, residential schools for people with disabilities, and hospitals with patients who have no usual home elsewhere. The non-institutionalized group quarters population includes people living in college/university student housing, military barracks, emergency and transitional shelters, and group homes.<sup>1</sup> Residents living in group quarters will most likely increase as the population ages and as the educational institutions in the region expand. The types of group quarters, such as assisted living facilities, nursing homes, and dormitories may need to be expanded to accommodate these groups of residents.

### Regulatory Barriers to Affordable Housing

The BCDCOG report identified regulatory barriers as a prominent housing issue. Most specifically, local zoning regulations can often unintentionally encourage low-density, single family/single lot development resulting in higher priced housing and environments where residents are forced to drive to services, offices, employment centers, and parks. Local zoning regulations should instead encourage a variety of housing types and sizes, as well as offer bonus densi-

ties and other incentives to encourage the development of affordable or workforce housing located near employment centers, services and public transportation.

Federal regulations can also unintentionally create hardships to housing affordability. Most recently, the Biggert-Waters Flood Insurance Reform Act of 2012 has the potential to negatively impact housing affordability in Charleston County. As a coastal community, changes to FEMA and the National Flood Insurance Program (NFIP) will result in increased rates for many homes located in flood zones.

### Lack of Active, Collaborative Housing Partnership

The final housing issue that was identified in the BCDCOG report is the lack of an active partnership among regional stakeholders. Several separate organizations with some stake in housing exist throughout the region; however, there is little collaboration occurring. One of the goals of the annual Housing Summits is to create an active partnership to address the housing and related issues.

### Reference Box 3.6.1: How Housing Matters: Americans' Attitudes Transformed by the Housing Crisis & Changing Lifestyles (2013)

Conducted on behalf of The MacArthur Foundation

A national survey was conducted among adults from November 2012 to March 2013 that focused on the role of housing and changing preferences. Overall, the appeal of renting versus owning is changing. Fifty-seven (57) percent of adults believe that "buying has become less appealing", while nearly the same amount (54 percent) believe "renting has become more appealing." However, the study did find that many Americans still aspire to one day own their home (greater than seven in ten renters aspired to own one day).

The perception of renting is changing due to both lifestyle changes and less apparent benefits of homeownership. Finally, the survey pointed out that as a nation, we are becoming more mobile, increasing the appeal of renting.

To read the full report, visit [www.macfound.org/programs/how-housing-matters/](http://www.macfound.org/programs/how-housing-matters/).

<sup>1</sup> Information from Census Website.

### Addressing Housing Issues

The BCDCOG report suggests the following goals to address housing issues in the region:

1. Increase the proportions of both owner- and renter-occupied homes in the region that are affordable to households earning below 120 percent of the regional median household income (\$61,598) and are located in close proximity to employment centers and existing public infrastructure by at least ten percent by 2020. Diverse housing types should be encouraged.
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. This will also require collaboration with local Chambers of Commerce.

Several strategies are included within the BCDCOG report to begin working towards accomplishing the above goals. The County should continue to participate in regional Housing Summits and continue to serve on the regional housing task force.

### 3.6.3: HOUSING ELEMENT GOAL

*Quality housing that is affordable will be encouraged for people of all ages, incomes, and physical abilities.*

#### Housing Element Needs

Housing Element needs include, but are not limited to, the following:

- Meeting the projected demand for a diversifying population;
- Promoting housing that is affordable to all residents; and
- Ensuring a supply of safe and structurally sound homes.

### 3.6.4: HOUSING ELEMENT STRATEGIES AND TIME FRAMES

The County should undertake the following action strategies in support of the Housing Goal and the other elements of this Plan. These implementation strategies will be reviewed a minimum of every five years and updated every ten years from the date of adoption of this Plan.

H 1. Coordinate with adjacent jurisdictions, the SC Community Loan Fund, and other affordable housing agencies in pursuit of supplying housing that is affordable to all residents.

H 2. Continue to support funding for affordable and workforce housing agencies such as the SC Community Loan Fund and local housing authorities that provide subsidized housing.

H 3. Maintain and develop incentives in the *Zoning and Land Development Regulations Ordinance*, such as density bonuses, transfers of density, and mixed-use development provisions to promote diverse housing options that are affordable to all residents and are located within walking distance to services, retail, employment opportunities, and public transportation, particularly in the Urban/Suburban Area.

H 4. Continue to allow density bonuses in planned developments and the use of accessory dwelling units to promote housing that is affordable to all residents, including but not limited to low and moderate income households.

H 5. Support existing communities and maintain existing housing stock.

H 6. Continue to enforce the Building Code and Beautification Section of the Charleston County Code of Ordinances (Ordinance #1227) and coordinate with other jurisdictions to maintain housing stock in a safe and habitable condition that meet all FEMA requirements.

H 7. Adopt innovative planning and zoning techniques such as Form-Based Zoning District regulations to promote mixed-use developments with diverse housing options in walking distance to services, retail, and employment opportunities.

H 8. Continue to encourage provision of housing that is affordable to all residents and meets the needs of the diversifying population (e.g., rental apartments, townhouses, duplexes, and first time home buyer initiatives).

H 9. Charleston County should be proactive in promoting housing that is affordable to all residents through incentives and removal of regulatory barriers.

H 10. Support the findings of local and regional housing studies and implement applicable strategies by adopting amendments to the *Zoning and Land Development Regulations Ordinance* and coordinating with other County departments, outside agencies, non-profit organizations, and private businesses/industries.

H 11. Ensure that infill development preserves and enhances the character of surrounding existing communities.