

MINUTES

URBAN RENEWAL AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

12:00 P. M., SEPTEMBER 23, 2020

A/V CONFERENCE ROOM

Brent Burton, Chair, called the meeting of the Charleston City Council Committee on Urban Renewal and Economic Development to order at 12:00 p.m., SEPTEMBER 23, 2020, in the Audio/Visual Room in City Hall.

Committee Members Present:

Brent Burton, Chair

Tiffany Wesley-Plear, Vice Chair

Brady Campbell

Adam Knauff

Chuck Overstreet

Jennifer Pharr (arrived after approval of minutes)

1. Approval of Previous Minutes – Councilmember Wesley-Plear moved to approve the minutes of the previous meeting on 2-6-2020. Councilmember Overstreet seconded. There was no objection and the minutes were approved.

2. Presentation on the 2020 Downtown Charleston Housing Study - Charleston Area Alliance (Susie Salisbury) & Bowen National Research (Patrick Bowen) -

Councilmember Burton introduced Patrick Bowen from Bowen National Research and Susie Salisbury from the Charleston Area Alliance. He added that CAA hired Bowen to conduct a housing needs assessment of Downtown Charleston.

Salisbury added that the update to the 2015 Downtown Housing Study was just completed, with a focus on Market Rate Housing to include rental and for-sale housing. CAA partnered with the Greater Kanawha Valley Foundation and United Bank for the study.

Councilmember Knauff stated that since there was an economic study for Downtown went pretty far into the West Side, what was what was the basis or rationale for the most recent study. Salisbury added that the study was stretched over to Maryland Avenue as much of the “flats” are considered Downtown to include people looking for market rate housing. Bowen added that the inclusion of a few blocks won’t materially affect the conclusions of the study. Additionally, the study in 2015 looked at the entire spectrum of housing, while the current study focuses on Market Rate Housing.

Highlight’s of Bowen presentation:

- The study examined a large economic demographic, housing supply information (historical and current), transportation, parking, crime etc. that would affect why someone would choose to live Downtown or not. Additional information was gathered from an online survey. Case studies were performed on 4 other communities that examined downtown housing markets at different price points.
- Showed how Downtown has historically changed from the rest of the City (with a stabilized growth). If nothing is done to encourage economic and housing growth, the area will start to lose additional households over the next 5 years. Age groups 65+ are expected to grow a lot, which points to an increased demand in senior housing.
- Changes to housing by income are projected to increase in middle to upper income renters. Homeowner growth is expected in households with the highest incomes. Multi-family apartments have a 96.1% occupancy rate (the ideal is 94-96%). The City overall needs additional Market Rate Housing. Premium rates for rentals occur the most for 1-2-bedroom apartments. It is possible that there will be an increased demand for 2-bedroom apartments. There is a high demand for high-end rentals.
- Most non-conventional rentals (single-family home, duplex, etc.) are priced at a premium.
- For-sale housing is stable with price points slowly increasing. Average days on market is 80 days, which indicates a good level of demand.
- The Downtown market is at a competitive disadvantage (older, smaller square footage, less choices, etc.).

- Commuting patterns show that 80% of the workforce does not live in Charleston. It is likely many of those people would be open to living Downtown if their requirements are met.
- There are 2 Qualified Opportunity Zones in the Downtown area that provides incentives for developers.
- Downtown case studies show similar cities to be Altoona, PA, Lancaster, PA, Huntington, WV and Chattanooga, TN. Projects in the downtowns of the cities added to their vibrancy, helped employers attract and retain employees, contributed to urban renewal, etc. It also included construction costs, uncertainty with downtown living, etc. The studies show that housing built downtown with the right product and the right price will be successful.
- Recommendations: network and reach out to groups and developers to promote opportunities, more nightlife and retail opportunities are needed and encourage public/private partnerships.

Councilmember Knauff confirmed that the study suggested that the focus be to smaller development rentals and away from condo units. Bowen added that while condos would be beneficial, the steady shift will be to smaller apartment rentals which will lead to bigger projects.

Councilmember Wesley-Plear asked how much of the non-conventional housing is located on the West Side. Bowen replied that they didn't break it out into geography beyond the Downtown area as opposed to the rest of the City. He added there is a map in the study. Councilmember Wesley-Plear asked if the housing around the King Center or Washington Manor were included. Bowen replied that the index in the back of the survey listed every project that was surveyed, but he did not know from memory. Salisbury added that the townhouses in front of Washington Manor (Clendenin Square/Charleston Village) were included. Bowen added that anything that would an affordable component (tax credit, government subsidized, etc.) would not have been included in the survey.

Bowen added that the national average for pre-leasing is 10-20%, which is much lower than pre-leasing for the Atlas Building as stated by Councilmember Pharr. Councilmember Pharr added that many similar buildings in the area are prime for this sort of development.

Todd Dorcas, from the Greater Kanawha Valley Foundation, asked if the study showed the percentage of renter versus ownership and how that compares city-wide. Bowen replied that it is estimated that 87.1% of units Downtown are renter occupied. The rest of the City is 46.2%. Dorcas asked if the population loss to the number of housing units consistent with typical demands. Bowen replied that it's complicated, but he believes that there isn't much of a choice Downtown (that does not include affordable housing). That is why he recommended building smaller rentals as a base and building condos and larger rental projects on top of that.

Councilmember Knauff asked what was the difference between somewhat and very walkable as listed in the study. He added that Kanawha Blvd was listed as somewhat, but he felt that it is a very walkable area. Councilmember Knauff additionally asked if parking concerns were included in the study. Bowen replied that the study broke down more walkability spots than would normally be done, and generally they found Downtown to be very walkable (yellow and green areas). Councilmember Knauff said that the study didn't mention anything about grocery stores or access to fresh food, adding that if the area had been extended a block further, it would have included a Kroger. He asked if that should be a concern. Salisbury added that the Capital Market is also in the study area. Salisbury added that the City conducted a parking study several years ago and noted 30,000 parking spots Downtown. Councilmember Knauff agreed that Charleston has a lot of parking and would like to see it as a selling point.

3. Administrative Updates -

Mayor Goodwin announced to the Committee that the City has received grant money to work on the development of Slack Plaza, adding that this will be a great opportunity to encourage urban growth. It will be a seamless connector for walkability as well as building on city center. A design draft was presented to the Committee. Mayor Goodwin added that it is more than just housing, that it is about the amenities and quality of life the City can offer to attract and keep citizens and businesses. Councilmember Knauff confirmed that there is a planned ice-skating rink. Councilmember Wesley-Plear asked if Slack Plaza could be rented out. Mayor Goodwin replied that is something that would need to be examined.

Councilmember Pharr added that some younger professionals said they have stayed on the City because there is now more available housing Downtown.

Councilmember Overstreet motioned to adjourn the meeting. Councilmember Pharr seconded.

Meeting adjourned.