



CITY-WIDE HOUSING STRATEGY SUMMARY REPORT

CITY OF GREENVILLE
September 2012

Prepared by:

Development Concepts, Inc.

Ian Colgan
Principal
1236 East 16th Street
Indianapolis, IN 46202

JHP Architecture/Urban Design

Brian Keith
Associate Principal
8340 Meadow Road Suite 150
Dallas, Texas 75231

Jackson Research & Consulting

Mark Jackson
Principal
1206 Webster Street
New Orleans, LA 70118

John McIlwain

Housing Policy and Development
Consultant
1236 East 16th Street
Indianapolis, IN 46202

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ACKNOWLEDGEMENTS

Steering Committee

Carmella Cioffi - Planning Commission, Johnsnton Design Group

Russ Davis - Davis Development

Amy Ryberg Doyle - City Council

John Edwards - Design and Review Board, LS3P, Neal Prince Architecture

Brooke Ferguson - Greenville County Planning

Rev. Vardry Flemming - President, West Greenville Neighborhood Association

Jackie Jones - Secretary, Southernside Neighborhood Association

Jill Littlejohn - City Council

Will McCauley - Creative Builders

Deborah McKetty - CommunityWorks Carolina

Rick Quinn - Quinn Satterfield

Andy Sherard - Board of Zoning Appeals, Site Design

City Staff

Ginny Stroud - City of Greenville, Community Development

Jean Pool - City of Greenville, Planning

Wayne Leftwich - City of Greenville, Communtiy Development

Nathalie Schmidt - City of Greenville, Planning

Christa Jordan - City of Greenville, Community Development

Consultant Team

Development Concepts, Inc.

JHP Architecture / Urban Design

Jackson Research & Consulting

John McIlwain

Arnett Muldrow & Associates



1.0 INTRODUCTION

The City of Greenville is leading a comprehensive planning effort focused on establishing connections between affordable housing, transportation options, economic development opportunities, and open space throughout the City, with a focus on the west side. The project, entitled *Connections for Sustainability: Linking Greenville's Neighborhoods to Jobs and Open Space*, is made possible by community planning grants awarded by the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Transportation (DOT), along with other significant local and federal contributions. The project is incorporating various opportunities for outreach and education to inform residents about the planning process and to inform the community about issues relevant to creating a more sustainable neighborhood. The planning effort is divided into two phases and seeks to engage the public for their input throughout the process.

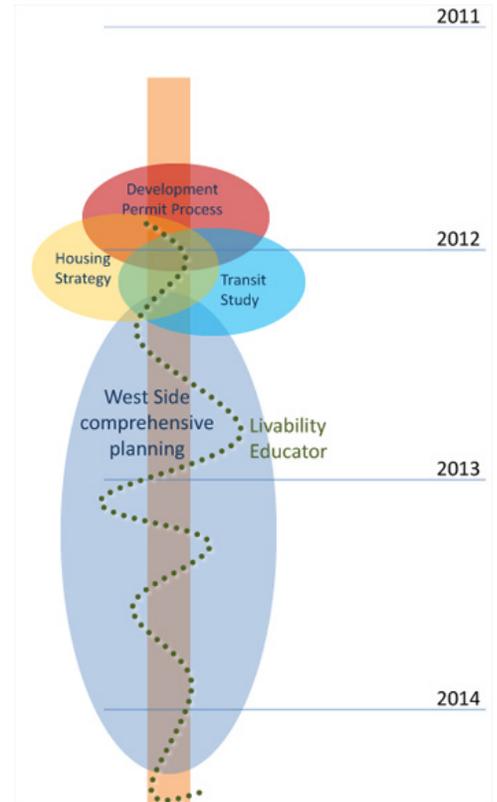
The first phase of the Connections for Sustainability project concentrated on citywide planning efforts. In doing so, two distinct reports emerged, a Citywide Housing Strategy and a Bus Rapid Transit (BRT) and Transit Oriented-Economic Development (TOeD) Feasibility Study. The Citywide Housing Strategy provides a roadmap for increasing housing options for all income levels, while the BRT and TOeD Feasibility Study addresses the issue of creating a more equitable, integrated transportation system. Together, these reports will inform the second phase of the project as the City begins to develop a comprehensive plan for the west side area.

1.1 Summary of City-Wide Housing Strategy

The Greenville City-Wide Housing Strategy was completed in 2012 with significant coordination between the City of Greenville and its consultant team, as well as an extensive public outreach effort. The result is a Strategy intended to guide policy and investment relative to housing over the next 10-20 years. The process that created this Strategy sought to understand the Greenville housing market in significant detail, discuss the various strengths and weaknesses of the City of Greenville's housing stock - as well as its impacts on neighborhood health and viability, and create an open dialogue with the public as to where the City should focus its efforts relative to housing.

The goals and strategies detailed within this City-Wide Housing Strategy revolve around four core focus areas:

- **Greenville Needs Growth to Support Preferred Housing Initiatives** – Greenville is a thriving community and regional center that has tangible economic development and quality of life assets. However, it is also a City that struggles with concentrations of poverty, low income households, and distressed neighborhoods. There is a need to revitalize these neighborhoods for the benefit of all residents, but in order to do so, the City must find a way to grow. Greenville's population declined for



More details related to the City of Greenville's Connections for Sustainability initiative can be found at: www.connections.greenvillesc.gov

four decades before a slight population increase during the past decade. The City has experienced extremely slow growth compared to that within the Upstate region. Successful urban revitalization likely hinges on the ability of the City continuing to attract young professionals drawn in by Downtown and other amenities, but also attracting a larger share of families and households who prefer properties with at least 3 bedrooms.



- **Infill Development** – Aside from the Verdae planned development and small scattered sites on the outskirts, Greenville is mostly built out and has limited options for annexation. This means that future growth must be accommodated within existing city limits. While this is a seemingly obvious statement, it carries major implications for both how the City will achieve new growth, neighborhood revitalization, and housing policies in general. New development in areas previously developed - also known as “infill” development - is inherently more expensive and complex than development built on open, undeveloped tract of land. For a regional market like Greenville, which has seen large peripheral growth in previously undeveloped areas, these costs need to be mitigated to encourage investors and developers to build projects or improve properties. Market demand, while essential, is often not enough to encourage infill development. The City must organize and adjust its resources to understand the particular hurdles related to developing within Greenville.
- **Targeting Resources** – Greenville is not a large city, and its available resources for wide-scaled neighborhood revitalization are limited. Simultaneously, neighborhood blight and disinvestment is enough of a problem within the City that an incremental approach is unlikely to realistically generate catalytic impact. By targeting its staffing and finances within select areas of Greenville, the City should be able to leverage private investment and subsequent revitalization at a faster pace than spreading those resources between a half dozen areas. While the City will have a need to balance what resources are allocated City-Wide vs. target neighborhoods, as well as justifying which areas of the city receive initial investment, it should be able to map out a long-term plan that can be communicated to residents.
- **Catalyzing Investment for Revitalization** – Targeting major public sector investment in fewer areas (than before) should catalyze private investment in those specific areas, thus allowing the City to transition its investment between neighborhoods as the private sector responds through investment, development, and new residents. However, due to available resources, this still may not be enough to avoid an incremental scale of improvements. Therefore, the City should consider creating a special redevelopment fund that can be a true catalyst for neighborhood revitalization and new housing development. Designed to spur economic development in the form of affordable housing, new job opportunities and an increased tax base, this fund can be a significant tool to achieve revitalization goals in a relatively short period of time. There are several options to “seed” this fund without investing directly from the City’s budget, but it will require a well-thought out process to implement (See Exhibit 4.8 on page 39).

2.0 ISSUES & OPPORTUNITIES

This section summarizes the existing conditions analysis performed for the Housing Strategy, including a detailed market study, physical conditions analysis, and assessment of Greenville's position within regional, state and national trends.

2.1 Summary of Market Study

- As of early 2012, the national housing market appeared to be in an upswing. Trends could characterize the market as entering the “Recovery” stage of the housing cycle;
- Greenville is the central economic, entertainment and social center for the Greenville-Mauldin MSA (and to a large extent the Greenville-Spartanburg-Anderson CSA), but has experienced a very limited share of the regional growth. This is likely due to a combination of limited areas for easy development, a relatively small share of product preferred by the marketplace, and undesirable concentrations of poverty and distressed neighborhoods;
- Housing cycles revolve around “normal” levels of demand, which are found in household formation, replacement demand (or removals), and vacancy need. Vacant housing is abundant across Greenville and Greenville County, and this vacancy needs to be absorbed before normal levels of demand are achieved. Overall, the high levels of housing vacancy are likely to hold back market activity - or at least result in high vacancy rates in less preferred locations while new product is absorbed elsewhere;
- Between 2000 and 2010, the City of Greenville experienced its first major intercensal growth since 1960 (See Exhibit 2.1);
- Anticipated future demand for housing is low – 40-70 units annually for the next 5-10 years. This represents replacement level demand. If expectations for near-term housing development for Greenville exceeds this amount, then the city will need to “capture” market from outside the community – particularly from areas of Greenville County immediately to the north and south;
- Multi-family housing will be a strong market segment for Greenville in the future – as it has been in the past. Focus in the short-term will be on rental product, and this is likely to be a strong segment over the next decade. Depending on the ability to successfully deliver product based on various hurdles (financing, land assembly, etc.) this is a key segment where the city can capture a significant portion of demand from suburban areas;
- Despite short-term shifts in rental product due to the difficulties of the for-sale market, the majority (70-80%) of future demand should be expected to choose for-sale units, by a combination of in-migration and the formation of family households. Based on past trends, 5-7% of this could be attached product, though demand (or at least the ability to generate supply through financing) for attached units may not yield this percentage for several years;
- By far, the preferred for-sale product in the Greenville region has been 3 bedroom detached homes, followed by 4 bedroom homes. Greenville has a very small share of this market, including a small percentage of the new 3-4 bedroom units built recently in Greenville County. The city also has an abnormally high market share of 2 bedroom homes, which are much less desirable for-sale units;



A limited share of quality 3 and 4 bedroom homes has the City of Greenville at a market disadvantage to outlying areas of Greenville County.

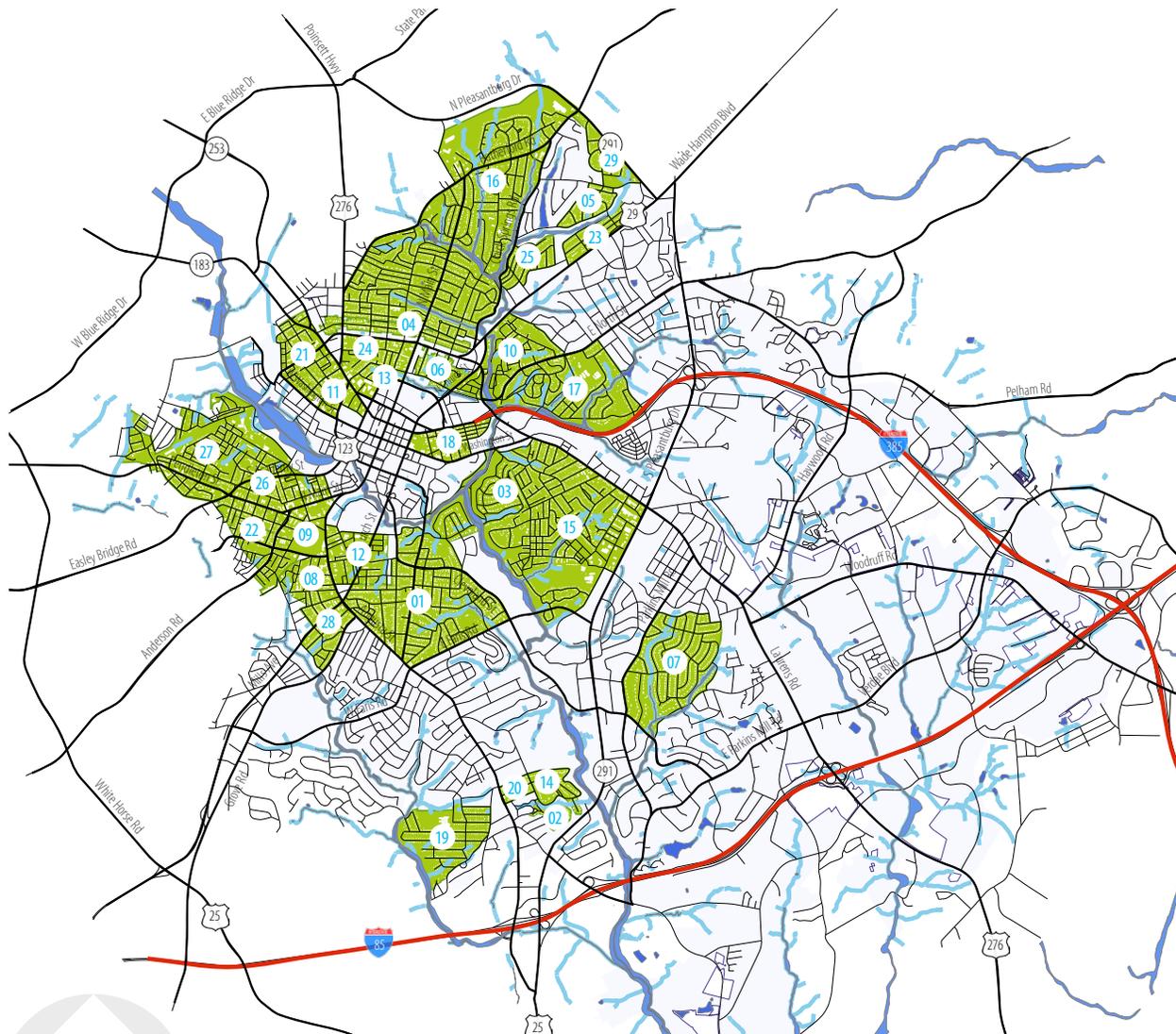


Exhibit 2.1

CITY NEIGHBORHOODS

- CITY-DEFINED NEIGHBORHOOD
- WATER FEATURES
- STREAMS

Source: City of Greenville, SC

- | | |
|---------------------------|---------------------|
| 01. ALTA VISTA | 15. NICHOLTOWN |
| 02. BROOKSIDE FOREST | 16. NORTH MAIN |
| 03. CLEVELAND FOREST | 17. OVERBROOK |
| 04. COLONEL ELIAS EARLE | 18. PETTIGRU |
| 05. DELLWOOD | 19. PLEASANT VALLEY |
| 06. EAST PARK | 20. RIVERSIDE |
| 07. GOWER ESTATES | 21. SOUTHERNSIDE |
| 08. GREATER SULLIVAN | 22. STERLING |
| 09. GREEN AVENUE | 23. UNIVERSITY PARK |
| 10. GREENLINE-SPARTANBURG | 24. VIOLA |
| 11. HAMPTON-PINCKNEY | 25. VISTA HILLS |
| 12. HAYNIE-SIRRINE | 26. WEST END |
| 13. HERITAGE | 27. WEST GREENVILLE |
| 14. MARSHALL FOREST | 28. WEST PRENTISS |
| 15. NICHOLTOWN | 29. WHITE OAK |

- Preferred market-rate price points of for-sale housing are clustered in the \$100,000 - \$200,000 range. Not only is this a somewhat difficult price point to deliver new product without cost efficiencies, but it is more difficult to produce new infill housing at this cost – particularly the \$100,000 - \$150,000 price band;
- Greenville has a wide range of price points for rental and for-sale units, but the only units available to a large percentage of the population (30%+) can be characterized as very low value, low quality housing located in distressed neighborhoods;
- Considerable portions of the city have extremely troublesome property and housing values. These areas include most of the special emphasis neighborhoods, as well as others near the Downtown area.

2.2 Issues / Hurdles

The following list represents key issues and hurdles to implementing a market-based housing strategy in the City of Greenville. It consists of findings from the Market Study for the City-Wide Housing Strategy, as well as initial SWOT assessments administered to the project's Steering Committee and attendees of the initial public meeting. It is not intended to be inclusive of all possible issues within the community. Full descriptions of each issue can be found on pages 38-40 of Appendix A - Issues and Opportunities.

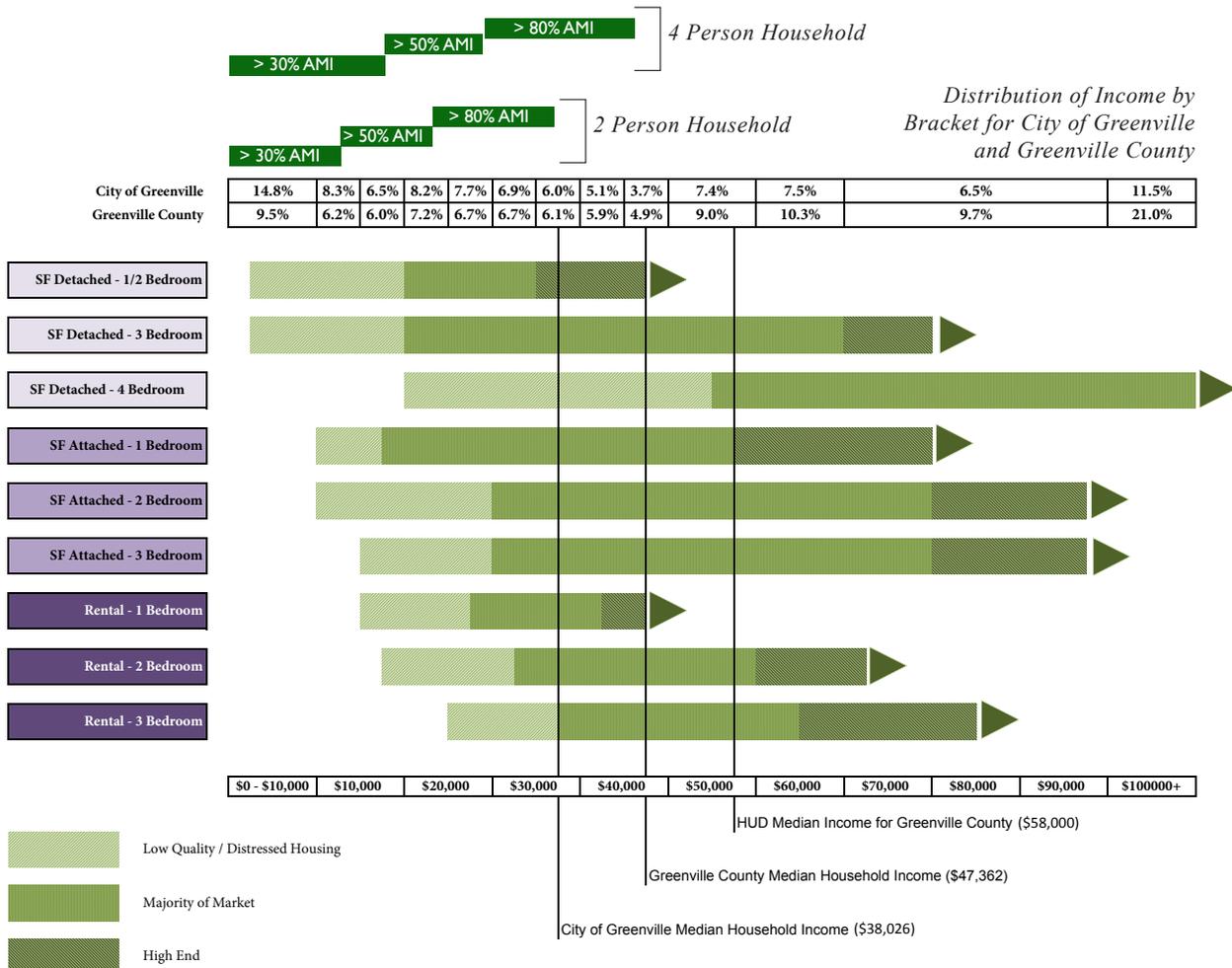


Large concentration of distressed housing and neighborhoods limit growth potential for Greenville and represent less than ideal living conditions for large portions of city residents.

- **The economy and economic recovery** - Uncertainty as to when economic growth will return to normality, replacing the numerous jobs lost during the recession, and support sustainable housing growth;
- **Homeownership / for-sale product** - The for-sale housing market - the largest segment of the regional housing market - must return to growth and stability, which has been hindered by the slow post-recession economic growth and general uncertainty of the economy;
- **Housing demand and the ability to capture growth** - Low historic and projected demand means limited opportunity to deliver housing at a scale necessary for development initiatives around the community - the city will need to capture additional demand;
- **Competition for development** - Multiple areas of the community compete for what limited housing growth is projected for the city, including the unique circumstances surrounding the Verdae development;
- **High Levels of Vacancy** - Greenville's housing vacancy rate of 13% is high and represents a large inventory of housing that must be absorbed into the market before sustainable development can occur;
- **Distressed neighborhoods** - Large concentrations of distressed neighborhoods and low income households provide a challenge to drawing the market into the city and creating a sustainable housing market;
- **Affordability of quality housing** - Most of the existing market-rate product available to lower income brackets is of limited quality or size necessary to support certain types of households (See Exhibit 2.2);
- **Minority homeownership** - Greenville has a significantly lower percentage of minority households who are homeowners than found in other major South Carolina cities or in comparable metropolitan areas;
- **Supply of market preferred single-family units and price points** - Greenville has a low market share of product preferred by consumers of for-sale detached units - namely 3/4 bedrooms;

Exhibit 2.2

HOUSING AFFORDABILITY FOR THE CITY OF GREENVILLE



Affordability ranges = 20% - 30% of Annual Household Income, assuming that households paying more than 30% of annual income are "cost-burdened".

It should be noted that the affordability calculations of for-sale product includes only a Principal & Interest payment at a rate of 6% and a term of 30 years. It does not include a PITI (Principal, Interest, Taxes, Insurance) payment.

Source: Greenville MLS, Appalachian Council of Governments, US Department of Housing and Urban Development, ESRI Business Analyst, US Census, DCI Analysis

- **Transportation / mobility** - The lack of good public transit and pedestrian infrastructure between service centers and emerging employment centers is a hurdle to successful neighborhood development and access to employment;
- **Readily available land / redevelopment** - Mostly built out, the city lacks large tracts of development ready land (with the exception of Verdae) to compete with suburban areas. Numerous redevelopment opportunities exist, but the costs associated with infill development tend to drive up housing costs beyond preferred price points;
- **Funding and capacity** - Successful public private partnerships and funding models for affordable housing and infill development are in jeopardy as changes to federal funding sources and local organizations force different strategies;
- **NIMBYism / Neighborhood support for infill development** - The need for redevelopment / infill development has - and likely will - come into conflict with neighborhood groups who are concerned with the impacts of new development, despite sensitivities to context and user groups;
- **Employment and Gentrification** - Greenville's employment base is imbalanced compared to both the state and the nation in terms of professional service jobs (much higher percentage) and goods producing jobs (much lower). This has been good for the local economy, but it threatens to create an imbalance in the types of jobs readily accessible to large portions of Greenville's population.
- **Distressed Neighborhoods / Communities in the County** - Distressed neighborhoods found within the county threaten the revitalization potential of neighborhoods within the city.

2.3 Opportunities

The following is intended to describe broad opportunities for housing in Greenville as identified through the Market Study. They are not meant to indicate opportunities that should or must be followed by the community, nor are they meant to be inclusive of all opportunities available to the city.

- **Economic development / economic recovery** - despite uncertainties in the national economy, Greenville potentially stands in the vanguard of the economic recovery, which could generate faster activity in the housing market and strategies to take advantage of this;
- **Short / long term multi-family development** - multi-family will be a key market segment for the city in the future, especially over the next several years as the for-sale market is stagnant, generating a huge demand for rental product;
- **Ability to establish and expand urban districts** - the short and long term demand for multi-family units can be utilized to create high density nodes throughout the city that support more pedestrian and transit oriented amenities and services;
- **Neighborhood revitalization** - Successful past redevelopment partnerships can be leveraged to focus on continued efforts to revitalize distressed neighborhoods;
- **Verdae / detached housing** - While the Verdae development represents somewhat of a competitor to general housing development, it is also an ideal location within the city to deliver cost-effective detached units that can make the city more competitive with suburban areas.



The current strength of the rental market is a huge short-term opportunity for the city, not only to capture higher than normal amounts of demand, but to utilize multi-family development to help shape and expand urban districts that support pedestrian and transit accessibility, as well as retail, services and amenities available outside of Downtown.

3.0 HOUSING GOALS



Eight housing goals were created to act as the broad guiding force behind the City-Wide Housing Strategy. These goals create the framework under which all activities and investment related to the Housing Strategy are meant to take place. These goals, described in detail below, were created by the project steering committee and vetted through the public engagement process.

GOAL 1: Capture Higher Rates of Household Growth

Description

In order to support neighborhood revitalization, a better public transit system, and overall economic vitality, the City needs to capture more of the region's population growth. How much growth, what that growth looks like, and how to capture it will be the subject of future public discussion.

Rationale

Between the years 2000 and 2009, the City experienced population growth for the first time in decades. However, much of the population growth that could have come to the City actually went to areas just outside the City limits. Capturing a larger share of this regional growth inside the City limits would make it possible to implement more revitalization and sustainability initiatives, such as filling vacant homes and expanding the available housing options.

GOAL 2: Increase Diversity of Housing Options

Description

The ability to offer a range of housing options for all ages and incomes allows Greenville to be a more successful city and regional center.

Rationale

Greenville has a higher percentage of renter-occupied households than the surrounding region and state, as well as a very low median household size. Home sales show the majority of family households choosing 3 and 4 bedroom units located just outside the city.

GOAL 3: Revitalize Neighborhoods

Description

Transform neighborhoods where there is a surplus of vacant homes, and homes that do not appraise at market value, into economically and socially sustainable neighborhoods that benefit the residents who currently live within these neighborhoods, as well as all City residents.

Rationale

Greenville has a number of areas with concentrated amounts of poverty and distressed housing. A remnant of past population and economic shifts, the conditions within these areas exacerbate difficult living conditions for neighborhood residents, and provide barriers for the revitalization that is possible through market-rate housing.

GOAL 4: Preserve and Enhance Neighborhood Character

Description

Preserve and enhance individual neighborhood character and “sense of place” through new and rehabilitated housing that is context sensitive (designed to not disrupt the surrounding visual character), and constructed with high quality materials and design.

Rationale

Greenville’s urban neighborhoods offer a sense of identity that comes from the unique architecture, historical features, and surrounding amenities that are unique to the region. These neighborhoods are valuable assets that cannot be mimicked in suburban development and should be protected as they grow.

GOAL 5: Connect Housing Development with Effective and Efficient Transportation Options

Description

Be proactive in integrating land use, development, and transportation planning to provide connectivity throughout the community for all residents.

Rationale

Providing efficient transportation options helps ensure income equity and access to employment opportunities, while helping alleviate the mobility and traffic congestion issues that can occur with population growth. Furthermore, shifts in employment have resulted in new local and regional transportation patterns between neighborhoods and employment centers for households of all ages, compositions, and income levels.

GOAL 6: Increase Opportunities for Affordable Housing

Description

Continue to invest in new or renovated housing that is affordable to lower income households living in Greenville.

Rationale

Housing in Greenville and the Upstate region is relatively inexpensive, but housing costs have risen compared to other South Carolina cities, and the City has a concentration of low income households. Many of these households are able to find housing, but are largely forced to rely on older homes or apartments that not only are in disrepair, but are located in distressed neighborhoods. The ability for the City to continue assistance in providing quality affordable housing not only helps these households, but helps to build sustainable neighborhoods.

GOAL 7: Foster Appropriate Design for All New Housing Developments

Description	Rationale
Create expectations for design, and building standards for new construction that helps preserve neighborhood character, ensures high quality development that is long-lasting and sustainable, and is used for a wide-range of income levels.	The design and aesthetics of individual buildings are important in setting the character of neighborhoods that are desirable places to live. An expectation of high quality building design will guide the type of development that is proposed within the city. If the city is to set a new course for the 21st century as the economic and entertainment/recreation center of the Upstate Region, it cannot afford to tarnish its future image - and the ability to create desirable, dynamic neighborhoods - by allowing poorly designed buildings that will depress neighborhood character for 50+ years (the life span of a typical building).

GOAL 8: Connect Sustainable Features with New Housing Development Initiatives

Description	Rationale
Seek efficient and cost-effective integration of green infrastructure and other sustainable development features in both new construction and existing built structures.	The era when real estate development could occur without a close examination of impacts upon the natural environment or energy grid is coming to a close. Communities that are not seeking to address these relationships do so at their own peril relative to both environmental and fiscal impacts. However, despite rapid advances, efficiencies regarding construction and cost may not allow for green infrastructure to be integrated into every development, particularly if the development needs to be price sensitive. Partnerships with the private sector and on-going education related to advancements in green infrastructure and sustainability will be needed to make progress in the near-term.

4.0 HOUSING STRATEGIES

Eleven strategies make up the collective City-Wide Housing Strategy for Greenville. These strategies are designed to achieve the goals established by the community for this Housing Strategy. This section describes each strategy in detail.

Housing Strategies		Housing Goals							
<p>Each housing strategy was formed to help achieve the housing Goals set forth by the Project Steering Committee and general public. This chart illustrates the intent of each strategy to ensure that the City's goals are reachable.</p>		Capture Higher Rates of Household Growth	Increase Diversity of Housing Options	Revitalize Neighborhoods	Preserve and Enhance Neighborhood Character	Effective and Efficient Transportation Options	Increase Opportunities for Affordable Housing	Foster Appropriate Design for All New Housing Developments	Connect Sustainable Features with New Housing Dev. Initiatives
		1) Think Infill							
2) Targeted Neighborhood Investment Zones									
3) Targeted Development Zones									
4) Education and Marketing Program									
5) Increased Enforcement of Distressed and Vacant Property									
6) Streamlined Development Review for Targeted Investment Zones									
7) Comprehensive Housing Renovation / Rehabilitation Program									
8) City-County Partnerships for Revitalization									
9) Public Private Partnerships for Mixed-Income Housing									
10) Neighborhood Scale and Design									
11) Re-stock the Redevelopment Toolkit									

STRATEGY #1 “THINK “INFILL”

With few exceptions, the City of Greenville is largely built-out and has limited open areas for new development. If the City

is to successfully accomplish neighborhood revitalization, stabilization of property values, and sustained growth, it must adopt a policy approach that accounts for the unique characteristics of *infill development* - new development on vacant or underutilized land. Infill development fills gaps in existing communities and plays a critical role in achieving community revitalization, resource and land conservation, and alternatives to sprawl development. It also conserves a community’s financial resources by taking advantage of existing infrastructure, increases walkability, and creates new opportunities for mixed-use neighborhoods that recapture the “sense of place” that is largely missing from development projects during the past 50 years.*

This approach may seem straightforward, but infill development requires a certain state of mind. Its practice is different from the traditional development process, and only select real estate developers choose to engage in the practice. Varying hurdles, some of which are summarized below, often make the process longer and more costly than development on “greenfield” sites. Infill development is common in larger cities like Atlanta, Charlotte or Chicago where market demand for urban residential product reduces the risk of taking on additional cost, but this market “premium” cannot be relied upon outside of the Downtown area in a mid-market city like Greenville.

Common hurdles related to infill development:

Physical - Environmental issues such as wetlands, poor soils, poor drainage, or contamination from prior uses, and sites adjacent to nuisance uses such as rail lines, heavily traveled roads, or abandoned buildings;

Social - Resistance to change and a fear of the unknown, opposition to development centered on design compatibility, increased density, different housing types, parking, traffic, etc.;

Regulatory - Regulatory constraints on good design, zoning or building codes that inadvertently preclude redevelopment or infill, and regulations for parking, road design or stormwater management that prohibit or severely limit development;

Economic - Difficult sites and uncertain outcomes that reduce a developer’s economic interest, land acquisition costs,

Craft and implement a strategy that puts infill development at the forefront of a housing strategy - necessary to attract new residents to the community and revitalize neighborhoods.



Infill development refers to new development on vacant or underutilized land within built up areas of existing communities where infrastructure is already in place. This includes redevelopment or renovation of vacant, blighted or unsafe structures.



accumulated public liens, historic but functionally obsolete buildings, high construction costs and difficulty in realizing economics of scale on smaller scale infill projects than larger subdivisions.*

Encouraging successful infill development requires policies created specifically to overcome the numerous barriers to infill, and the internal coordination necessary to make infill development as cost-effective and impactful as possible.

Concentrate resources in target neighborhoods in order to achieve revitalization at a faster pace than spreading resources across all special needs areas of the city.

STRATEGY #2 TARGETED NEIGHBORHOOD INVESTMENT ZONES

Despite Greenville's overall prosperity, large pockets of poverty, distressed property, and disinvestment remain throughout the city. Exhibit 4.1 illustrates the assessed market value of land within the city. With the color blue representing the lower valued properties, one can see these concentrations, particularly on the westside and in neighborhoods ringing downtown. These are neighborhoods which the market (i.e. private investment of any scale) has largely ignored for years, and shows no signs of returning due to a number of factors. Experiences in urban communities across the country have shown that investment by the public sector through funding and tools available at the local, state, and federal levels can be used to "intervene" in local markets to spur new private investment that creates and improves housing stock, attracts new businesses to serve residents, and generates new employment opportunities. This is an essential component of neighborhood revitalization.

The City of Greenville has experience with such market interventions. Many of the lowest valued neighborhoods shown in Exhibit 4.1 correspond with the thirteen Special Emphasis Neighborhoods established by the City to target community development funds. Through selective investment, there have been numerous improvements made to these neighborhoods over the past decade.

However, despite this selective investment, progress in revitalizing these areas has been incremental at best because the disinvestment is too wide spread, and available resources are too small to make a truly transformative impact. As discussed in Strategy #1 - neighborhood revitalization is important not only for the purpose of improving socio-economic conditions within these neighborhoods, but also

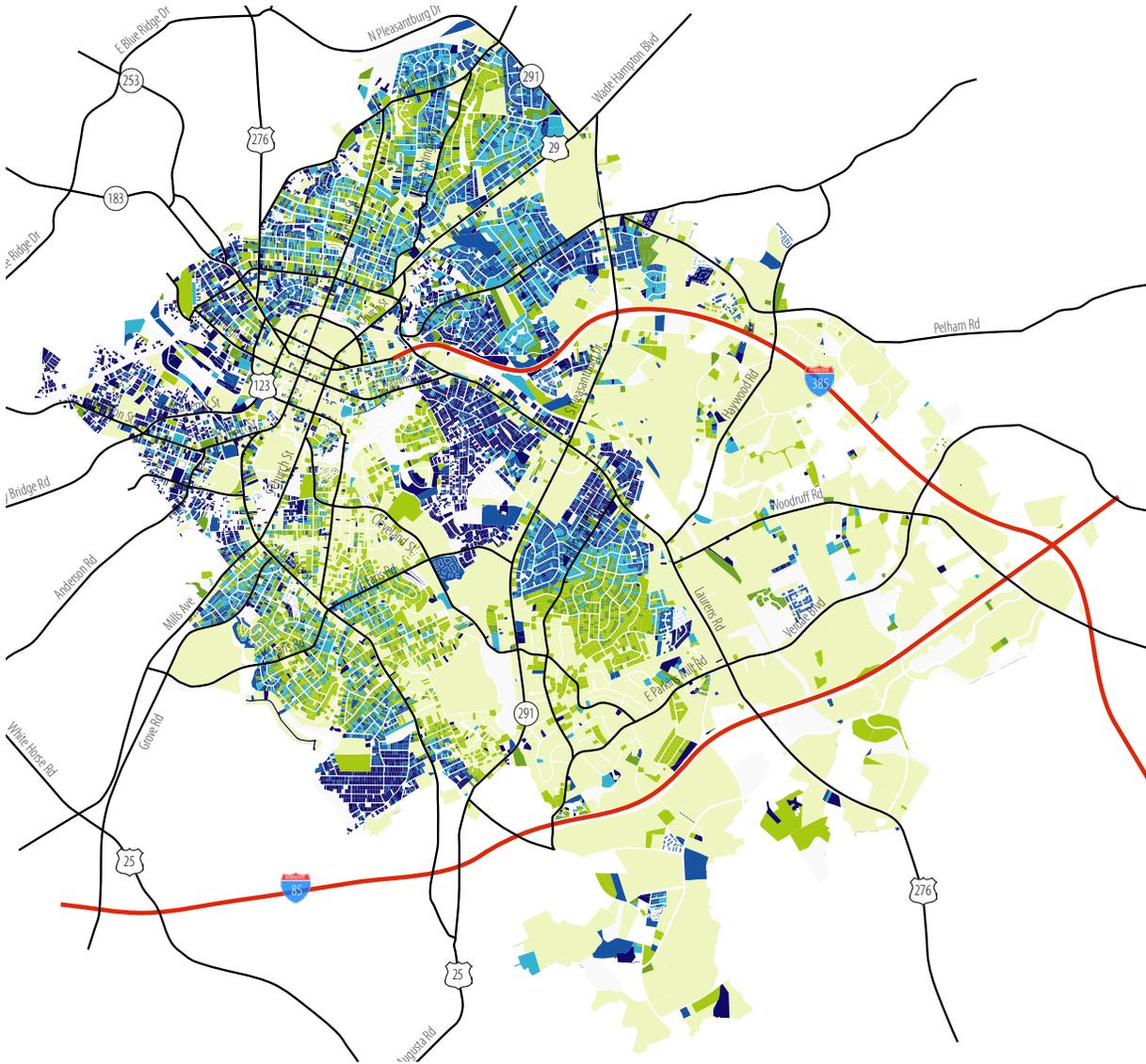


Given the myriad socio-economic, property and perception difficulties that distressed neighborhoods have, sometimes it is more effective to elicit change through a concentration of investment rather than a "grass roots", incremental approach. Targeting public sector investment over a short period of time has been used successfully to leverage the necessary level of private investment to realize effective and sustainable revitalization.

“ Successful City Planning: Public action that generates a desirable, widespread and sustained private market reaction. ”

- ALEXANDER GARVIN

* - *Managing Maryland's Growth: Models and Guidelines for Infill Development* (2001)



ASSESSED MARKET VALUE

Exhibit 4.1

2010 Assessed Market Values are shown for all taxable properties within Greenville.



Source: The City of Greenville

for various quality of life and economic development objectives for the City on the whole. Accordingly, there is a need to re-organize the City's approach to neighborhood revitalization. By targeting resources in a smaller number of neighborhoods (2 to 3), leveraging relationships and funding sources, and creating public-private partnerships, the City can achieve revitalization at a much faster rate. A primary objective of this strategy is making improvements so that the private sector gains confidence in investing and that the market responds favorably to the neighborhoods, all the while addressing the needs of existing residents.

It should be noted that this strategy does not suggest re-allocating ALL city investment and resources to a select number of neighborhoods, merely that the targeted neighborhoods receive a concentration of certain resources, as well as special consideration from certain departments.

Several key components and considerations are discussed below:

Holistic Approach - The targeted investment of redevelopment resources is a growing trend across the country, but most communities have only targeted their available HUD funding, which is something that the City of Greenville already does. This strategy would require a special focus across city departments, from basic infrastructure and upkeep to development incentives, code enforcement, and efficient development standards. It would also require the identification and funding of a special redevelopment fund necessary to support the scale of intended revitalization, as well as a point organization to manage the investment. Exhibit 4.2 illustrates the concept of a holistic approach to targeted investment that the City should consider with its areas of need.

Transition of Investment - The intention of a targeted investment approach is not to allocate investment and resources solely on 2-3 neighborhoods for an extended period of time. Instead, the objective is to focus enough attention on certain neighborhoods within a certain time period to leverage enough private investment to complete the task of developing new housing and commercial property, renovating homes and other structures,

CASE STUDY TARGETED INVESTMENT

NEIGHBORHOODS IN BLOOM RICHMOND, VIRGINIA

The **Neighborhoods in Bloom (Nib)** is an innovative program that supports the restoration of Richmond's historic neighborhoods. For several years, Richmond has chosen to concentrate various city, state and federal funds and resources into select neighborhoods for the purpose of leveraging investment at a faster pace than would be possible through an incremental approach. The process to select the "Neighborhoods in Bloom" areas was very inclusive and deliberate. City staff developed a set of evaluation criteria to assess the conditions and potential for revitalization of each of the city's neighborhoods. These criteria included: (1) the number of vacant properties; (2) crime statistics; (3) poverty levels; (4) home ownership rates; and (5) housing quality.

Revitalization potential was evaluated upon the strength of civic associations in the neighborhoods, the existence of redevelopment plans, and market trends. City staff conducted numerous community meetings to obtain citizen input on the process.

The initial program premise was, and remains, that a concentrated investment of resources in a limited impact area can have a substantial impact for a targeted revitalization area. In Nib, the city works with nonprofit partners who:

- Buy vacant houses, rehabilitate them, and sell them for home ownership.
- Buy vacant lots, build houses, and sell them for home ownership.
- Provide homebuyer education classes and counsel potential buyers in determining affordability and purchase power.
- Provide down payment assistance.
- Assist owner occupants with house repairs and renovations.

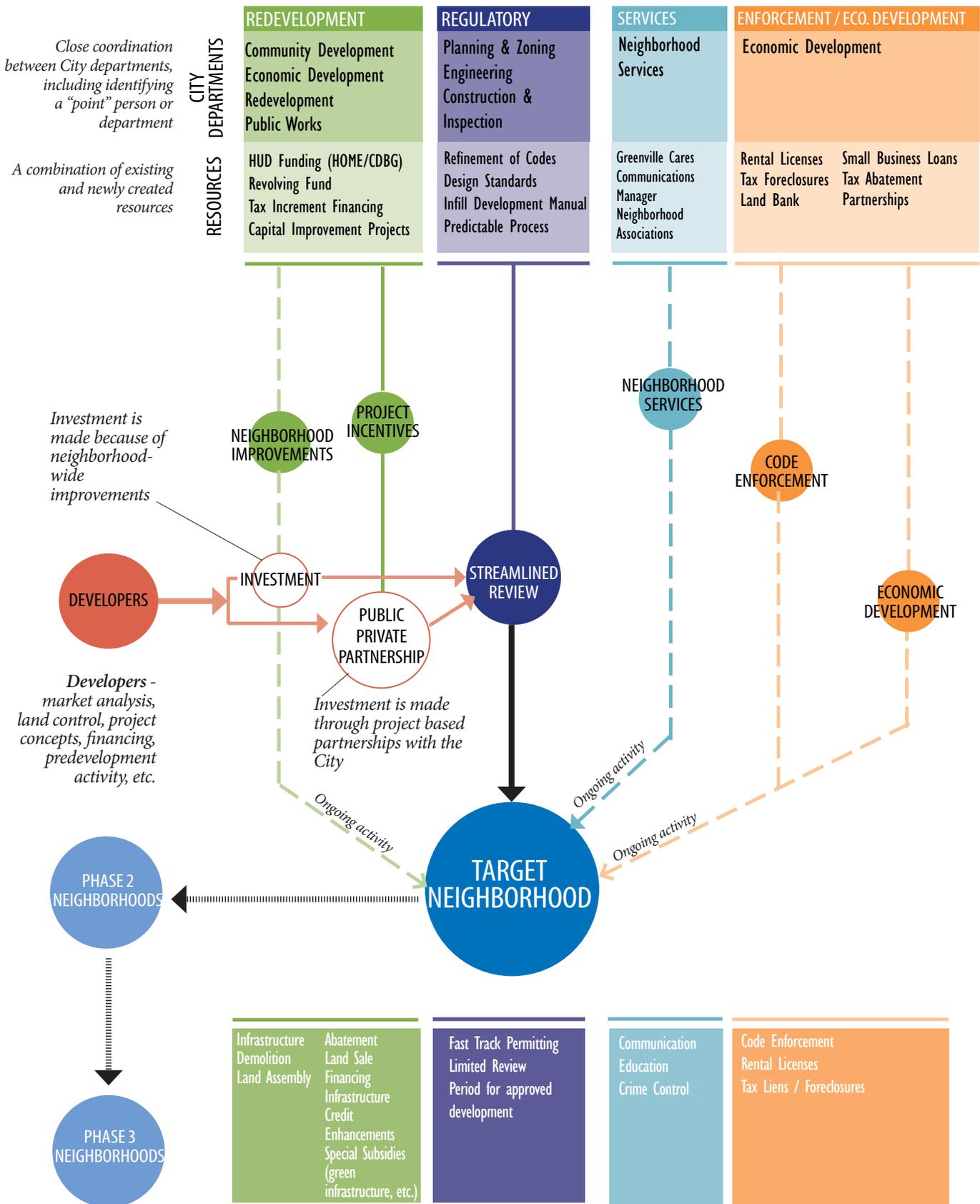
In addition to removing blight and increasing home ownership in the city, the program seeks to instill private sector confidence to invest in rental and for sale.

source: <http://www.richmondgov.com/neighborhoods/>

Exhibit 4.2

TARGETING RESOURCES

CITY OF GREENVILLE



and establishing a mixed-income environment that helps to combat other problems. Once this is perceived to be accomplished, the City should transition its targeted investment to the next tier of neighborhoods, many of which may already have been positively impacted through the investment in the first phase of neighborhoods. While it is difficult to determine precisely when neighborhoods have reached the “tipping point” in terms of public/private investment, the City can establish and track certain market indicators that will help determine when it is time to transition investment from one neighborhood to the next.

Selecting Neighborhoods - Selecting the first phase of neighborhoods to invest in can be an extremely difficult decision to make, especially politically. Other cities, such as Richmond, Virginia have effectively used a quantitatively based analysis to help determine the areas most in need (See Case Study on page 19). By using a statistical approach, Richmond and other areas have successfully navigated the politics of neighborhood selection. This is the same approach recommended for Greenville. Though the City must ultimately make the final decision as to which phase 1 neighborhoods it will invest in, Appendix D includes a quantitative analysis of neighborhood areas based on several dozen demographic and market based indicators, as well as recommendations as to which neighborhoods may be most appropriate for a short-term application of this strategy.

STRATEGY #3 - TARGETED DEVELOPMENT ZONES

Assist redevelopment efforts in targeted zones that are deemed optimal for mixed-use and transit oriented development.

There are several distinct locations within the City of Greenville that offer an opportunity to redevelop vacant or underutilized land to create higher density mixed-use centers. Focusing compact housing development in these areas fosters the creation of pedestrian oriented “villages.” These villages can create more sustainable development patterns and take advantage of direct access to transportation corridors. This can also help generate new urban “nodes” or activity centers that capture new and existing markets.

It is important that this strategy be distinguished from Strategy #2 - *Targeted Investment Zones*. While this strategy is likely to result in public private partnerships for development that could include assistance with infrastructure, incentives, etc., it focuses more on guiding specific types of development to select areas, as opposed to the holistic and wide reaching investment approach envisioned for the *Targeted Investment Approach*. For example, investment in targeted neighborhoods will require large-scale improvements intended to leverage development and other improvements on multiple parcels or blocks - such as sidewalks, streetscape, etc. Strategy #2 is a “place” or “district” based revitalization approach.

Targeted Development Zones are areas where the City will guide development through a regulatory process with investment and resources available for individual projects. Strategy #3 is considered a “project” based approach that will allow the City to assist in the redevelopment efforts of the targeted development zones without stretching the resources required to successfully implement the targeted neighborhood investment strategy.



Exhibit 4.3

PROPOSED TARGETED DEVELOPMENT ZONES

PETE HOLLIS / RUTHERFORD / POINSETT HIGHWAY

Good potential “node” offering a transition between established and revitalizing neighborhoods, takes advantage of the convergence of two major corridors, and has proximity to a number of neighborhoods within both the City and County.

WADE HAMPTON AVENUE / STONE AVE

Growth as neighborhood services center supported by appropriate housing development on and adjacent to main corridors.

PLEASANTBURG / LAURENS ROAD

A major intersection and activity center with a combination of active and underutilized commercial property that can be incorporated into a mixed-use, transit oriented village.

HAYWOOD ROAD

Major commercial / retail center with tracts of vacant / underutilized land that can be used for a variety of uses, from housing to businesses, and adjacent to the proposed Bus Rapid Transit line.

DOWNTOWN GREENVILLE

Ongoing residential and mixed-use development near Main Street, along with upper story conversions, to deliver highly desirable “urban” product and help Downtown businesses remain stable.

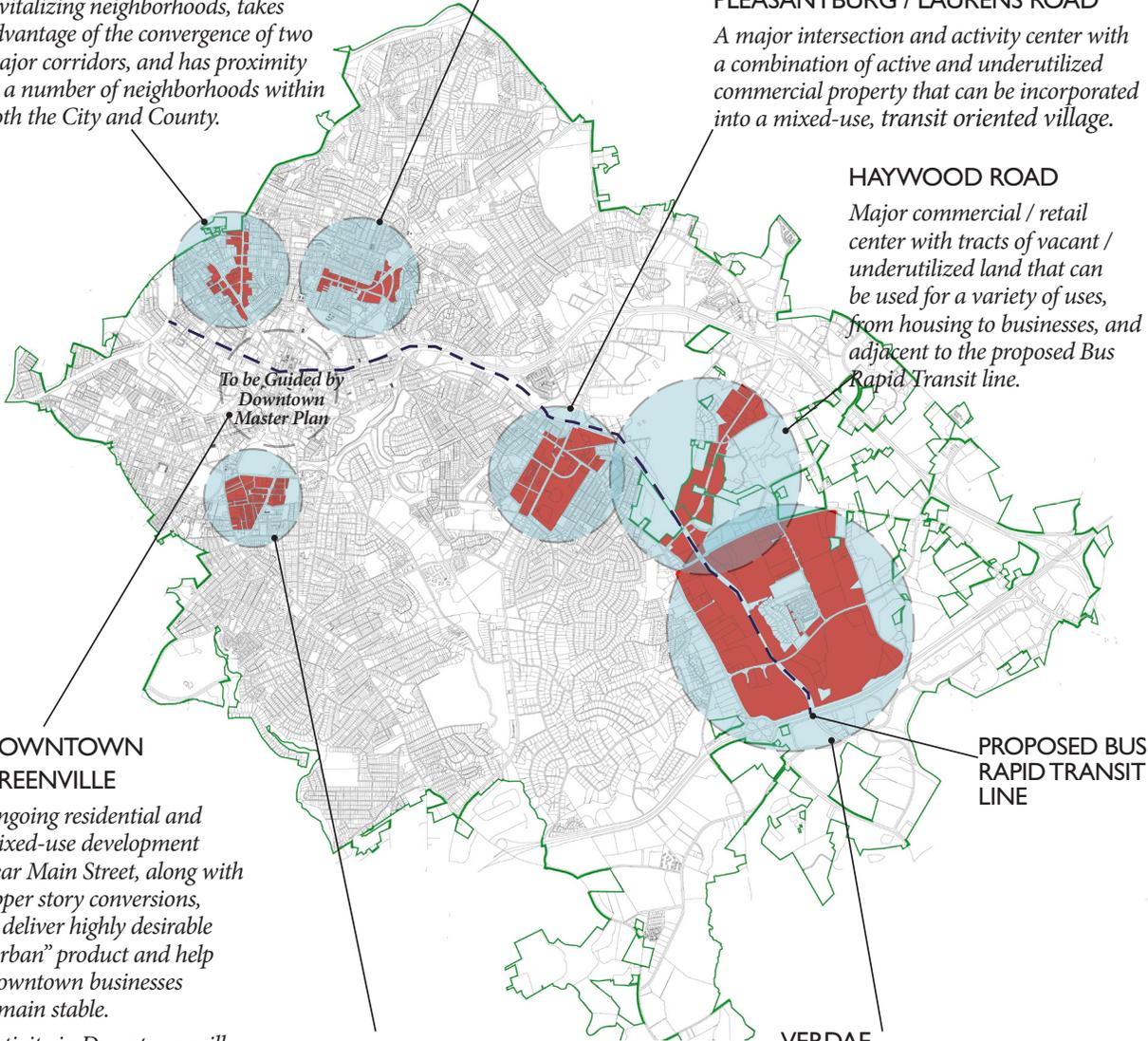
Activity in Downtown will be guided primarily by the Downtown Master Plan.

HAYNIE-SIRRINE

Well positioned to take advantage of outward growth from Downtown / Main Street, with several short-term redevelopment opportunities.

VERDAE

The largest undeveloped area of the City is ideal for the development of a variety of different neighborhoods and commercial centers with connectivity to future transit and proximity to key employment centers like CU-ICAR and The Millennium Campus. As a largely undeveloped area, Verdae offers a key opportunity for the City to capture housing types - particularly mid-priced single family homes - that have been built primarily outside of the City.



The core components of this strategy are discussed below:

Create Appropriate Areas for Higher Density Development - Greenville is an appealing market to younger households and those who are most likely to rent. By focusing higher density development in certain areas, the City can create interesting, mixed-use centers, avoid the awkward juxtaposition of high density housing in low density neighborhoods, and help revitalize commercial corridors that have experienced an increase in vacant and under-utilized property.

Transportation / Transit Oriented Development - Strategically concentrating higher density housing on major transportation routes helps support and improve transit service, offers regional access to employment centers, and creates opportunities to accommodate multiple modes of transportation.

Create Pedestrian Oriented Neighborhood Service Centers - Increased residential densities on or adjacent to well traveled corridors and key intersections helps to create a market for small scale, independent business that would serve surrounding neighborhoods.

Accommodate a Variety of Housing Types - Development of large tracts of vacant or under-utilized land could provide opportunities to deliver housing that is difficult to develop at a smaller scale in existing neighborhoods. An example includes mid-market, single family housing, which is expensive to do incrementally, but cost-effective if built at scale. Also, empty nesters moving into Greenville from suburban areas for a more urban lifestyle are major market segments for these mixed-use centers.

STRATEGY #4 - EDUCATION AND MARKETING PROGRAM

Create an educational program that seeks to market urban Greenville neighborhoods and inform residents about the benefits of infill development.

The City of Greenville is an attractive place to live. Living within the city allows one to be close to employment, have access to great schools, a thriving downtown and multiple cultural opportunities. It is also relatively affordable, especially when one considers all its amenities. Unfortunately, the market demand to be a part of this high quality of life is manifesting itself in negative ways for the city. It is resulting in the gentrification of Greenville neighborhoods and the growth of residential areas outside of the City limits - in areas that are accessible to the above mentioned amenities but in areas where the City cannot capture the tax base.

If the City is to capture growth from outlying areas, it must organize and implement an education / marketing program in conjunction with its efforts to revitalize neighborhoods. This will be an essential component for the pro-active housing strategy recommended for Greenville in this document.



Holding education and discussion sessions with community residents can reduce potential backlash against a comprehensive infill development campaign. The City of Greenville can hold information sessions about the definition and need for infill development, and explain the different ways the City intends to protect existing neighborhood character and property values while simultaneously working to revitalize urban neighborhoods.

This strategy has two different yet equally important components:

(1) Proactively market housing options and neighborhoods to the region - If Greenville is to grow and improve both its economic stability and quality of life, a large percentage of that growth must come in neighborhoods that are currently being revitalized or slated for revitalization. A marketing program that sells the benefits of living in Greenville should be implemented in conjunction with a targeted investment approach so that the wider region understands the opportunities that are available in Greenville. This includes coordination with, and education of, local residential brokers who are typically oriented around selling properties in high growth areas outside of the City.

(2) Ongoing communication and dialogue to educate residents on the need for, and benefits of, infill development and revitalization - It is understandable why many current residents would be resistant to change related to new development, especially with the success the community has had in recent years. However, Greenville remains a divided community between strong and weak neighborhoods, and an inability to draw sufficient numbers of new residents and corresponding development threatens economic stability, the ability to improve distressed neighborhood, and improvements to the tax base.

STRATEGY #5 INCREASED ENFORCEMENT OF DISTRESSED AND VACANT PROPERTY

Escalate efforts to enforce regulations on distressed properties and acquire property through tax foreclosures to control blight, improve living conditions, and return delinquent property to the tax rolls.

Blighted properties are an ongoing problem in neighborhoods across the country. Whether one subscribes to the “broken window” theory or not, there is little doubt blighted and deteriorated properties create potential nuisances and can become a convenient haven for criminal activities. The presence of blighted and neglected properties impair growth and development of a neighborhood, and they often lead to an exodus of current businesses and residents. This exodus threatens the spread of blight to other properties and neighborhoods.

CASE STUDY HOUSING MARKETING PROGRAM

There are three “gold standards” for urban neighborhood marketing programs - Baltimore’s “Live in Baltimore” program, Cleveland’s “LiveCleveland” program, and Pittsburgh’s “Pittsburgh City Living” program.

Each is designed to offer a wealth of information to prospective residents, including: (1) information about the community, its services and amenities; (2) guides to individual neighborhoods; (3) listings of available properties and rental units; (4) connections to realtors or rental offices; (5) homeownership counseling; (6) incentives available to buyers; and (7) information on relocation.

Live In Baltimore:
www.liveinbaltimore.com

LiveCleveland:
www.livecleveland.org

PittsburghCityLiving:
www.pittsburghcityliving.com



As part of an overall neighborhood revitalization strategy tied to housing, it is recommended that the City enact a proactive approach to dealing with blighted properties. This strategy includes three key components:

- Aggressive liens against and foreclosures of blighted and vacant properties with the necessary system to take control of problem properties and transfer ownership or redevelop;
- Increased enforcement of building and property codes;
- A system of rental licensing designed to bring the condition of single family and small multi-family buildings up to the standards of owner-occupied housing in stable neighborhoods.

In essence, it should be illegal to own and/or operate a residential structure (or commercial) in the City of Greenville that does not conform to reasonable expectations of safety, stability and respect for neighboring property owners and users.

STRATEGY #6

STREAMLINED DEVELOPMENT REVIEW AND APPROVALS FOR TARGETED AREAS

Coordinate project approvals and incentivize developers to work on projects in targeted areas.

Land use / building controls and design guidelines are an excellent way to ensure that new development is built to a high level of quality and is appropriate to its surroundings. However, the timing that can be involved in securing the appropriate project approvals and permits can be an obstacle when working in revitalization areas, especially if standards are perceived to be a hindrance to cost-effective design. This can slow or even preclude development in low market areas. If a community gets a reputation of having an overly complex or lengthy approvals process, this perception alone can serve to dissuade investment - something that the City cannot afford it if is to attract as much private capital as possible into revitalization areas.

An effective solution to this problem is not to loosen up expectations and standards, but to establish a system through which the City can work with infill developers to alleviate “carrying” costs through the approvals process - the principal and interest developers must pay for debt incurred to purchase property or direct towards other expenses. There are two important regulatory based incentives that accomplish this task - a predictable review process, and a fast-track review process. The process of “streamlining” the review is important because it creates an incentive that does not require any monetary allocation by the public sector, yet it can have the same impact upon a development project as a grant or loan.

It is recommended that the City consider creating or enhancing the following approaches to streamline its approvals process:

- *Presumption of Approval* - An approvals process needs to be predictable and consistent, with the presumption that a project will be approved if development standards and guidelines established by the City are met. The worst possible review and approvals process conducts business on a case-by-case basis and contains multiple level of approvals where subjective criteria can be used to decline approval;
- *Pre-Application Conferences* - Conferences encourage developers to meet informally with staff to present concepts or sketch plans to address issues and requirements before expensive pre-development has been conducted, including land assembly and professional fees;

- *Interdepartmental Review Committee with Designated Coordinator* - A single point of contact helps coordinate reviews by multiple agencies to work our discrepancies in the comments received from those agencies. Such a coordinator must have the authority to make final decisions when discrepancies occur;
- *Permit Expediting / Tracking* - Tracking systems provide the ability to tell an applicant the status of their application and to more readily identify coordination problems between agencies;
- *Elimination of Multiple Public Hearings* - Developers often are made to present the same information at public hearings before several different commissions or boards. This can be time-consuming and inefficient. Some public hearings may not be necessary, or special projects can merit monthly or bi-monthly joint meetings of various committees to listen to a single presentation by a developer;
- *Combine Inspections* - Coordination of inspections relative to buildings and site improvements remove a significant amount of time, even if it takes longer to coordinate the combined inspection visit;
- *Allow and Encourage Innovative Techniques* - Techniques that encourage more efficient and desirable land development should be encouraged through efficient approval procedures. Sustainable infrastructure and vertically mixed-use structures are good examples of desirable development features that are not necessarily approved within existing regulations;
- *Marketing the Process* - Diagram and detail the approvals process and make readily available to the public so that investors and developers can easily predict their predevelopment costs associated with review and approvals, as well as the process in which to engage the City;
- *Fast Track for revitalization areas* - reserve a “fast-track” approvals process for special revitalization areas as an incentive for infill development;
- *By-Right Development* - Determine building types and standards that can be built “by right” by a coordinator or planning director without the need for high level approvals;
- *Coordination of Regulatory and Economic Development activities* - More closely integrate the project approval process with the economic development / incentive process so that a combined process compresses time and avoids a lack of communication between two key departments.

STRATEGY #7 -

COMPREHENSIVE HOUSING REHABILITATION / RENOVATION PROGRAM

Implement a large scale property renovation program to balance opportunities for new housing construction with the significant need to renovate existing housing stock.

Public-private partnerships and revitalization initiatives tend to focus on new construction for a number of reasons, from available funding and financial resources

to the scale of impact a newly constructed project can have on a neighborhood. This leaves fewer options for housing renovation and rehabilitation, a significant need in neighborhoods that already have an established housing stock. Property renovation is important because it restores historic character, is less expensive than new construction, can be more appropriate as affordable housing due to lower improvement costs, and can be done without a household moving off of the property.

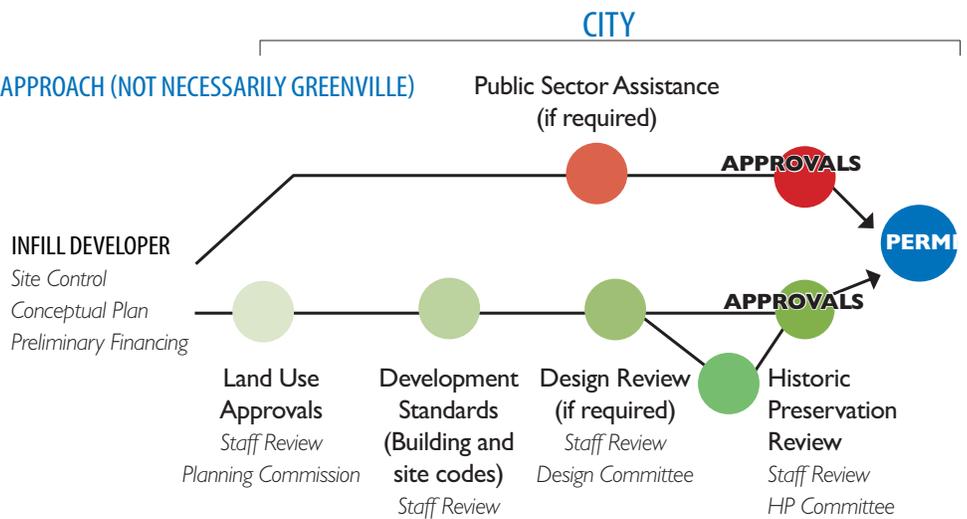
A large-scale housing rehabilitation program is one of the hardest activities in neighborhood revitalization. Where large scale new construction projects can yield as many as several hundred single family units,

Exhibit 4.4

STREAMLINING THE APPROVAL/PERMITTING PROCESS

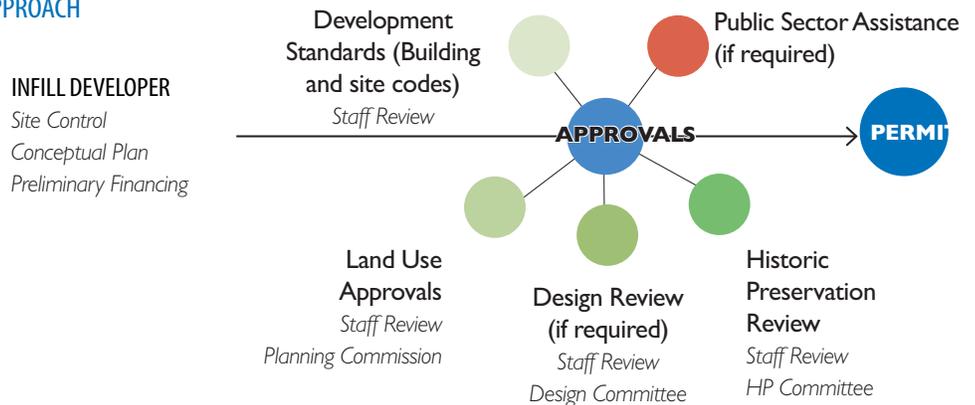
TRADITIONAL DEVELOPMENT APPROACH (NOT NECESSARILY GREENVILLE)

In a traditional development approach, a developer must seek approvals on multiple levels, from multiple departments who do not always coordinate. This can be time consuming and expensive if the various approval bodies are not “in sync” with the barriers the development may be facing on an infill site.



COORDINATION FOR INFILL APPROACH

When considering infill development, it behooves a community to coordinate its approvals and communicate official requirements so that a developer has a clear path to approval, as well as a high level of predictability that, if criteria are met, a project will be approved.



Greenville has literally thousands of single family properties in need of renovation or major improvements. Additionally, renovation requires special knowledge of addressing older construction methods; federal funding for rehab is harder to come by; and many structures in need of rehab are occupied. The most common way to overcome areas with large concentrations of distressed properties is gentrification - making the neighborhoods desirable enough so that investors come in and improve properties on their own, either for themselves or to flip to make a profit. While this can be part of an overall renovation strategy, the decline of property flipping due to the sluggish housing market and the City’s goal to create mixed-income neighborhoods suggest that it cannot be relied upon to effectively transform the numerous properties in need.

Yet, organizing around such a large scale housing rehabilitation program is appropriate for a city like Greenville since so many housing related problems can be addressed through the



CASE STUDIES

BLIGHT CONTROL AND REMOVAL

BLIGHT REMOVAL STRATEGY

NEW ORLEANS, LOUISIANA

The City of New Orleans has enacted a strategic blight removal program to deal with the vast inventory of vacant and distressed housing found throughout the city - a product of both Hurricane Katrina and past difficulties with poverty.

The City established five key criteria for how its strategy should be implemented:

- 1) Set measurable goals for what should be achieved and norms by which they will be accomplished;
- 2) Integrate various blight-related activities into a coherent whole;
- 3) Describe a road map for how goals can be accomplished and a plan for performance accountability;
- 4) Prioritize action steps on what the City wants to achieve and when.

In order to deal with blighted properties, the City has stated that it must:

- Take control of problem properties through code lien foreclosures, tax lien sales or expropriation;
- Ensure that problem properties are property maintained or demolished once they are controlled by the government;
- Redevelop the properties into a productive use.

To implement its strategy, the City established the following framework:

Data-Driven Decision Making - coordinate data and information to measure blight and track the City's progress in meeting its goals;

Blight Tool Alignment and Improvement Tool - Prioritize blight tools that achieve the greatest results for the lowest cost;

Organizational Architecture and Process - Create a streamlined management structure that has clear lines of accountability for accomplishing citywide blight eradication goals and has the capacity to deploy tools necessary to achieve those goals;

Strategic Deployment of Resources - Deploy blight eradication tools with maximum efficiency, effectiveness and transparency consistent with the City's vision, mission and value;

Place Based Revitalization - Convert liability properties to assets for economic growth and neighborhood stability.

RENTAL LICENSING

VARIOUS COMMUNITIES

Rental Licensing programs are prevalent in Minnesota, Illinois and Maryland. There are numerous examples from these States, as well as this sample of communities across the country:

- Boulder, CO
- Duluth, MN
- Minneapolis, MN
- Palatine, IL
- Tacoma, WA
- San Bernardino County, CA
- Chapel Hill, NC
- Baltimore County, MD
- Sugar Land, TX
- Tupelo, MS

Different communities use rental licensing to control different problems, and therefore there is no "one size fits all" approach. Some communities choose to focus on student housing, others on the rise in single family rentals due to foreclosures and the rising demand for rental property, and others focus more on blighted property.

Rental Licensing tends to face opposition from landlords, who view licensing as an unnecessary hardship and/or special "tax". Many communities are moving towards performance based licensing, which levies the necessary fines for poorly kept property, but also discounts fees for properties kept in good condition on a regular basis.

improvement of the existing housing stock. In order to properly address property rehabilitation on a large scale, two different strategies must be employed. The first strategy involves the renovation of vacant property, whether owned by a private owner or foreclosed upon by the City or County. This strategy would involve working with private or not-for-profit investors to transition homes in disrepair into productive owner-occupied or rental units. A second strategy would address the renovation or provision of costly upgrades like roofs, gutters, and furnaces to people already living in dilapidated properties. Addressing these occupied units in conjunction with vacant units can be an important affordable housing campaign since it allows households - particularly long-time residents - to keep the equity they have in their homes and live comfortably without raising their housing costs.

In addition to the other various components related to neighborhood revitalization in this Housing Strategy, the following issues need to be examined when implementing a comprehensive renovation/rehabilitation program.

- ***Incentives*** - Not all incentives or financial assistance available for new construction can be used for rehabilitation projects. It is necessary to have tools designed specifically for rehabilitation. In addition to HUD related programs, property tax based tools, such as abatement, refunds, or credits, can be used to incentivize homeowner and landlord repair, as well as offset costs for investors. Sales tax rebates are another incentive, which reduces the cost of construction materials. Low to no cost financing and donated materials can also reduce costs;
- ***Skilled Labor & Management*** - The skills required to renovate a home or building can be different than those needed to build a new building, and this needs to be taken into consideration when hiring contractors or working with not-for-profit partners whose experience lies primarily in new construction. If work crews and project managers can be sufficiently trained, utilizing their skills in implementation can be invaluable;
- ***Economies of Scale*** - The act of rehabilitating multiple residential properties tends to utilize similar materials per unit - roofing, furnaces, siding, gutters, flooring, etc. If this program can be implemented on a wide scale, it makes sense to form a pool to buy materials in bulk so that the economics of scale reduce the cost over multiple properties;
- ***Deconstruction*** - Removing valuable architectural features and materials during the demolition process and creating a secondary market for those items is becoming a popular initiative to complement the act of demolishing distressed properties. Known as “deconstruction”, this process essentially recycles salvaged materials to be used in other homes. This practice is not only “green”, but serves to restore and enhance historic character in homes and reduces the cost of replacing certain architectural features;
- ***Covenants*** - In the cases where renovation is performed for owner-occupied units, the City may want to consider placing covenants on the property that prevent an investor/owner from quickly turning the property into a rental unit;
- ***Equity Recapture*** - If the City makes an investment in a property - especially for units where owners already live - it should consider placing covenants that recapture the equity put into the property if sold within a short period of time after the public investment.

STRATEGY #8 - CITY-COUNTY PARTNERSHIPS FOR REVITALIZATION

Foster a close working relationship between the City of Greenville and Greenville County to create mutually beneficial economic development tools, and coordinate revitalization efforts within the Textile Crescent.

There are many advantages for a closer working relationship between the City and County regarding a number of different housing related issues, from overall population growth to revitalization, economic development, and taxes. More specifically, if revitalization of the City's western neighborhoods is to be successful, then efforts must take into account the distressed neighborhoods outside of the City, within the County's jurisdiction.

(1) Coordinated Redevelopment and Revitalization - The concentration of distressed housing and low income households in the neighborhoods adjacent to the former Textile Crescent (see right) represents a major opportunity to target new investment. However, the area is split between the City and the County, each of which has its own mandates, policies and funding sources to be used within specific areas. If the City is to revitalize its western neighborhoods, it must work with the County on a joint redevelopment effort.

(2) Tax Based Incentives - As the regional taxing body, it behooves the City to coordinate with the County on any redevelopment tools and incentives that require the use of taxes. This includes Tax Increment Financing (TIF) districts, Tax Abatement, and Tax Relief for households on fixed income.

(3) Neighborhood Scale Economic Development - Although the "heyday" of the Textile Crescent as an economic engine is past, this does not mean that the area cannot become a new hub of employment. Exploring opportunities to utilize former mill properties and various other industrial and commercial properties for light industry and other small-scale businesses could result in an enormous impact for the residents who live nearby - County and City - who might otherwise not have the labor skills to match other economic growth areas within the region.

(4) Leveraging the Not-for-Profit Sector - Both the City and County leverage investment dollars through not-for-profit organizations that invest in economic development priorities such as affordable housing. The concentration of these organizations within Textile Crescent and adjacent neighborhoods is a powerful asset that can become even more potent given coordinated policies, investment and planning by the City and the County.



Between 1900 and 1903 manufacturers built some of the largest textile mills in the United States on the western side of Greenville County, known as the 'textile crescent.' These mills offered the County 40,000 additional jobs. As the 1900s progressed, the textile mills expanded and the population of Greenville grew. The textile mills remained an important source of employment through most of the 1970s. But by that time, foreign imports negatively affected the mills forcing manufacturers to cut production and employment. The era of the "textile crescent" was over.



Exhibit 4.5

REVITALIZATION OF TEXTILE CRESCENT

The neighborhoods adjacent to the former “Textile Crescent” collectively represent one of the largest concentrations of poverty in the Upstate Region. Collectively, these neighborhoods - found within both the City of Greenville and Greenville County - account for nearly 3,000 vacant structures (17% vacancy, up 3% from 2000), and have 6,850 households that made less than \$25,000 per year (4,150 make less than \$15,000). In an area that makes up 2% of the entire land area of the county (including the city), the Crescent accounts for 17% of the county’s households below the poverty line.

CITYVIEW CDP*

• Households:	1,345
• 2000-2010 Household Growth:	16%
• Housing Vacancy:	20%
• Median Household Income:	\$26,014
• % of Hseholds w/ Income <\$15k:	25.4%

SANS SOUCI CDP*

• Households:	3,247
• 2000-2010 Household Growth:	-2%
• Housing Vacancy:	15%
• Median Household Income:	\$30,358
• % of Hseholds w/ Income <\$15k:	23%

POINSETT HIGHWAY

• Households:	1,240
• 2000-2010 Household Growth:	8%
• Housing Vacancy:	14%
• Median Household Income:	\$17,331
• % of Hseholds w/ Income <\$15k:	42%

PARKER CDP*

• Households:	1,345
• 2000-2010 Household Growth:	16%
• Housing Vacancy:	20%
• Median Household Income:	\$26,014
• % of Hseholds w/ Income <\$15k:	25%

WESTERN GREENVILLE

• Households:	2,688
• 2000-2010 Household Growth:	-11%
• Housing Vacancy:	29%
• Median Household Income:	\$15,749
• % of Hseholds w/ Income <\$15k:	41%

JUDSON CDP*

• Households:	765
• 2000-2010 Household Growth:	-15%
• Housing Vacancy:	25%
• Median Household Income:	\$23,923
• % of Hseholds w/ Income <\$15k:	31%

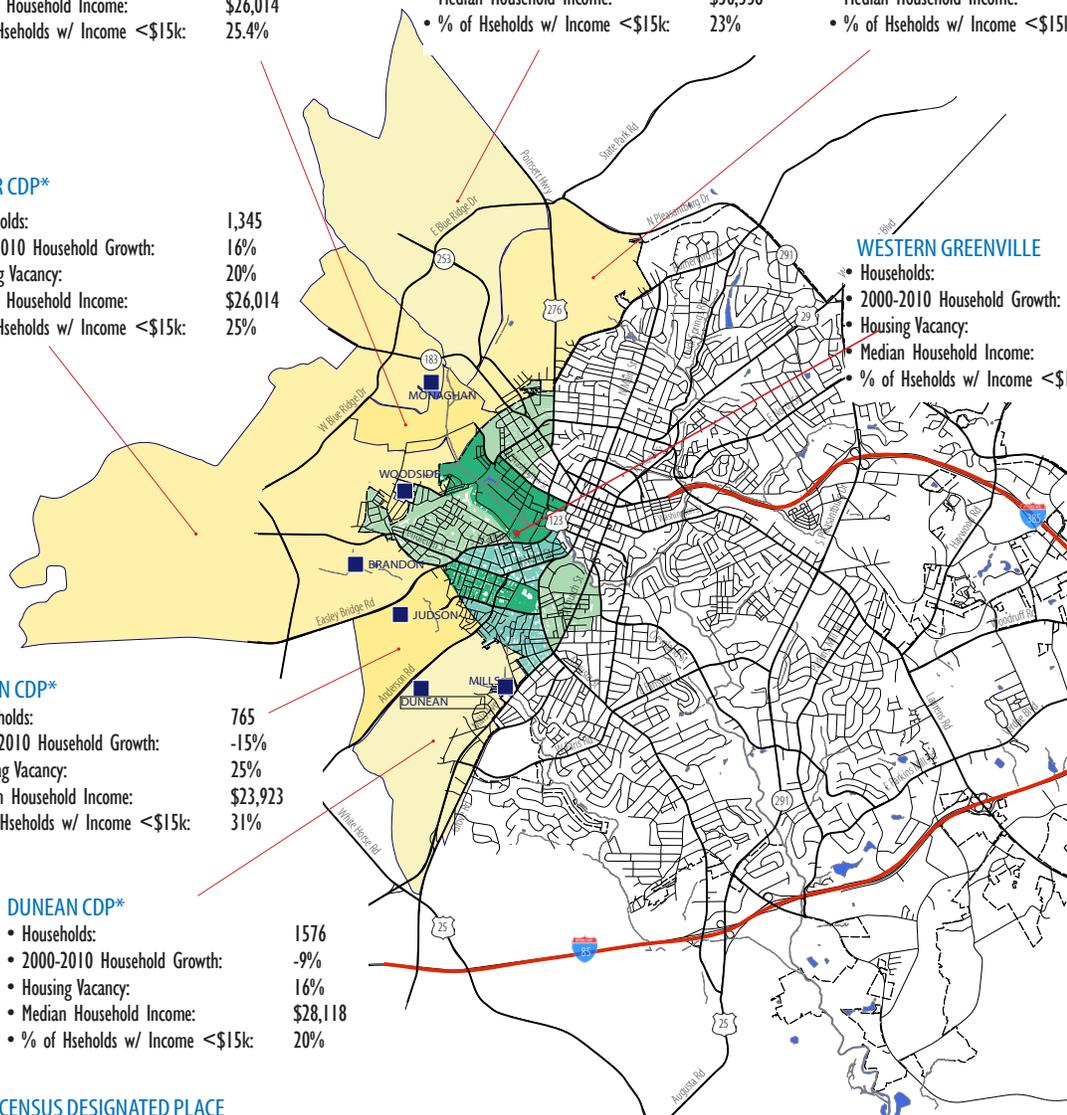
DUNEAN CDP*

• Households:	1576
• 2000-2010 Household Growth:	-9%
• Housing Vacancy:	16%
• Median Household Income:	\$28,118
• % of Hseholds w/ Income <\$15k:	20%

* CDP = CENSUS DESIGNATED PLACE

TEXTILE CRESCENT AND ENVIRONS

- GREENVILLE COUNTY CENSUS DESIGNATED PLACES
- CITY OF GREENVILLE NEIGHBORHOOD AREAS
- MILLS



STRATEGY #9

PUBLIC PRIVATE PARTNERSHIPS FOR MIXED INCOME HOUSING

Structure updated partnerships with the private sector to target projects that serve a wider range of income than just affordable housing, and help attract market-rate residents to targeted revitalization area.

In order to attract a sufficient amount and scale of private investment within targeted neighborhoods, it is likely that the City will need to form partnerships with developers. Cities across the country have increasingly turned to public private partnerships (P3) to complete complex real estate projects. Given the market and physical hurdles that stand in the way of infill development, it is important for the public sector to identify ways to assist a private developer in financing and completing a desired development. The method and type of assistance varies based on need and funding sources, but typical areas for public sector assistance include infrastructure (streets, utilities and parking), land assembly, and favorable financing. It is important to note that P3's do not simply consist of the public sector providing financial assistance to developers – they are intended to be true partnerships that create “win-win” scenarios for both sides.

Greenville is no stranger to these partnerships, having implemented a number of successful initiatives, from Riverplace in Downtown to the Viola Neighborhood. For the neighborhood revitalization initiatives discussed in this Housing Strategy, it is likely that the City will have to organize around a new partnership with developers in order to be successful. A newly structured partnership is required for two key reasons. Available funding sources may be different or expanded upon for the targeted investment zone strategy, and each source may have unique limits in scale and use. Perhaps more importantly, past public private partnerships the City has engaged have mainly been focused on affordable housing. In order to generate successful and comprehensive revitalization in select neighborhood areas, the City will need to look for housing that can be offered to a wider range and mixture of incomes - from affordable and workforce product to market-rate product.

TEN PRINCIPLES FOR SUCCESSFUL PUBLIC/PRIVATE PARTNERSHIPS

- 1) Prepare Properly for Public/Private Partnerships
- 2) Create a Shared Vision
- 3) Understand Your Partners and Key Players
- 4) Be Clear on the Risks and Rewards for All Parties
- 5) Establish a Clear and Rational Decision-Making Process
- 6) Make Sure All Parties Do Their Homework
- 7) Secure Consistent and Coordinated Leadership
- 8) Communicate Early and Often
- 9) Negotiate Fair Deal Structure
- 10) Build Trust as a Core Value



Source: Urban Land Institute

While public sector investment in affordable housing is commonplace, it is often more difficult to support investment for market-rate housing – units priced at values affordable to those who do not necessarily require incentives or subsidies due to social or community development goals. However, market-rate buyers and renters are crucial to neighborhood revitalization efforts. If the broader market cannot be attracted to invest in areas targeted for improvement, they remain concentrations of low income households. The need to partner with the private sector to develop housing designed for such a wide range of income levels arises from the fact that enough market and physical hurdles still exist, which prevent cost effective and desirable product from being constructed. Higher land and construction costs result in a 20-30% premium placed on an urban infill home over the same size product being built on an outlying site. The same is true for smaller scale multi-family product. The development economics are such that it is much more cost efficient to develop larger scale projects on urban sites. The ability of private developers to construct projects like townhomes and 8-10 unit apartment buildings is much more difficult – yet this product fits in much better within existing neighborhoods.

Greenville should organize around a set of policies and guidelines for public private partnerships relative to housing for affordable (30-80% of AMI), workforce (80-120% of AMI) and market-rate (100+% of AMI) households. Different tools within the redevelopment toolkit (See Strategy 11 on page 37) should be identified for use in a tiered approach to project assistance. It is important that the criteria and guidelines for City participation in development partnerships be established up front so that developers know what to expect as part of the process, and also know that there will be expectations placed on the developer, and that the City is not looking just to provide “handouts” to developers.

EXAMPLES OF LOCAL PUBLIC PRIVATE PARTNERSHIPS

RIVERPLACE



Participants:

City of Greenville, RiverPlace Development, Inc., Allora LLC, Winslow/Aughtry Company

Investment

Public: \$17.4 million

Private: \$50 million

Development Program

73 Residences

115 Hotel Rooms

87,000 sf of Office Space

5,000 sf of Artist Studios

98,000 sf Mixed Use Building

350 space parking garage

85 space surface parking lot

VIOLA



Participants:

City of Greenville, Randolph Group, Greenville Housing Future, Urban League, First Baptist Church

Investment

Public: \$4 million

Private: \$7 million

Development Program

86 single family units serving a range of income levels.

8 affordable rental units for elderly citizens.

STRATEGY #10 NEIGHBORHOOD SCALE AND DESIGN

Help redevelop key neighborhood and commercial corridor sites with multi-family product that reflects and complements the scale of existing neighborhoods.

Through targeted neighborhood revitalization, this housing strategy envisions newly vibrant neighborhoods throughout the City of Greenville that successfully integrate people of various backgrounds, incomes, and housing preference. This includes an integration of both single family and multi-family units, as well as ownership and rental options within individual neighborhoods. While the stability of home ownership is often cited as a reason to keep rental product at a minimum, the demographics of Greenville, sliding home ownership rates, and the needs of many existing residents suggest that a mixed-income, mixed tenure neighborhood is vital to maintaining a diversity of housing options.

However, infill development using both single-family and multi-family can be produced in relatively low density environments. While mixtures of income and tenure are important in creating vibrant urban neighborhoods, it is equally important to respect and reflect the scale and character of neighborhoods that is closely valued by existing residents (See Housing Goal #4). This is where integrating multi-family product within a predominantly low density / single-family neighborhood can go awry.

Shifting housing trends and the necessity to accommodate a range of housing choices within single-family neighborhoods support strategies that integrate rental and owner occupied units. However, it can be difficult for private developers to build multi-family projects at small to modest scales (2-20+ units) due to high land costs and relatively modest lease rates available within the Greenville market. The necessity to maximize the number of units on a particular site - even with the use of tax credits - cause 2 core problems; (1) new development that is out of scale with the surrounding neighborhood; and (2) the high likelihood of a “NIMBY” reaction that can serve to preclude any and all attempts at infill development throughout the city.

It is important, therefore, to establish appropriate design guidelines that visualize the new housing types that can be introduced as infill development while forming partnerships with developers to deliver that product. Implemented in conjunction with Strategy #7, this approach should serve to alleviate some citizens’ concerns regarding infill development while opening up the real estate necessary to conduct a targeted campaign of neighborhood revitalization.



Small scale multi-family units like 8 and 16 plex buildings (top), townhomes (2nd from top), stacked flats (2nd from bottom), and “pocket” neighborhoods (bottom) can be integrated successfully into single family neighborhoods, but can be difficult to finance due to a lack of scale.

Exhibit 4.6

INFILL WITHIN A NEIGHBORHOOD CONTEXT

Existing neighborhood and city corridors offer targeted redevelopment opportunities which can provide not only a diversity of housing types and scales, but also create a walkable mixed-use identity and sense of place to the various neighborhoods they serve.



Various sizes of vacant or underutilized lots are available within typical neighborhood blocks.

Granny flats/accessory units in the back of lots or above garages could be introduced as a simple method to add housing diversity and density.

Townhomes /duplexes could be introduced to the vacant lots respecting the existing setback and housing character while increasing housing diversity and density.



Small "blocks" of townhomes/rowhouses (3-4 dwelling units) could be incorporated onto larger lots or multiple lots still respecting the neighborhood character and scale.

Multi-family "mansion style" buildings could be introduced to corner lots or larger vacant parcels where available. Lot consolidation would increase housing diversity, density, property values and flexibility with parking. "Mansion" style buildings appear from the street to be a larger home while accommodating 4-8 multi-family dwelling units.

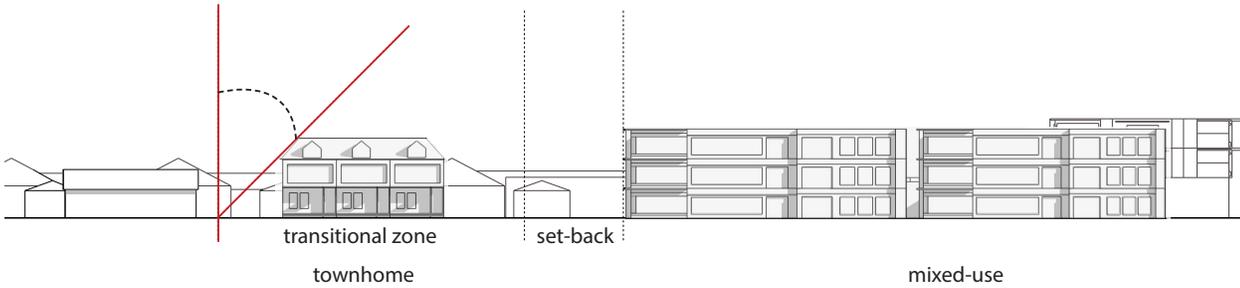
Exhibit 4.7

BUFFER ZONES

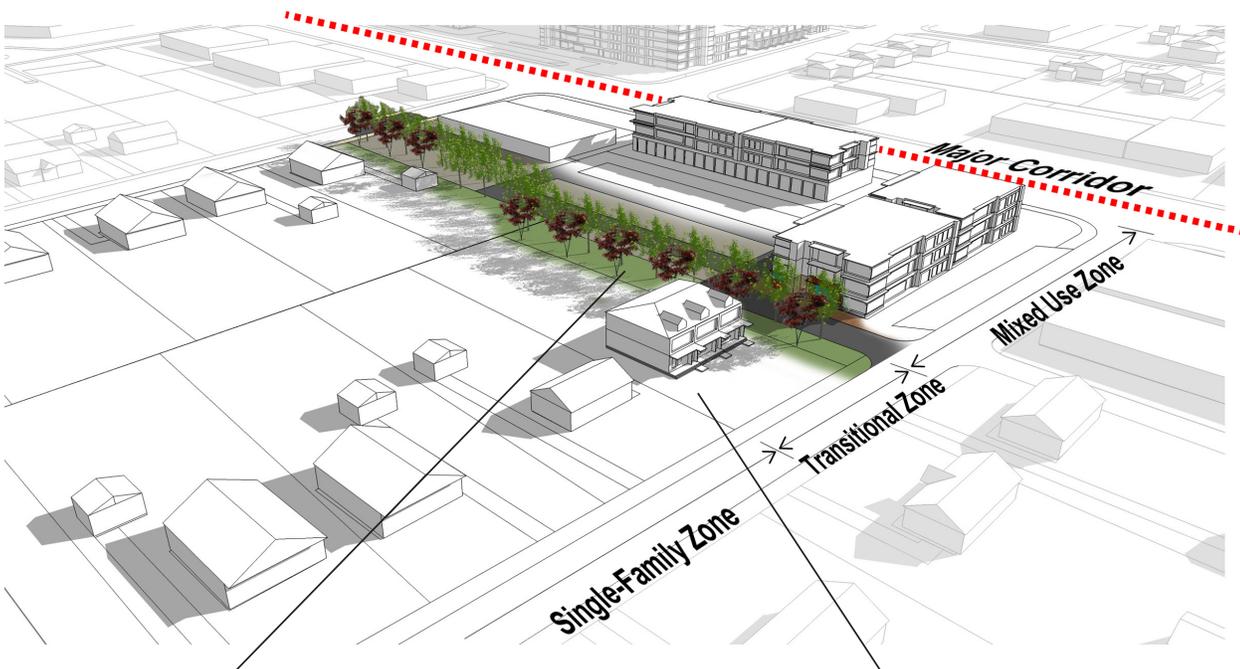
Transition Options from Major Corridors to Neighborhoods

RESIDENTIAL PROXIMITY SLOPE

A well defined residential proximity slope (see red lines) can help determine the height of neighboring buildings. This would encourage a transition in density as well as compatible heights for neighboring properties.



TRANSITION OPTIONS FROM MAJOR CORRIDORS TO NEIGHBORHOODS



Landscape buffers such as bushes, trees or bio swales provide screening from parking lots for single-family houses. Various species of landscape plants (seasonal/ deciduous/evergreen) will create a lively view for the green buffer.

Housing infill, such as townhomes and manor-style homes, are suggested in the transitional zone. Their density and scale range are between Mixed Use Zone and Single-Family Zone - creating a softer transition.

STRATEGY #11 RE-STOCK THE REDEVELOPMENT TOOLKIT

“Re-tool” the redevelopment kit to respond to the housing program recommended in this City-Wide Strategy, and strategize for a large-scale redevelopment fund to help spur neighborhood investment.

Based on the strategies laid out in this document, it is necessary for the City to evaluate its “toolkit” and available resources, and determine whether any additional tools, funding sources, or programs need to be added in order to

successfully achieve the goals laid out in this Strategy. This City-Wide Housing Strategy describes an ambitious undertaking that requires a great deal of organization, resources, and focus in order to implement. However, the rewards leveraged from these initiatives, from quality of life, affordable housing, and stability in the local tax base to economic and environmental sustainability, are worth the investment.

In “re-stocking” the City’s toolkit, it must keep in mind that it will need tools that can be used to support a number of different uses, from property acquisition and infrastructure to gap financing, demolition, repairs and renovations, etc. These tools must also be used wisely and aimed to get the most “bang for the buck” - recognizing that the City and its partners ultimately have limited resources, especially compared to larger cities. Additionally, flexibility is important, with a need to target resources where the market needs them. Public sector assistance and intervention looked very different prior to the recent recession than it does now, and development trends will continue to shift over the next 5-10 years. It will be important to make sure that available tools and the policies that guide them are flexible enough to respond to what residents, investors and developers need at the moment.

Below are examples of tools that are becoming more prevalent as funds available from federal and state governments - as well as those generated by local sources - are declining:

- **Credit Enhancements** - monies placed behind private financing to convince lending institutions to give terms favorable to a project, or to loan altogether if the area or project is deemed to be too risky. Also known as a “guarantee”;
- **Mortgage Enhancements / Write-Downs** - Instead of loan guarantees made to finance projects, funds can stand behind individual mortgages to loosen funding available to low credit households, or to help combat situations where low property appraisals limit the funds a buyer can qualify for neighborhoods where comparable sales are low;
- **Low / No Cost Construction Financing** - Providing low to no cost construction financing as an incentive to reduce costs for a developer, as well as to allow a developer extra time if unforeseen circumstances delay the construction process;
- **Property Tax Abatement** - Phase in property tax payments if this helps reduce the gap of a project;
- **Property Tax Caps** - In cases where revitalization (hopefully) begins to raise property values in distressed neighborhoods, caps can be put on certain properties whose residents rely on a fixed income, especially seniors and other low income households. By “capping” the taxes at previous levels, these residents can remain in their homes and combat the negative consequences of gentrification.
- **Section 108 Loans** - Rather than rely upon annual allocations. CDBG funds can be used to back a long-term loan for various types of development and infrastructure projects. Other funding sources can also be used to support payments on this loan to free up CDBG funds for other projects.

- **Green Building / Infrastructure Incentives** - Methods to incentivize “green” building and infrastructure construction are still being developed as it becomes more and more prevalent in the real estate industry. Other than direct subsidies to cover gaps in construction costs between traditional methods and green construction, the City could consider stormwater fee discounts or rebates, or partnerships with utility companies on long-term financing options to pay for energy-efficient upgrades.

Despite the potential that targeting resources and geographies for investment has, it is still possible that the City may make only incremental progress with neighborhood revitalization. Greenville, while successful in past revitalization efforts, is still a small city that may struggle to pool enough resources to implement this Strategy to its fullest effect. Accordingly, the City may want to consider raising a significant amount of funds to create a special redevelopment fund. This fund, which could be as large as \$10-\$20 million, would be the primary tool available to the City to encourage wide-scale infill housing development, create mixed use and mixed income neighborhoods, and achieve neighborhood revitalization. With such a fund at its disposal, the City should be able to achieve revitalization more quickly, as the targeted investment approach envisions.

The creation of such a fund requires consideration and political support from both community leaders and the general public. It is difficult to suggest one obvious source for this potential redevelopment fund, other than to say it is unlikely that the source would be the general fund.

There are three primary ways that communities can raise large funds for the purpose of redevelopment. These can be combined together and do not necessarily preclude each other. It is recommended that the City consider at least one to help with the implementation of this City-Wide Housing Strategy.

1) Tax Increment Finance (TIF) District

TIFs have been successfully used in Downtown and the Viola Street Revitalization Project. They are advantageous in that they have a long track record of success, and have a built-in method of re-payment. Any investment made through incremental taxes or redevelopment bonds backed by that increment is eventually returned to the tax base. While TIF districts have become increasingly controversial, they remain one of the best tools available for redevelopment initiatives.

2) Redevelopment Bond

It is common to issue municipal bonds to support economic development projects. Some are backed by general funds, TIF districts use incremental taxes to pay off bonds, and others target specific sources of revenue like parking income. Any non-TIF redevelopment bond that the City issues for redevelopment purposes will likely require backing by the general fund, but there are many other sources the City can use to make payments in order to avoid using the general fund. These can be built into the use of the funding generated from the bond, and include multiple sources such as PILOTs (Payment in Lieu of Taxes), credit enhancement fees, interest on loans, land sale and property sales.

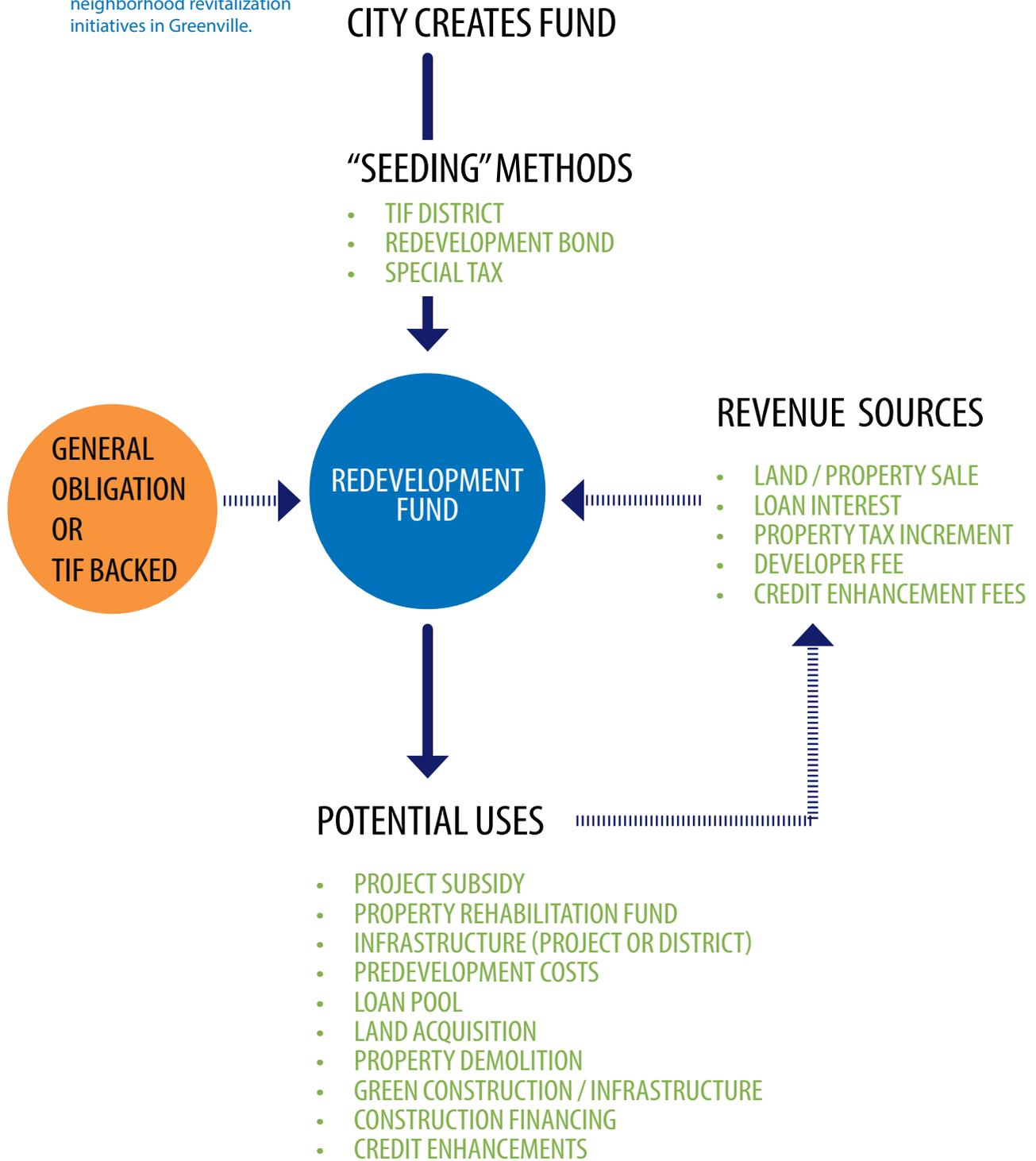
3) Special Tax

Tax increases – usually on sales tax – are used for various purposes across the country, from economic development funding (Indiana), infrastructure funding (Illinois), public transportation, and redevelopment. Oklahoma City is a well-known example of a community that raised over \$1 billion in the past 15 years for the purpose of downtown revitalization.

Exhibit 4.8

SPECIAL REDEVELOPMENT FUND

Potential strategy to create, use and leverage revenue from neighborhood revitalization initiatives in Greenville.



5. IMPLEMENTATION

Eleven strategies make up the collective City-Wide Housing Strategy for Greenville. These strategies are designed to achieve the goals established by the community for this Housing Strategy. This section describes each strategy in detail.

#1 - THINK INFILL		
Objective	Timing	Responsibilities
1-1 Review existing policies, ordinances and standards to correspond with infill development approach	2013	Planning & Zoning, Community Development, Construction & Inspection, Public Works
1-2 Conduct meetings with private developers and investors to coordinate resources for the most important hurdles faced locally for infill development	2013	Community Development / Planning & Zoning
1-3 Coordinate strategy and objectives with political leadership	2013	Planning & Zoning / Community Development
1-4 Identify vacant and underutilized properties where development can occur	2013	Community Development
1-5 Create flexible development standards to allow for irregular and small lot development	ongoing	Planning & Zoning
1-6 Conduct community based workshops to discuss benefits of infill development	ongoing	Community Development, Planning & Zoning

#2 - TARGETED NEIGHBORHOOD INVESTMENT ZONES		
Objective	Timing	Responsibilities
2-1 Establish a system to prioritize short term investment areas, track progress and shift focus to other investment areas once market response has been captured	2013	Planning / Community Development
2-2 Coordinate investment, approval, and regulatory roles and responsibilities	2013	Community Development, Planning & Zoning, Construction & Inspection, Economic Development
2-3 Consider investment “tiers” throughout the city that allocate varying levels of incentives based on need	ongoing	Multiple Agencies
2-4 Form a neighborhood investment task force	2013	Community Development
2-5 Designate a (organization) project manager / point person to guide investment and regulatory response to proposed development	2013	Multiple Agencies
2-6 Create “toolkit” designed specifically for neighborhood investment	2013-14	Community Development, Economic Development
2-7 Implement programs to mitigate negative impacts of gentrification	ongoing	Community Development
2-8 Put together 5 year capital improvement program for target neighborhoods and leverage State and Federal funding opportunities	2013-14	Multiple Agencies
2-9 Conduct corresponding social, business and economic development planning	ongoing	Community Development, Economic Development

#3 - TARGETED DEVELOPMENT ZONES

Objective	Timing	Responsibilities
3-1 Identify areas appropriate for clustered, mixed-use development	2013	Community Development, Planning & Zoning, Economic Development
3-2 Identify short-term opportunities for transit oriented development (TOD) relative to the proposed Bus Rapid Transit Line;	2013	Community Development
3-3 Create a “toolbox” designed specifically for transit oriented development	2013-14	Multiple Agencies
3-4 Be proactive in capturing short-term opportunities for rental housing	ongoing	Community Development
3-5 Redevelop and enhance underutilized property along key corridors to reinforce established neighborhoods	ongoing	Community Development

#4 - EDUCATION AND MARKETING PROGRAM

Objective	Timing	Responsibilities
4-1 Conduct community based workshops to discuss benefits of infill development	ongoing	Planning & Zoning, Community Development
4-2 Establish systematic out-reach process to distribute information to residents in conjunction with planned projects	2013	Planning & Zoning, Community Development
4-3 Identify champions who can advocate on behalf of proposed projects	ongoing	Community Development
4-4 Hold “Development 101” classes with neighborhood residents to foster a better understanding of what developers face when trying to do good infill development	2013	Community Development
4-5 Establish a marketing center used to market rental and for-sale housing and neighborhoods in Greenville	ongoing	Community Development, Neighborhood Services
4-6 Create relationships with brokerage community to help market the City	2013	Community Development
4-7 Coordinate with banks to help connect foreclosures / real estate owned properties with future buyers, potentially offering assistance to facilitate the transaction	2013-14	Community Development
4-8 Conduct surveys to understand key hurdles in attracting residents to Greenville	2013	Community Development
4-9 Assemble data, such as crime statistics, that can be used to combat negative “perceptions” of urban neighborhoods	2013	Planning & Zoning, Community Development
4-10 Create clearinghouse of resource material	2013	Community Development
4-11 Work with banks and local appraisers to understand appropriate techniques to value urban property	ongoing	Community Development

#5 - ENFORCEMENT OF DISTRESSED AND VACANT PROPERTIES

Objective	Timing	Responsibilities
5-1 Conduct and/or update inventory of blighted, vacant and distressed properties throughout the City	2013	Planning & Zoning, Economic Development
5-2 Devise strategy to more aggressively enforce codes and tax foreclosures	2013	Economic Development
5-3 Create a City-County Land Bank	2013	Community Development, County Redevelopment Authority
5-4 Enact a system of rental unit licensing (multi-family and single family units)	2014	Economic Development
5-5 Consider a tax on vacant / distressed property	2013	Multiple Agencies
5-6 Allocate funding for property acquisition and foreclosure	ongoing	Community Development
5-7 Acquire and hold properties in Land Bank	ongoing	Community Development
5-8 Allocate rental licence revenue to support code enforcement	2013	Economic Development

#6 - STREAMLINED APPROVAL PROCESS FOR TARGETED AREAS

Objective	Timing	Responsibilities
6-1 Coordinate land use, development and building codes	2013	Multiple Agencies
6-2 Standardize, update application forms and make available electronically	2013	Planning & Zoning
6-3 Investigate process to pare down multiple hearings and empower administrative approval for projects that meet certain criteria	2013-14	Planning & Zoning
6-4 Approve some housing unit types that can be built “by right”	2013	Community Development, Planning & Zoning
6-5 Provide streamlined / “fast-track” review process for targeted investment zones	2013	Multiple Agencies
6-6 Create a city-wide “infill manual” that establishes mutually understood development approval process between city and private developers/ builders	2014	Multiple Agencies

#7 - COMPREHENSIVE HOUSING REHABILITATION/RENOVATION PROGRAM

Objective	Timing	Responsibilities
7-1 Conduct and/or update inventory of blighted, vacant and distressed properties throughout the City (same as 5-1)	2013	Planning & Zoning, Economic Development
7-2 Explore structuring tax incentives for property owners who choose to make renovations	2013	Community Development, City Council, Greenville County
7-3 Identify funds for a renovation based loan pool	2013	Community Development
7-4 Utilize rental licensing to encourage landlords to make necessary improvements, offer low cost financing or grants to landlords who volunteer to rehab their properties	2013	Economic Development
7-5 Establish a buying cooperative to achieve larger purchasing power with necessary materials	2013-14	Community Development
7-6 Create system of deed restrictions to prevent property flipping with public funds	2013	Economic Development, Community Development
7-7 Create long-term relationships with not-for-profit organizations who can implement rehabilitation program	ongoing	Community Development
7-8 Examine opportunity to create and run a program of deconstruction	2013	Community Development

#8 -CITY- COUNTY PARTNERSHIPS FOR REVITALIZATION

Objective	Timing	Responsibilities
8-1 Devise a list of “lessons learned” from partnership in Sterling Neighborhood Master Plan	2013	Community Development, County Redevelopment Authority, Neighborhood Groups
8-2 Hold regular meetings between City-County planning and redevelopment staff	ongoing	Multiple Agencies
8-3 Create a “Textile Crescent” task force that seeks to understand and address issues in target redevelopment areas, as well as coordinate organizations	2013	Multiple Agencies
8-4 Complete a market study, master redevelopment plan and implementation plan for Textile Crescent	2013-14	Community Development, County Redevelopment Authority
8-5 Create “wish-list” of property tax based incentives to use in revitalization efforts	2013	Community Development, County Redevelopment Authority
8-6 Engage City and County leaders to create tax based incentives	2013	Community Development, County Redevelopment Authority
8-7 Conduct cross-county education program regarding Tax Increment Financing	2013-14	Community Development, County Redevelopment Authority

#9 -PUBLIC PRIVATE PARTNERSHIPS FOR MIXED INCOME HOUSING

Objective	Timing	Responsibilities
9-1 Conduct meetings with private developers and investors to coordinate resources for the most important hurdles faced locally for infill development	2013	Planning & Zoning, Community Development, Construction & Inspection, Public Works
9-2 Develop relationships with developers willing to invest in urban Greenville neighborhoods	2013	Community Development / Planning & Zoning
9-3 Conduct survey of homebuyers in County to determine decision factors behind choosing home location	2013	Planning& Zoning / Community Development
9-4 Leverage the not-for-profit and private sector to provide majority of affordable housing management and construction	ongoing	Community Development
9-5 Prepare incentives appropriate for developers of non affordable/market rate (80-120%+ of AMI) housing product in target neighborhoods	2013	Community Development, Economic Development
9-6 Explore appropriate mortgage/loan incentives for market-rate buyers looking to secure financing for new/existing homes in target neighborhoods	2013	Community Development
9-7 Create an official policy document regarding City public-private partnerships, including available incentives, procedures for working with the City, preferred projects and development criteria, and a point person to handle negotiations	2013	Multiple Agencies
9-8 Coordinate with major public landowners to coordinate large-scale development projects in the context of other development/investment activity, including the County and Housing Authority	2013	Community Development

#10 -NEIGHBORHOOD SCALE AND DESIGN

Objective	Timing	Responsibilities
10-1 Create a task force that works with consultants or developers to determine gaps in developing certain infill projects	2012	Community Development, Planning & Zoning
10-2 Conduct a marketing/education campaign regarding small scale multi-family infill within neighborhoods	2013	Community Development / Planning & Zoning
10-3 Designate certain small-scale multi-family products to be approved "by-right" to reduce approval timing and costs	2013	Planning & Zoning
10-4 Prepare design standards for corridors and target development zones (Strategy #3)	2013	Planning & Zoning
10-5 Integrate design standards into public/private partnership policies and documentation	2013-14	Planning & Zoning, Community Development

#11 -RE-STOCK THE REDEVELOPMENT TOOLKIT

Objective	Timing	Responsibilities
11-1 Inventory all funding sources available for housing development through public and not-for-profit sources	2013	Community Development
11-2 Authorize Tax Increment Financing to assist infill	2013	Community Development
11-3 Discuss political desire to issue bonds for the purpose of infill development revitalization	2013	Multiple Agencies
11-4 Define and establish official toolkit, with approvals from related city departments to use for housing and neighborhood revitalization	2013	Community Development
11-5 Define desirable uses for tools and funding sources, included in public-private partnership policies / guidelines and communicate to developers	ongoing	Community Development, Economic Development

HOUSING DEVELOPMENT TOOLKIT

Tool	Source	Suggested Uses	Notes
AVAILABLE FUNDS / CAPACITY			
HOME Funds	HUD	Gap financing, pass-through to affordable housing not-for-profits, down payment assistance	Refers to city entitlement funds
Community Development Block Grant (CDBG)	HUD	Infrastructure, gap-financing, large-scale projects, land acquisition	Refers to city entitlement funds
Tax Increment Finance (TIF)	TIF District	Infrastructure, parking, land acquisition, gap-financing (infrastructure only), predevelopment costs	Tool available, but new districts need to be created
Streamlined Approvals/ Permitting Process	Planning & Zoning	Targeted Investment/Development Zones, Infill Development	Tool available, but needs to be implemented
Tax Abatement	City, County	Large scale housing projects, homeowners who renovate properties	
Low Income Housing Tax Credits (LIHTC)	South Carolina Housing Authority	Affordable Housing	Developer driven tool, with city support
New Markets Tax Credits (NMTC)	Community Development Finance Institutions	Commercial development (target development zones)	Developer driven tool, with city support
Historic Preservation Tax Credits (HPC)	IRS	Historic property renovations, individual property owners	Developer driven tool, with city support
Tax Foreclosures	Economic Development	Property acquisition, demolition and land banking	Increase activity, support through revenue generated from program
Code Enforcement	Economic Development	Equal distribution city-wide, targeted enforcement in target neighborhoods	Increase activity, support through revenue generated from program
Design/Development Standards	Planning & Zoning	City-Wide Application	
Capital Improvements	City, State	Major cross-neighborhood streets and infrastructure upgrades	
Project-Based Housing Vouchers	Housing Authority	Housing redevelopment of Housing Authority property, priority LIHTC deals	

HOUSING DEVELOPMENT TOOLKIT

Tool	Source	Suggested Uses	Notes
NON-EXISTING / FOR CONSIDERATION			
Location Based Incentives	City Administration	Targeted investment and development zones	Structure incentive tiers city-wide
Development “Point” Person or Agency	City Administration	Designated position or department to coordinate approvals and incentives for development projects	
By-Right Development Approval	Planning & Zoning	Infill development guide / public private partnership policies	Identified housing types that can be permitted through administrative approval
Property Tax Caps	City-County	Fixed-Income residents of targeted redevelopment/revitalization areas	
Property Tax Rebates	City-County	Residents / owners who make renovations to their property	
Sales Tax Rebates	City	Rebate on materials purchased for renovation/rehabilitation	
Rental Licensing	Economic Development	City-Wide	
Sustainability Tax Credits	City	Tax credits on taxes for integrating green construction and infrastructure into projects	
Redevelopment Fund	TIF, Revenue Bond or Special Tax	Loan guarantees / credit enhancements, mezzanine debt, low-cost Financing, property acquisition and demolition	
Marketing Center	City	Marketing of urban neighborhoods	Administration of program can be done by multiple departments
Deed Restrictions	City	Restrictions placed, as necessary, on certain property to prevent flipping and unreasonable profit based on City investment	
Vacant / Blighted Property Tax	City	Properties that have been vacant or in disrepair for several years without improvement	
Land Bank	City-County	Acquisitions from tax foreclosures and other methods, title clearinghouse for investors and developers	

