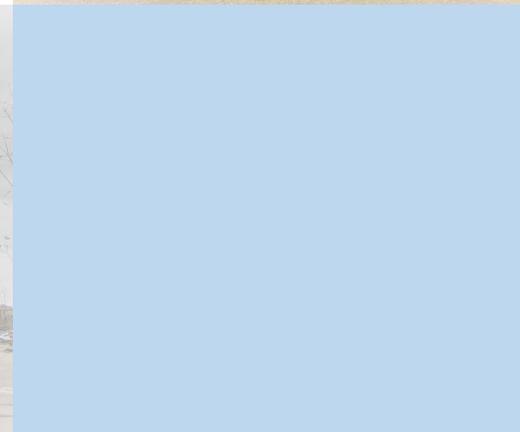


CAYCE HOUSING STUDY

June 2020



CAYCE HOUSING STUDY

City of Cayce

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Thank you to City staff for your commitment to providing information and feedback throughout the housing study process. A special thank you to all who took part in interviews and provided us with the local knowledge needed to tailor a housing plan to the City of Cayce. Your expertise and feedback will help shape the outcomes of this plan.

Purpose of this Housing Plan

Cayce benefits greatly from its proximity to the City of Columbia and the University of South Carolina, serving as a smaller and more affordable option to city living across the Congaree River. Many of Cayce’s existing neighborhoods offer more affordable ownership and rental options in a city with numerous amenities, proximity to a major job market, good schools and facilities, and a lower cost of living. The result of these sought-after community qualities has been demand for housing at all types and price points in Cayce. The analysis in this housing plan is intended to provide a baseline for evaluating the city’s housing supply and demand and identifying strategies to address issues and capitalize on opportunities.

As a framework for evaluating housing needs and determining appropriate action steps, this document is not meant to be a prescriptive list of to-do’s but rather a flexible plan that can shift with changes in Cayce’s local marketplace. The actions in this document also point to timeframes to help the City identify the most critical steps it should take in the short-term and those that may be more appropriate as partners and funding are secured.

Recognizing that market supply and demand will shift with time and as the City begins to act on the recommendations, it is important to track progress and periodically update the data depicted in this study. Tracking progress on unit counts, tenure, sale prices, rent rates, affordability, code violations, etc. are important indicators in determining whether the current path of implementation is effecting change in a positive and equitable way. Plans should be treated as living documents to be evaluated and updated over time.

TABLE OF CONTENTS

Key Findings and Opportunities

Demographic & Market Conditions

- Population and Age
- Education and Income
- Employment
- Household Composition
- Housing Stock
- Housing Tenure
- Vacancy
- Home Values
- Rents
- Cost Burden

Issues & Opportunities

- Issue Area 1: Financial Resources of Homeowners and Renters
- Issue Area 2: Single-Family Rental Market
- Issue Area 3: Vacant Housing Units
- Issue Area 4: Regulatory, Programs & Funding

Recommendations

- Leveraging Growth to Expand Housing Choice
- Revitalizing & Stabilizing Neighborhoods
- Using Zoning to Guide Housing Investments
- Advancing Programs, Policies & Funding



KEY FINDINGS & OPPORTUNITIES

Key Findings

Cayce is a small city on the edge of a major metropolitan hub and university campus. While a river may divide the two, their economies, workforce, and housing markets are inextricably linked creating a growing population in need of housing at a price that matches their incomes. While Columbia grows and evolves its downtown and campus areas, Cayce is the recipient of spillover demand from new residents looking for a smaller city with more affordably priced homes but still within very close proximity to the activity across the river. It is this synergy and proximity that provides Cayce with excellent opportunities to capture this market demand and use it to drive new investment in existing neighborhoods, riverfront redevelopment, a burgeoning arts district, and new strategic growth over time in areas at the edges of the city. The following are key findings from the housing research and analysis that was conducted as part of this Housing Study:

CAYCE IS A GROWING CITY.

Cayce's population has been steadily increasing over the last 50 years with little signs of slowing down. Projections show another 1,800 residents could be added to the city's population through the year 2030. Residents ages 25-34 (young professionals) grew by 51% over the last five years, by far the fastest growing age cohort in Cayce.

NEW RESIDENTS ARE INCREASINGLY MORE EDUCATED AND EARNING HIGHER INCOMES THAN EVER BEFORE.

Over the last five years, the number of residents with a bachelor's degree or higher increased 47%. The increase in education is also leading to higher incomes. Cayce experienced significant growth in households earning more than \$100,000, even outpacing growth in Lexington County.

NON-FAMILY HOUSEHOLDS ARE DRIVING NEW GROWTH.

Single-person households and non-married couples are driving household growth in Cayce. In 2018, 52% of all households in Cayce were non-family households with one or more unrelated individuals living together. Single-person households comprised 37% of all households in Cayce and increased 33% over the last five years.

CAYCE IS ADDING HOUSING UNITS, EQUALLY SPLIT BETWEEN SINGLE-FAMILY AND MULTI-FAMILY UNITS.

Cayce grew its housing stock by 10%, or 570 housing units over the last five years. This growth rate exceeded that of Lexington County. There were just over 300 1-unit dwellings added and 336 multi-family units added over that same period.

RENTER HOUSEHOLDS TEND TO BE SINGLE-PERSON OR LARGER FAMILIES LOOKING FOR AFFORDABLY PRICED HOUSING.

Single-person renter households increased 51% over the last five years, while 4- and 5-person renter households increased 43% and 42%, respectively. Interviews with local property managers indicate families looking for more space and affordable prices are moving into single-family rentals in Cayce.

HOUSING VACANCY IN CAYCE IS EXTREMELY LOW.

In 2018, only 3.8% of Cayce's housing stock was vacant. Cayce's vacancy rate for owner and renter units actively on the market was 1.8%. A healthy market is typically in the 3 - 5% range. Inventory is very low, particularly on the rental housing side.

HOUSES IN THE \$100-\$150K RANGE COMPRISE THE GREATEST SHARE OF HOME SALES IN CAYCE.

Approximately 80% of Cayce's owner-occupied homes are valued between \$50,000 and \$200,000 and comprised 78% of all home sales in 2019. Homes valued above \$200,000 are fewer in number but sold quickly after coming onto the market.

RENTS CONTINUE TO RISE IN CAYCE.

Over the last five years, median gross rent rose 2% to a high of \$932 per month. The number of rental units priced between \$1,000 - \$1,499 range grew 10% in five years, the fastest of any rent range.

NEARLY HALF OF ALL CAYCE RENTER HOUSEHOLDS ARE COST BURDENED.

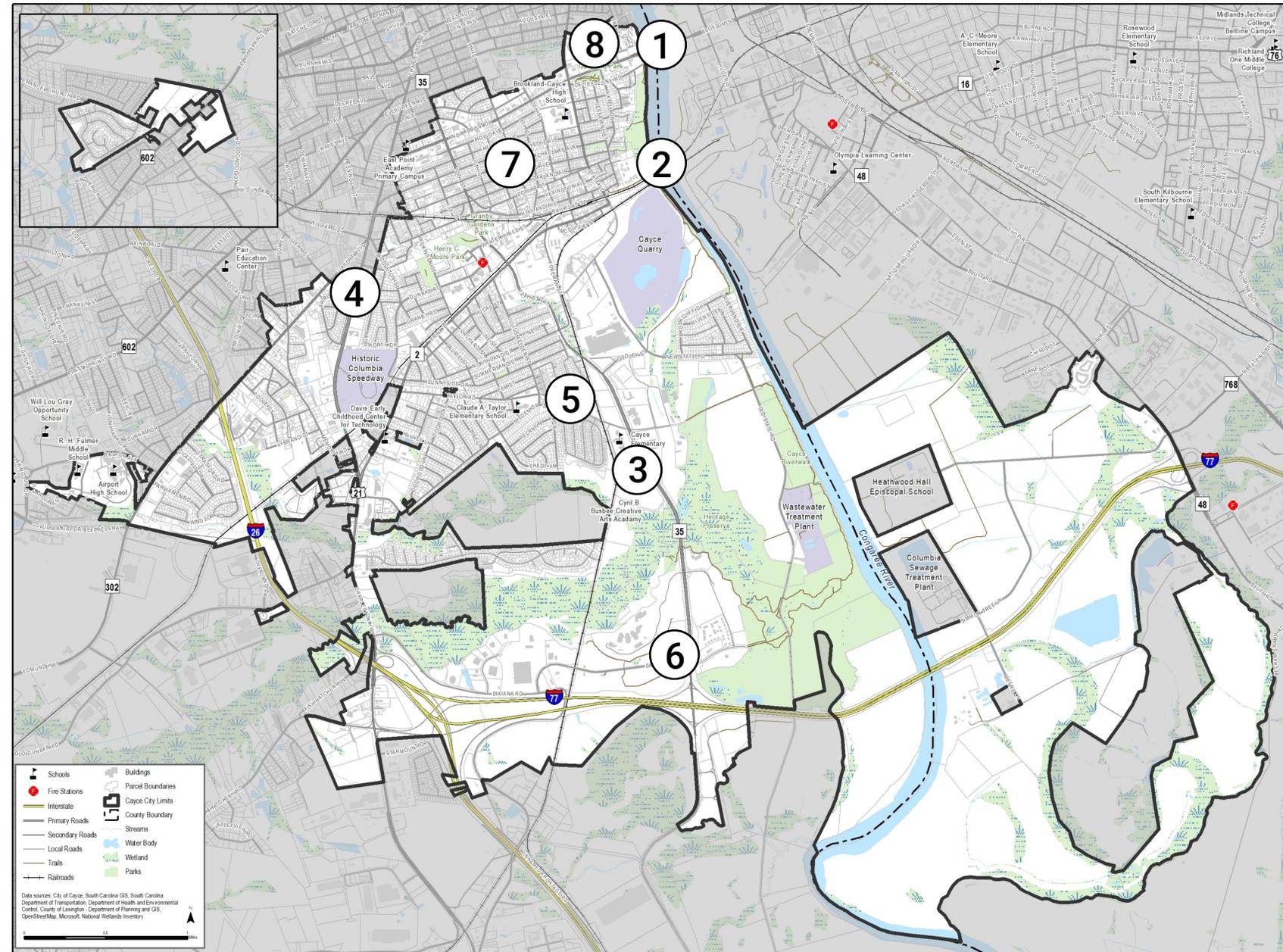
Nearly half of all renter households in Cayce are spending more than 30% of their monthly income on housing costs. This compares to only 19% of owner households that are cost burdened. As rents increase in Cayce, cost burdening is likely to increase as well.

Opportunities for Cayce

Cayce’s location across from Columbia and the University of South Carolina, as well as easy transportation access to other job centers in Lexington and Richland counties make the city a draw for residents. Cayce can continue to capitalize on its assets and opportunities which include:

- ① Proximity to Columbia and USC.
- ② Congaree River and Riverwalk Amenities.
- ③ Investments in Schools and Facilities.
- ④ Competitive Property Tax Rates.
- ⑤ Affordable Single-Family Neighborhoods.
- ⑥ Land to Expand Housing and Commercial Amenities.
- ⑦ Highly Desirable and Established Neighborhoods.
- ⑧ Riverfront Development Area for New Housing and Commercial Development.

Assets and Opportunities Map for Cayce



DEMOGRAPHICS & HOUSING MARKET CONDITIONS

Population and Age

Education and Income

Employment

Household Composition

Housing Stock

Housing Tenure

Vacancy

Home Values

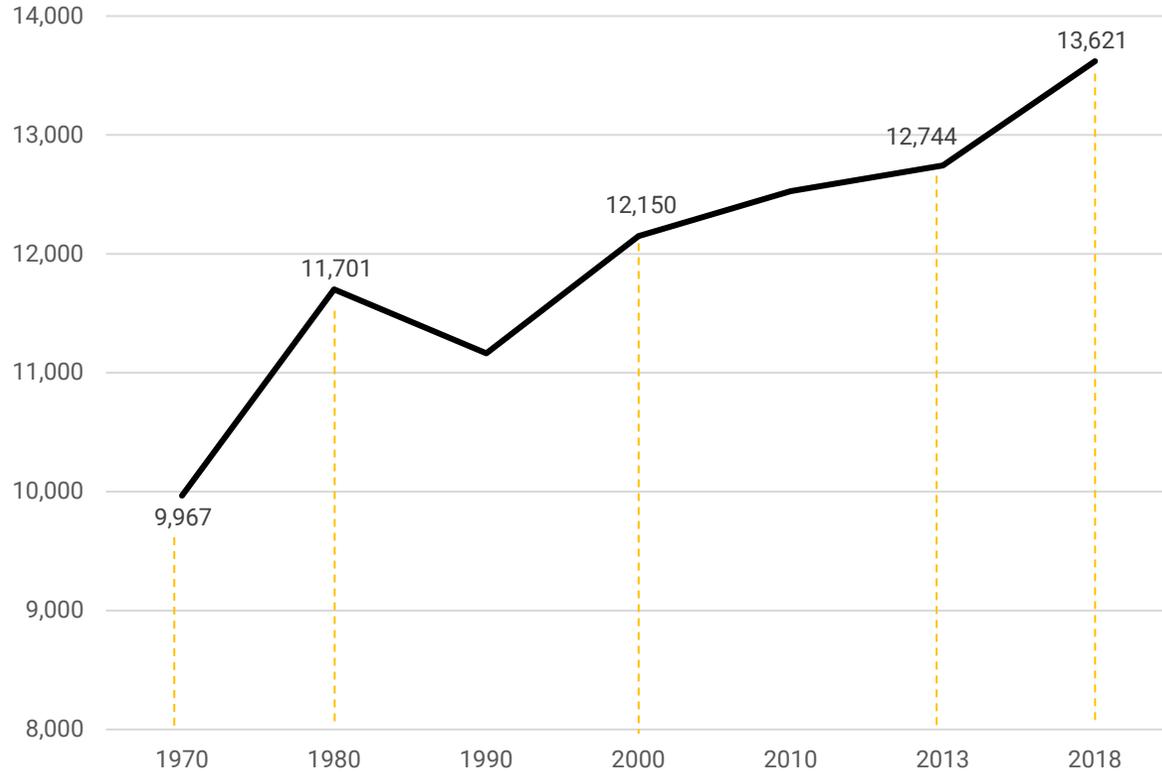
Rents

Cost Burden

Population and Age

Total Population Change 1970-2018, City of Cayce

Source: NHGIS, ACS 2013, 2018, SC Office of Research & Statistics

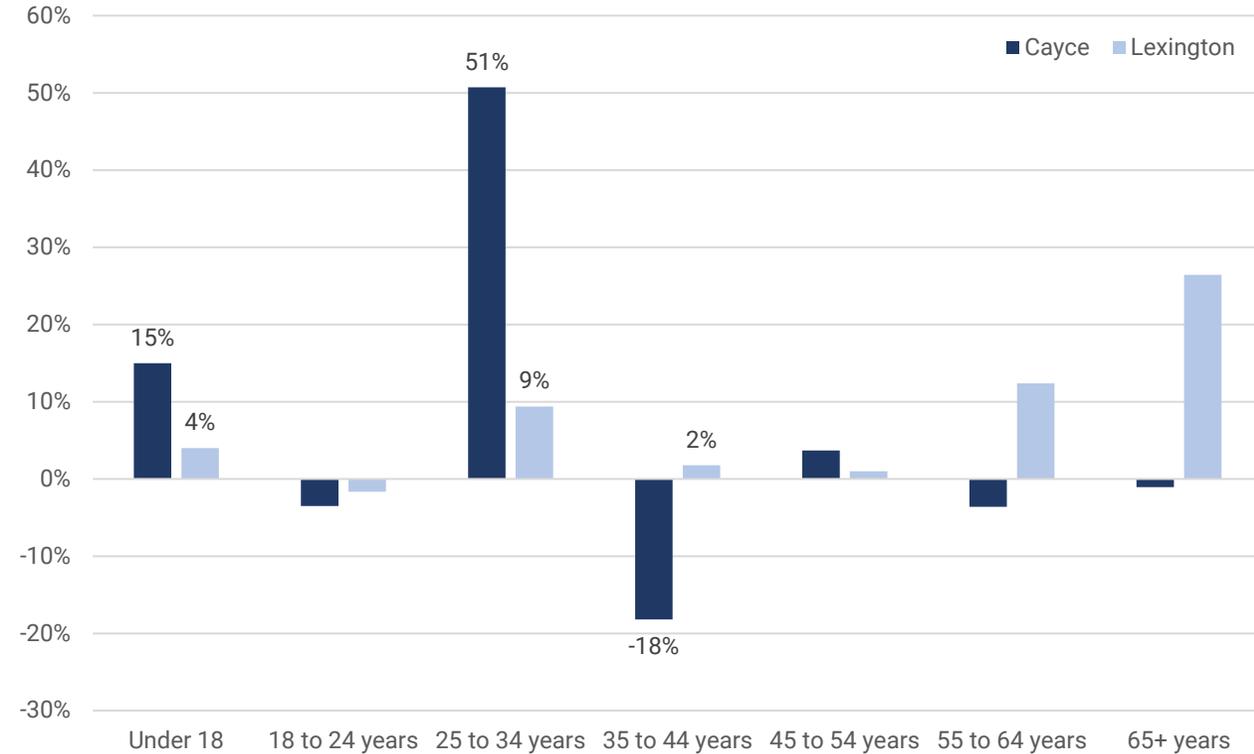


CAYCE IS A GROWING CITY.

Cayce’s population, like Lexington County, boomed between 1970-1980 growing by 17%. Population growth then slowed to an average of 3% in each of the following decades through 2018. Cayce’s current population is estimated to be 13,621 in 2018 and grew by nearly 7% since 2013. This growth in population is feeding the demand for housing in Cayce. By 2030, the city **could grow by another 1,800 residents** if it continues to capture its fair share of Lexington County’s overall population growth.

Change in Population by Age 2013-2018

Source: ACS 2013, 2018



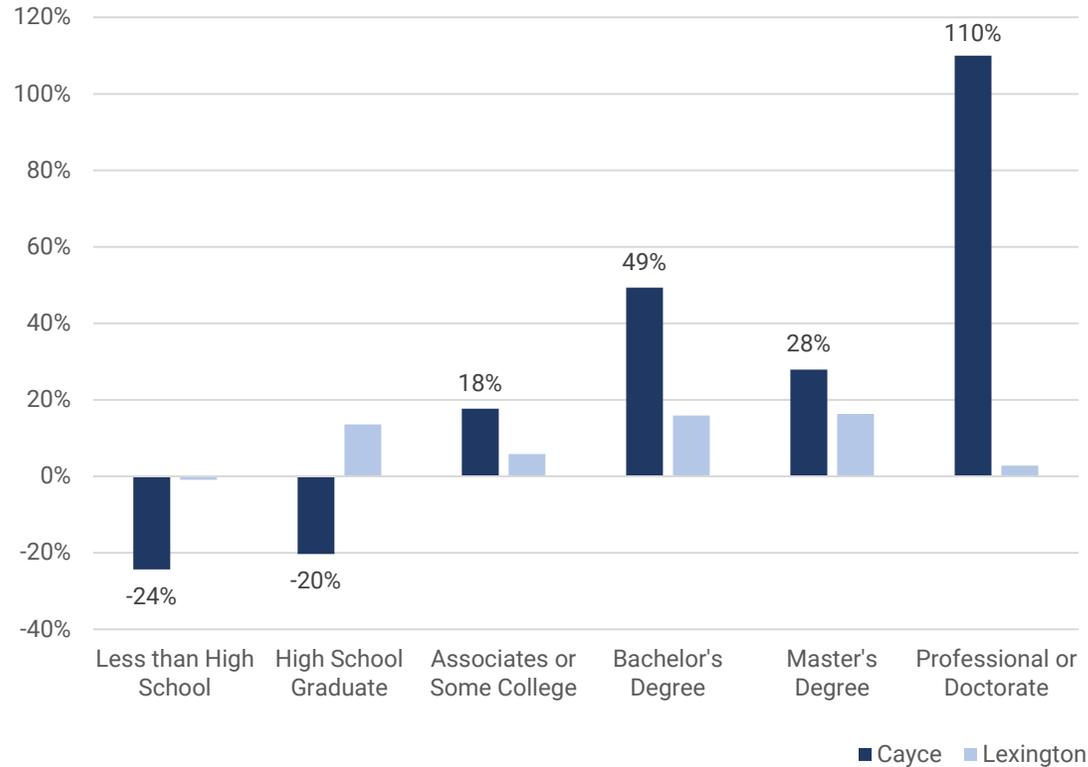
CAYCE IS ATTRACTING YOUNG PROFESSIONALS.

Cayce is an attractive choice for young professionals between 25 and 34, yet as those households age into the 35 to 44 age cohort they are leaving the city. For young professionals, lower housing costs and easy access to Downtown Columbia/University offers alternatives for both owners and renters. Cayce also saw an increase in children ages 5-18, suggesting households moving in have older children who would be entering the school district.

Education and Income

Change in Educational Attainment 2013-2018

Source: ACS 2013, 2018

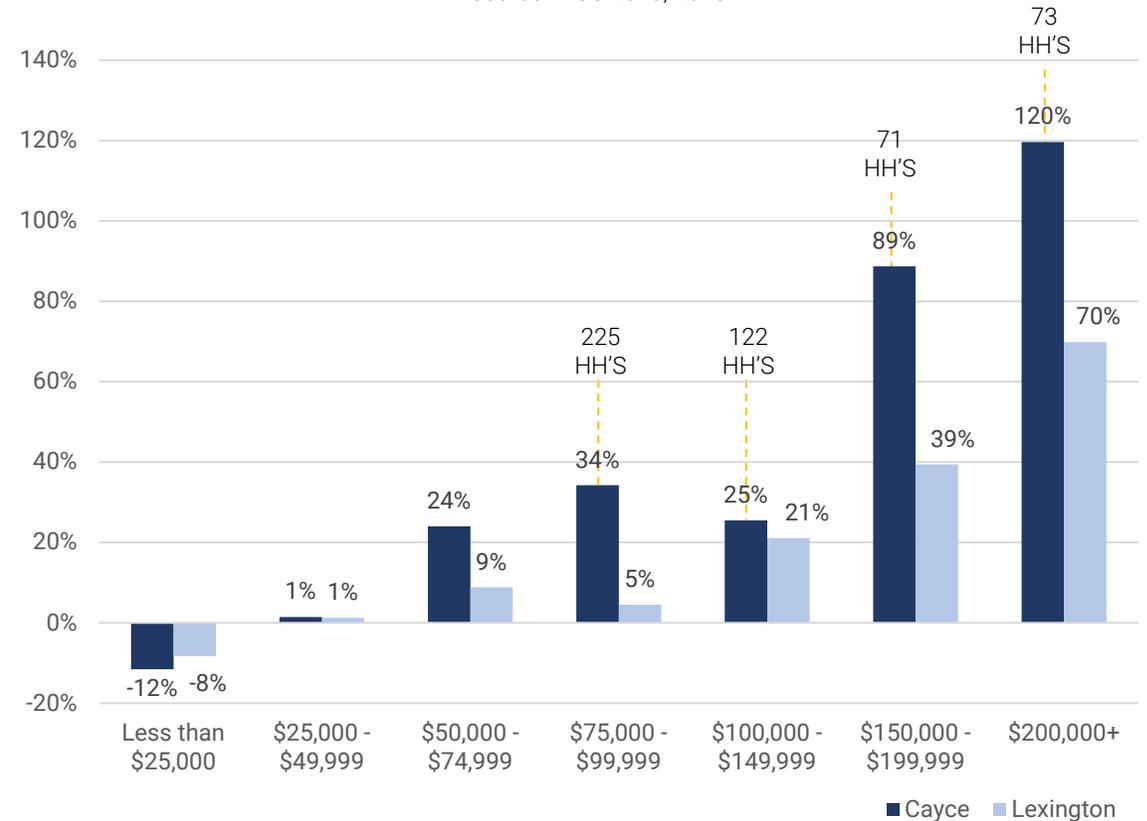


CAYCE RESIDENTS ARE ADVANCING THEIR EDUCATION.

Over the last five years, the number of residents with a bachelor's degree or higher increased 47%. That translates into nearly 1,000 residents who earned post secondary degree. There is also a strong correlation between the increase in educated residents and the increase in household incomes over the last five years.

Change in Household Income 2013-2018

Source: ACS 2013, 2018



HIGHER INCOME HOUSEHOLDS ARE BECOMING MORE PREVALENT IN CAYCE.

Cayce households have become increasingly wealthier with the highest percentage growth taking place in households earning more than \$75,000 per year. Over the last five years, Cayce saw a 32% growth in households earning more than \$50,000 per year. This was double the rate of Lexington County (16%). Households earning at or above \$75,000 can afford homes priced over \$294,000 and rents of \$1,875 or more per month. This is substantially higher than most owner and rental products on the market in Cayce today.

Employment and Wages

Top Ten Largest Employment Sectors 2019

Source: EMSI 2019

Industry Sector	2019 Jobs	2019 Avg. Earning
Transportation and Warehousing	3,608	\$46,956
Manufacturing	1,833	\$71,144
Administrative and Support and Waste Management	1,621	\$33,136
Wholesale Trade	1,170	\$75,357
Accommodation and Food Services	896	\$17,697
Government	810	\$70,994
Retail Trade	804	\$37,856
Utilities	800	\$132,045
Construction	661	\$60,099
Management of Companies and Enterprises	549	\$86,545

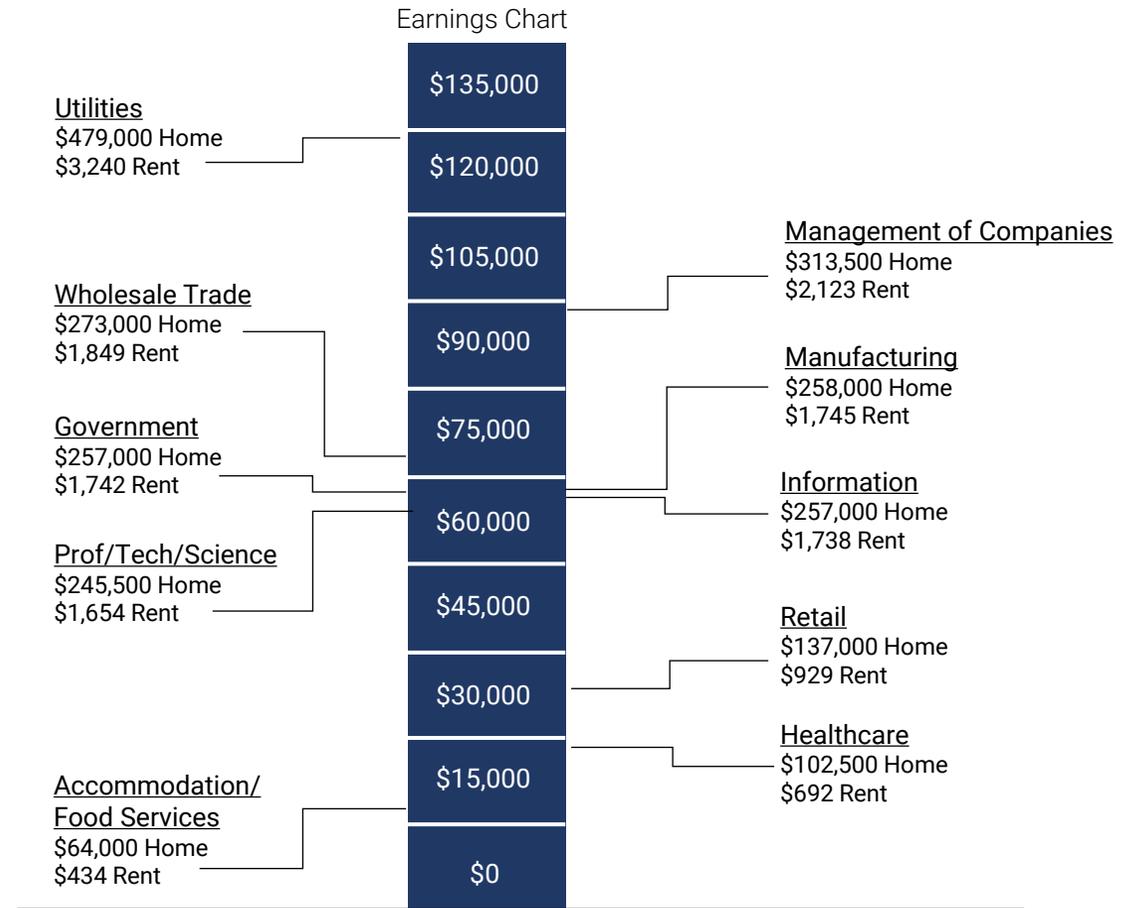
Top Ten Employment Growth Sectors

Source: EMSI 2019-2029

Industry Sector	2029 Jobs	2019 Avg. Earning
Manufacturing	+624	\$71,144
Government	+238	\$70,994
Accommodation and Food Services	+173	\$17,697
Health Care and Social Assistance	+164	\$28,225
Information	+134	\$70,846
Retail Trade	+84	\$37,856
Professional, Scientific, and Technical Services	+45	\$67,418
Management of Companies and Enterprises	+41	\$86,545
Utilities	+33	\$132,045
Wholesale Trade	+18	\$75,357

What Can Different Jobs/Earnings Afford in Cayce?

Source: EMSI 2019, HUD, RKG Associates



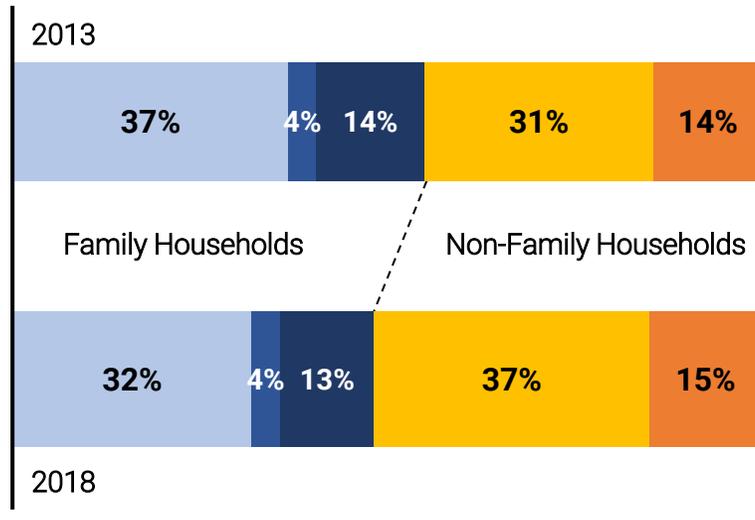
LOWEST PAYING JOBS IN CAYCE CANNOT AFFORD RENT OR HOME PURCHASE AT CAYCE'S MEDIAN PRICES.

With a median gross rent of \$932/month and a median home value of \$127,400, 27% of employees in Cayce's top ten largest employment sectors can't afford units at those prices. These industry sectors are also projected to add employees through the year 2030.

POPULATION GROWTH IS CHANGING HOUSEHOLD DYNAMICS

Change in Household Composition 2013-2018

Source: ACS 2013, 2018



NON-FAMILY HOUSEHOLDS ARE INCREASING AT A FASTER RATE.

Cayce's households are growing overall, increasing by 11% over the last five years. Most of that growth was driven by non-family households, or households with one or more unrelated individuals living together. Those could be single person households, or multiple residents living together who are not related, such as roommates or unmarried couples.

Change in Single Person Households 2013-2018

Source: ACS 2013, 2018

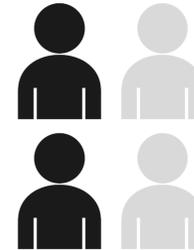


SINGLE PERSON HOUSEHOLDS ARE DRIVING NON-FAMILY GROWTH.

Many more single people are moving into Cayce. Nearly 37% of all households in Cayce are comprised of only one person. Over the last five years, these households increased by 33%, or 550 households.

18-34 Year Old Households 2013-2018

Source: ACS 2013, 2018



YOUNGER RESIDENTS ARE NOT LIVING WITH ROOMMATES AS OFTEN.

Residents 18-34 are 44% of all Cayce residents over the age of 18. Fewer are living with roommates today than five years ago, a decrease of nearly 15%. More are living with married or unmarried partners or choosing to live alone. Residents in this age category who are now living alone increased 39%.

Single Parent Households 2013-2018

Source: ACS 2013, 2018



SINGLE PARENT HOUSEHOLDS ARE PRESENT IN CAYCE.

Single parent households comprise 16% of all households in Cayce. There are nearly 3.5 times more single mother households than single father households. Single mother households earn slightly more than half of Cayce's median household income of \$50,545. This places severe constraints on the type and cost of homes these households can afford.

POPULATION GROWTH IS CREATING NEW OPPORTUNITIES FOR HOUSING

Change in Housing Units 2013-2018

Source: ACS 2013, 2018



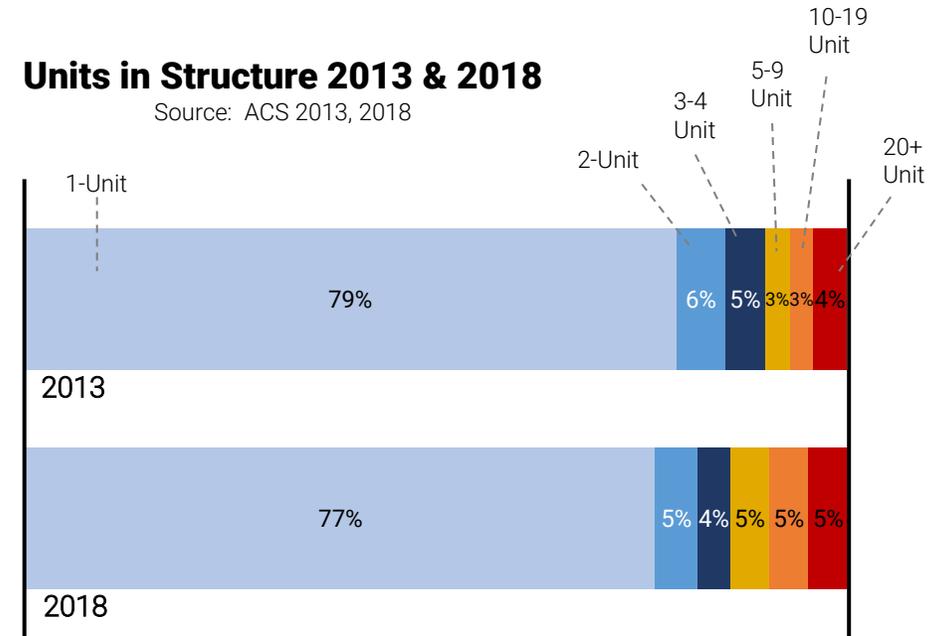
CAYCE ADDED HOUSING UNITS AT A FASTER RATE THAN LEXINGTON COUNTY

Between 2013 and 2018, Cayce grew its housing stock by just under 10% or 570 units. Much of that growth occurred with single-family homes, and housing units in buildings with 5-19 units.



Units in Structure 2013 & 2018

Source: ACS 2013, 2018



CAYCE'S HOUSING STOCK IS DOMINATED BY SINGLE-FAMILY UNITS.

In 2018, 77% of Cayce's housing stock was comprised of single-family housing units. The City added just over 300 more 1-unit detached and attached homes in the last five years. The City also added 336 units in multi-family buildings of 5 or more units, with most of that growth concentrated in buildings of 5-19 units in size.

New multi-family housing stock in Cayce

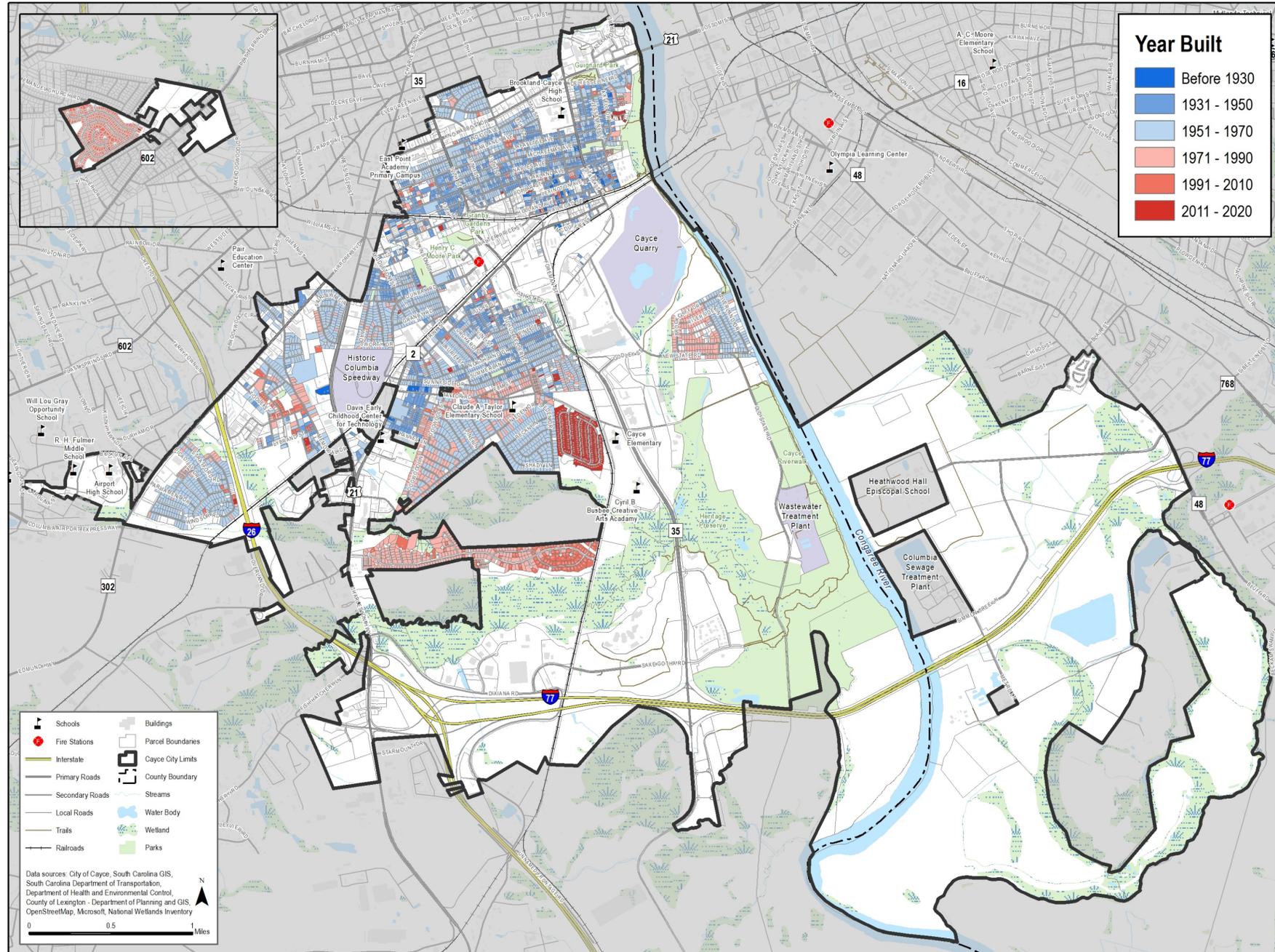
Year Built of Structure Source: Lexington County Assessor Database

TWO-THIRDS OF CAYCE'S HOUSING STOCK WAS BUILT BEFORE 1979

Cayce's earliest collection of homes was constructed in the "Avenues" area at the northern edge of the city prior to 1950. As the population expanded in Cayce and Lexington County, homes and subdivisions began expanding to the south and west. This pattern of outward expansion continued through the 90's and 2000's.

Since 2000, there have been about 674 housing units added. Those units comprise about 16% of Cayce's housing stock. These units are part of new developments like Concord Park, Congaree Bluff, and Indigo at Brick Works.

The City has also seen selective demolition take place in some neighborhoods and redevelopment of housing units. Those units appear to be ones originally constructed before 1959 and have either been removed or renovated.



Housing Tenure 2018

Source: ACS 2018, 2010 Census

58% **Owner-Occupied**

42% **Renter Occupied**

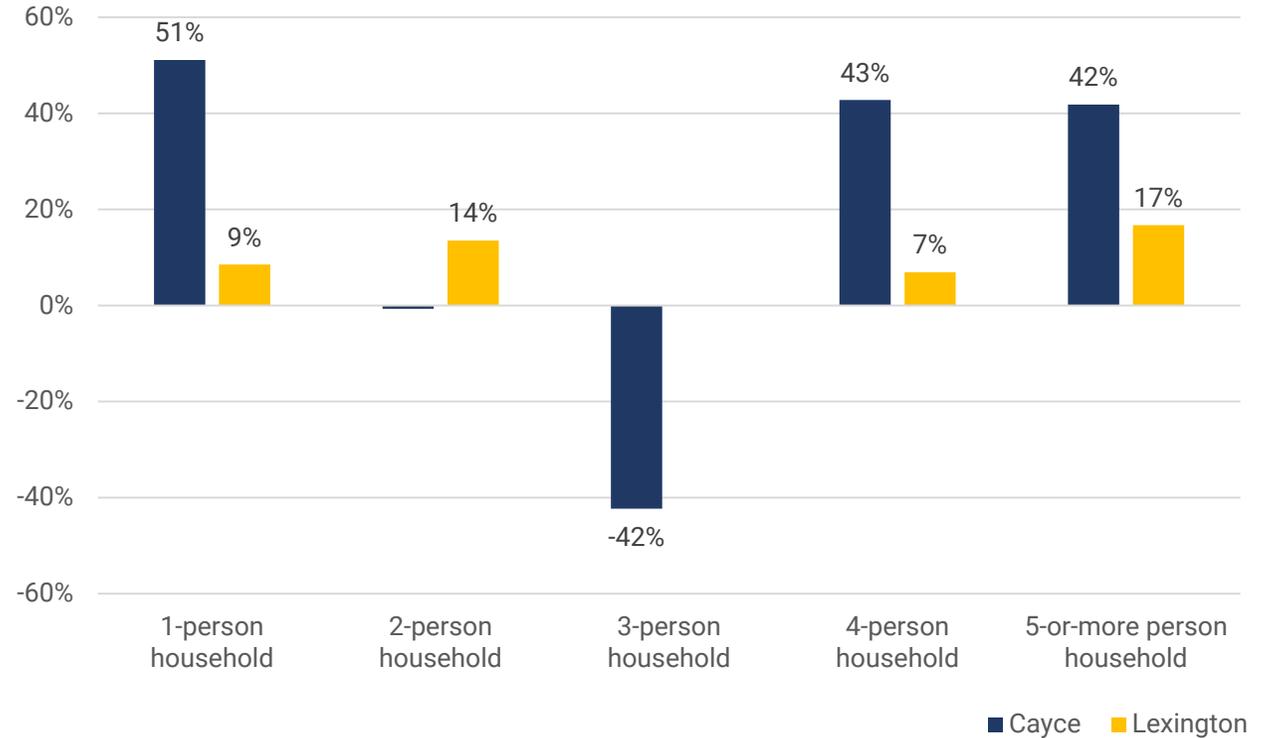
THE SHARE OF OWNERSHIP HOUSING IN CAYCE HAS BEEN DECLINING, BUT VERY SLOWLY.

As more rental housing is built, or as any ownership units were converted to rental, the overall percentage of owner-occupied housing has declined. Since 2010, the percentage of housing in Cayce that is owner-occupied dropped from 61% to 58%. Nationally, housing tenure is 64% owner-occupied and 46% renter-occupied.

The city still added over 100 units of new owner-occupied housing over this time period but added more rental units overall which caused the drop in the owner-occupied percentage.

Change in Renter Households by Size 2013-2018

Source: ACS 2013, 2018



SINGLE PERSON & LARGER HOUSEHOLDS COMPRISE A CHANGING RENTAL MARKET.

The number of 4- and 5-person renter households increased by over 40% in the last five years overshadowed only by the percent growth of single person renter households at 51%. Renters between the ages of 45 and 54 increased 153% over the same time period suggesting they may be families with children and contributing to the increase in older school age children. The jump in larger households could also be attributed to some rental units being occupied by multiple unrelated individuals/roommates. The large jump in single-person households can be attributed to an increase of 180 single-person households with a householder under 34 years of age.

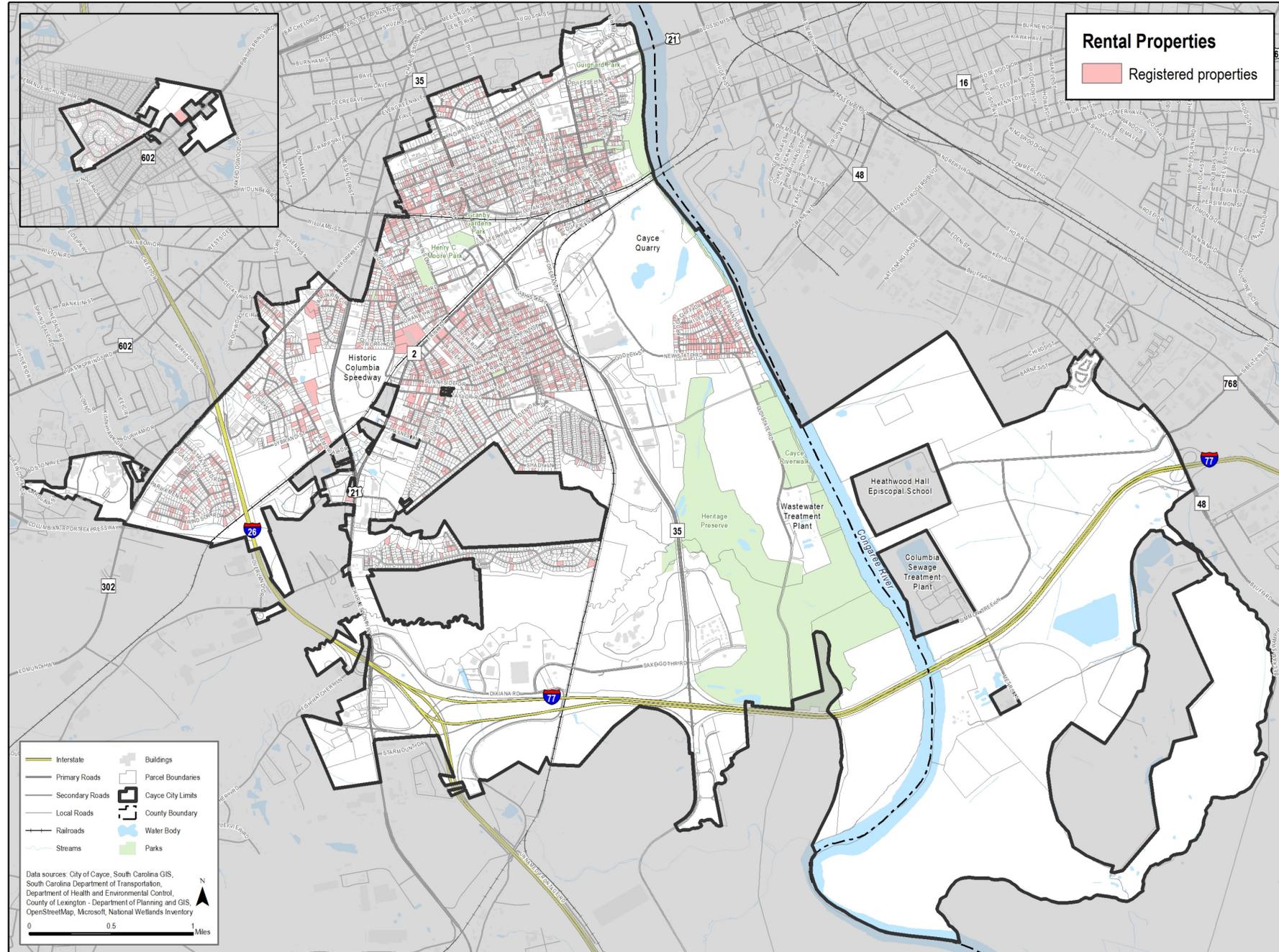
RENTAL HOUSING CONCENTRATED IN OLDER NEIGHBORHOODS.

Cayce's registered rental housing stock tends to be concentrated in the older neighborhoods around the city. In some cases the concentration of rental properties is tied to neighborhoods with lower housing values and may be older, in need of some rehabilitation, or the interior layout may not meet the needs or desires of today's homebuying market.

In other cases, such as in the Avenues, the housing stock and location are both desirable and likely creating competition between investors and owner-occupants. This could drive prices up or create cash sale transactions which can be difficult for buyers using traditional means of finance.

Newer neighborhoods built to the south and west do not have as high of a concentration of rental housing as the neighborhoods to the east.

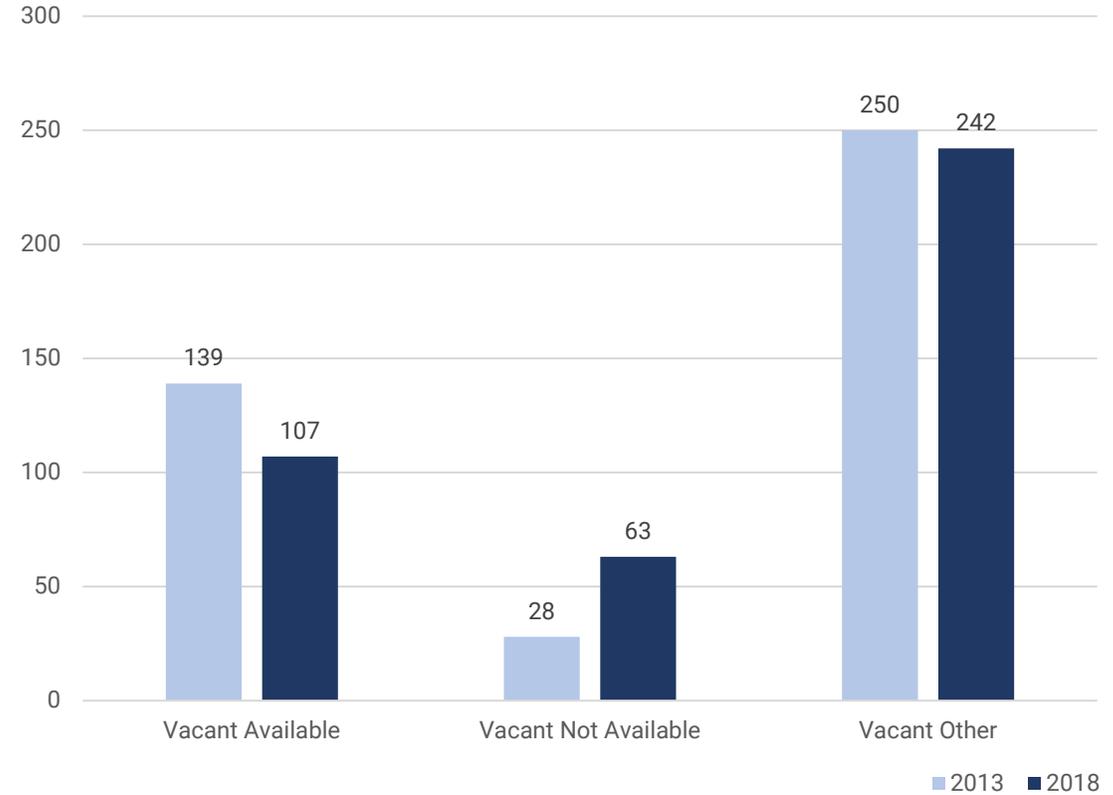
Rental Registry Properties Source: City of Cayce





Vacant Housing Units by Category 2013 & 2018

Source: ACS 2013, 2018



HOUSING VACANCY IN CAYCE IS EXTREMELY LOW.

In 2018, 3.8% of Cayce’s housing stock was vacant. This was down from 4.3% five years ago. Cayce’s vacancy rate (number of units actively listed for rent or sale) was 1.8% in 2018. A healthy vacancy rate for a community is somewhere between 3% and 5%. The inventory that is available in Cayce appears to be very low, particularly on the rental side.

Approximately 50% of all vacant units are classified as “vacant other” which refers to units that are not available for rent or sale and are off the market for different reasons. These include undergoing substantial rehab, uninhabitable units, foreclosure, among others. Having 50% of vacant units classified as other vacant is not uncommon.

Home Values & Sales

HOUSES IN THE \$100K-\$150K RANGE COMPRISE THE GREATEST SHARE OF HOME SALES IN CAYCE.

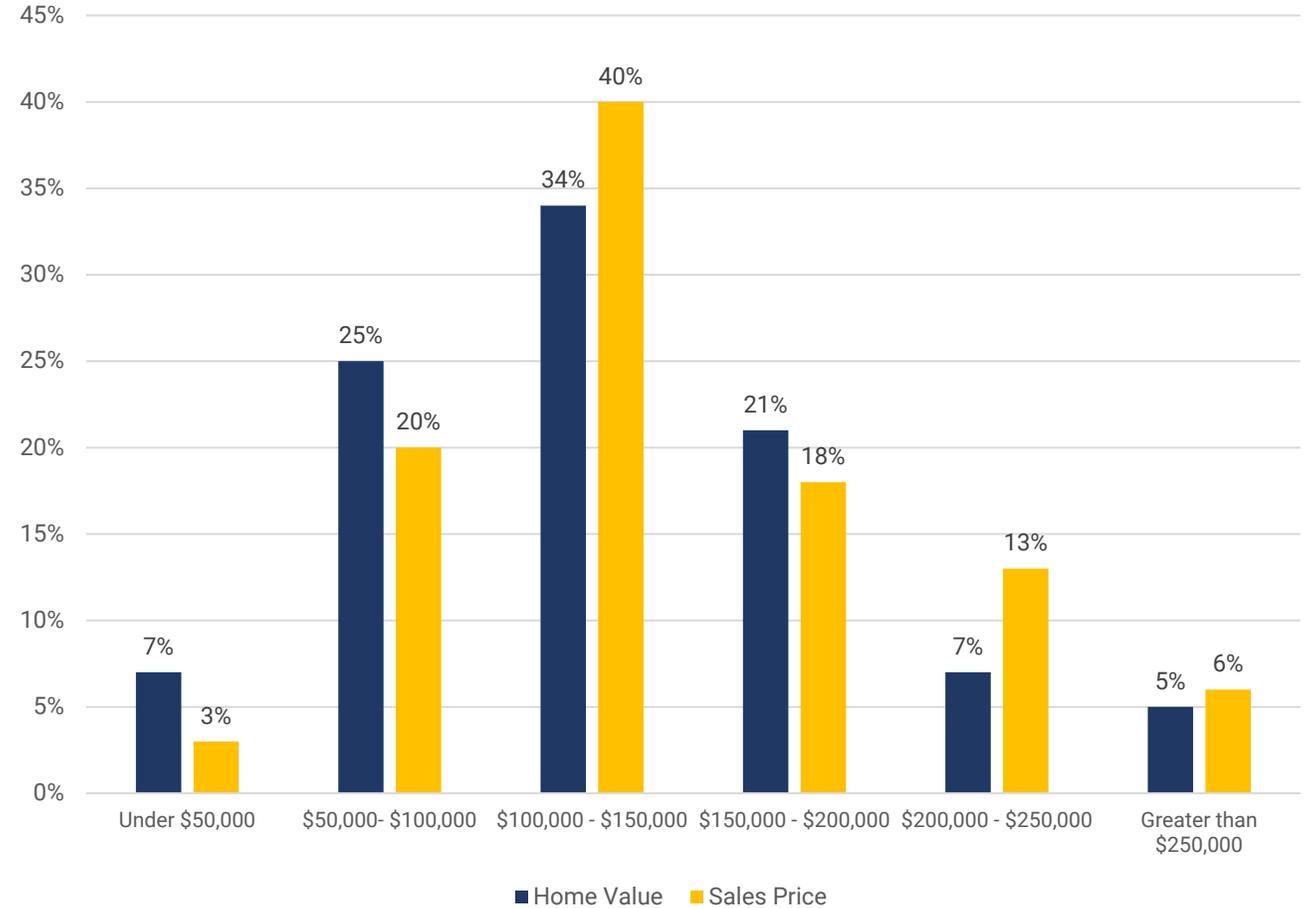
Approximately 80% of Cayce’s owner-occupied housing stock is valued between \$50,000 and \$200,000, which aligns with stakeholder conversations with real estate professionals and developers/builders. According to MLS sales data from 2019, 78% of sales occurred in this price range as well.

As a proportion of all MLS recorded sales, homes priced and sold in the \$200,000 to \$250,000 range comprised 13% of all sales yet houses in that value range only comprise 7% of Cayce’s housing stock. This may indicate there is a greater demand for homes in this price range compared to the number of homes available.



Comparison of Home Values and 2019 Home Sales

Source: ACS 2018, MLS 2019



Rents

RENTS ARE SLOWLY INCREASING IN CAYCE.

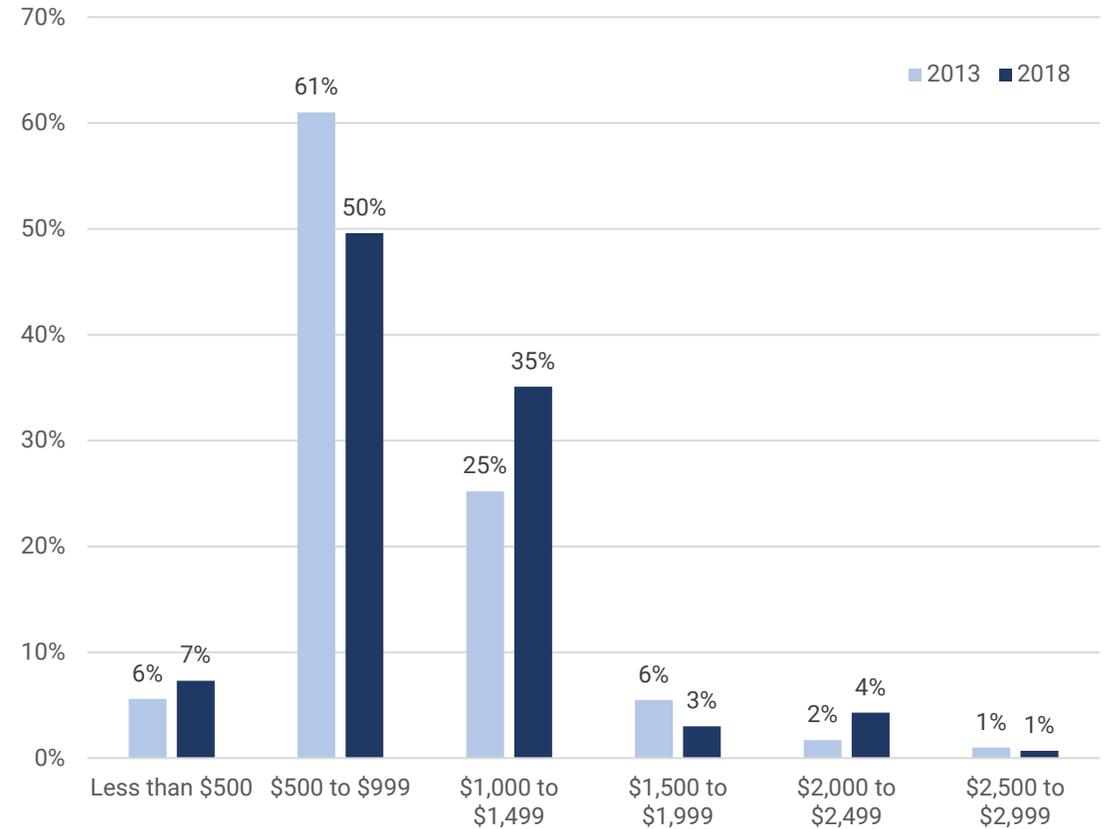
Gross rent, which is rent plus utilities, has increased 2% over the last five years to a high of \$923 per month.

**2018:
Median Gross Rent
\$923 per Month**



Change in Gross Rent 2013-2018

Source: ACS 2013 and 2018



MOVEMENT IN RENT PRICES FROM \$500 - \$999 RANGE TO \$1,000 - \$1,500 RANGE.

In Cayce, 85% of rental units fall within a gross rent range of \$500 to \$1,500 per month. Over the last five years, rents in the \$1,000 to \$1,499 range increased nearly 10% while rents in the \$500 to \$999 range fell by 11.5%. It appears from the data that there has been a transition of rental units into this next price bracket. There was also a 2.6% increase in rental units charging between \$2,000 and \$2,499 per month.

Cost Burden

Cost Burden 2018

Source: ACS 2018

49% **Cost Burdened Renter Households**

NEARLY HALF OF ALL RENTER HOUSEHOLDS IN CAYCE ARE CONSIDERED COST BURDENED.

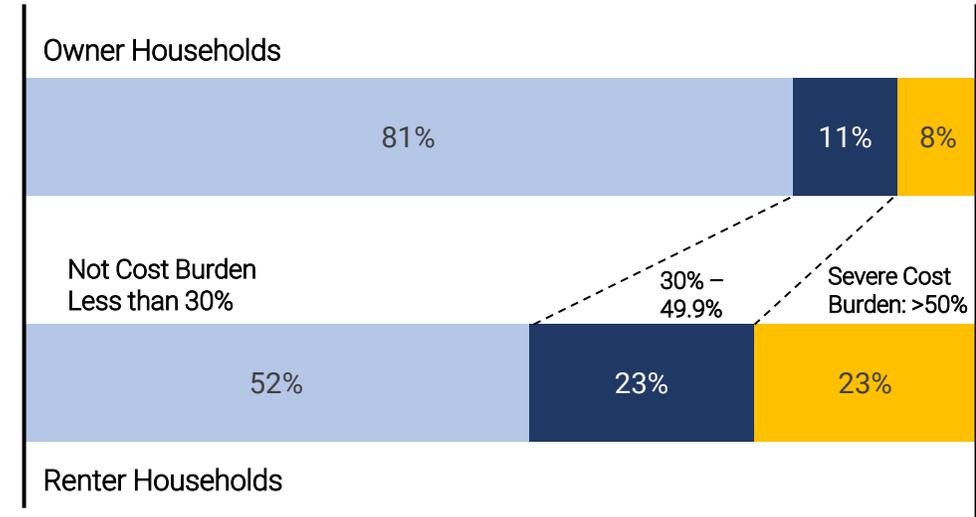
HUD considers a household to be cost burdened if they are spending more than 30% of their monthly income on housing costs. In Cayce, nearly 50% of all renter households are cost burdened which is in line with US averages.

Between 2013 and 2018, the number of cost burdened renter households increased by 2%. The number of severely cost burdened households, those spending more than 50% of their income on housing costs, increased by 24%.

The challenge for households spending more than 30% of their income on housing costs is it leaves less money for spending on other necessities such as food, transportation, education, healthcare, and childcare. Finding ways to build more housing that is affordable to renters is one way of helping to keep cost burdening down.

Cost Burdened Owner vs. Renter Households 2016

Source: CHAS 2016



RENTERS IN CAYCE ARE TWICE AS LIKELY TO BE COST BURDENED COMPARED TO OWNERS.

According to data from HUD, 46% of renters were spending more than 30% of their income on housing costs compared to only 19% of homeowners. 23% of those renters were spending more than 50% of the income compared to only 8% of homeowners. Given that rents are increasing in Cayce overall, and new higher-end product is entering the market, the share of cost burdened renters is likely to continue to rise.



ISSUE AREA 1

FINANCIAL RESOURCES OF HOMEOWNERS AND RENTERS

Financial Resources of Homebuyers and Renters

CAYCE HAS VERY DISTINCT BREAKS FOR HOUSEHOLD INCOME AND HOME PURCHASING POWER.

Based on the data collected and analyzed for Cayce, it appears there are three distinct groups of home buyers and renters in the city: luxury buyers and renters, moderate income, and lower income. Each of these groups comprise roughly one-third of Cayce’s overall households. Moderate or middle-income comprise about 37%, slightly higher than the other two groups.

The **purchasing power of the top 30% of households is about \$100,000 greater than the bottom 60% of households.** These households can afford purchase prices starting at \$294,000 which is much higher price point than what most homes in Cayce sell for. This means there are higher income households purchasing or renting homes far below what they could actually afford, should they choose to do so.

Conversely, households in the middle- and lower-income brackets must compete with greater numbers of households looking for rental and for-sale product given the overall lack of supply at the high end.

To put this in perspective, the median sales price of a housing unit sold in Cayce was \$131,580 while the median gross rent was \$923.

Renting and Purchasing Capacity of Cayce Households, 2018

Source: ACS 2018, RKG Associates

	Household Income	Households %	Households #	Maximum Affordable Rent Range	Home Purchasing Power
Luxury	\$100,000+	15%	886	\$2,500+	\$392,000 +
	\$75,000 - \$99,999	15%	882	\$1,875 - \$2,500	\$294,000 - \$392,000
Moderate	\$50,000 - \$74,999	21%	1,239	\$1,250 - \$1,875	\$196,000 - \$294,000
	\$35,000 - \$49,999	16%	959	\$875 - \$1,875	\$137,000 - \$196,000
Lower	\$20,000 - \$34,999	16%	941	\$500 - \$875	\$78,000 - \$137,000
	\$0 - \$19,999	17%	998	\$0 - \$500	\$0 - \$78,000

Home Sale Prices in Cayce, 2010-2019

Source: MLS 2010-2019

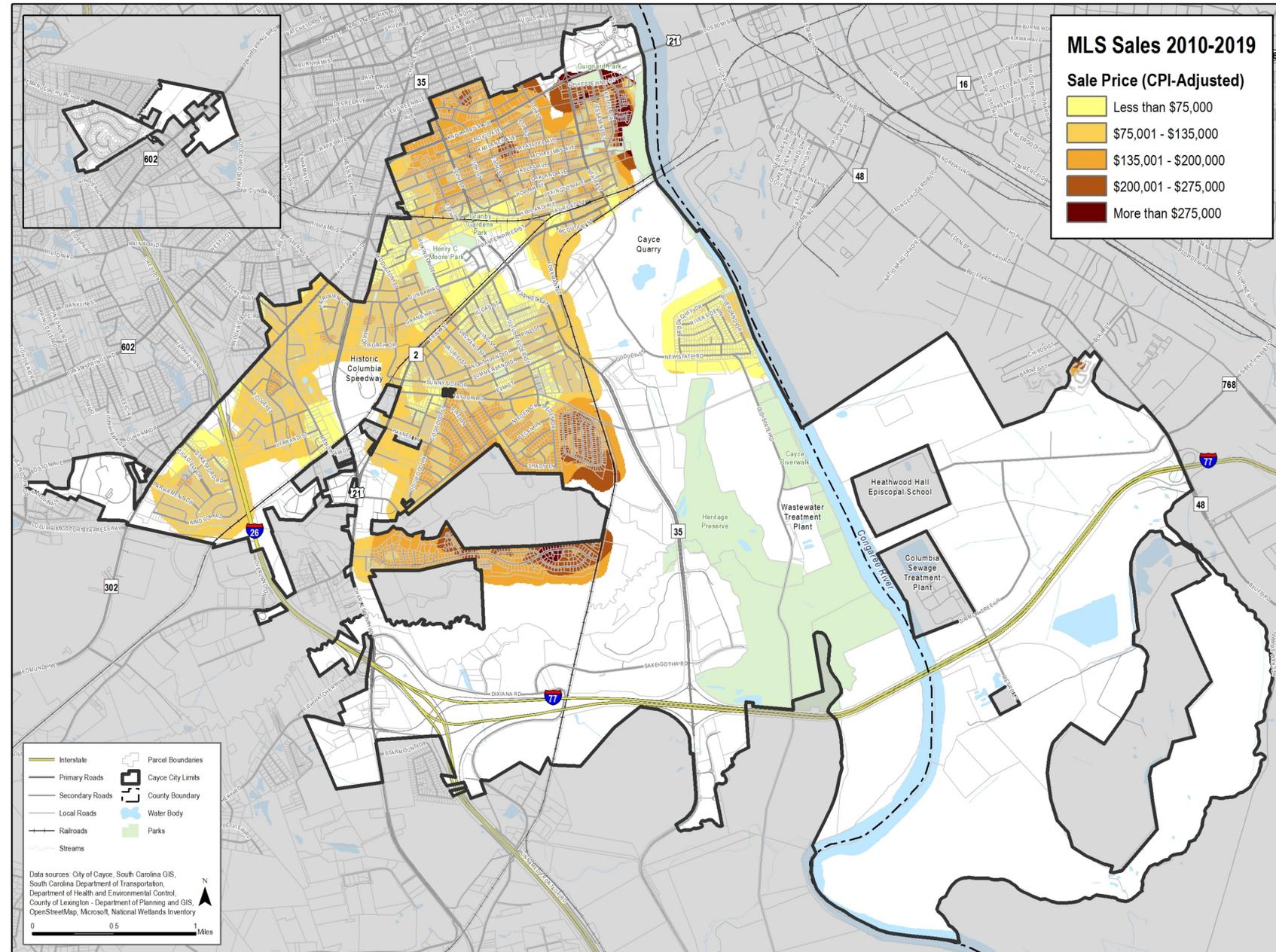
RECENT HOME SALES ILLUSTRATE MARKET DYNAMICS.

Home sale prices vary considerably by neighborhood in Cayce. Neighborhoods with the highest prices and demand include **The Avenues, Moss Creak, Concord Park, and Congaree Bluff**. Homes in these neighborhoods sell near or above \$200,000, are larger with three and four-bedrooms, and tend to sell quickly.

The newest single-family subdivision in Cayce is Congaree Bluff, overlooking the Congaree River and the Three Rivers Greenway. Homes here have sold for **over \$400,000**, more than double Cayce's median sales price.

Conversely, there are neighborhoods such as Broadacres and Julius Felder where homes are consistently selling for less than \$75,000. While these homes offer affordable purchase prices for Cayce's lower income households, these units often require rehabilitation which can place financial constraints on households without access to additional financing.

Demand for housing in Cayce has trended upward over the last ten years. New owner and renter units have been built and **Average Days on Market** dropped from an average of **65 days** in 2010 to **12 days** in 2019.



Housing Affordability for Cayce Households, 2018

Source: HUD 2020, ACS 2018, RKG Associates

ACCESS TO QUALITY AFFORDABLE HOUSING IS CRITICAL.

In Cayce, about **31% of households earn less than 50% of the area median income (AMI)**. These households often experience housing instability, may rely on housing assistance, and are typically spending more on housing as a percentage of their overall income.

The Cayce Housing Authority has 41 public housing units targeting households at or below 50% AMI.

The housing authority has one scattered site unit and a 40-unit development located at 1202 Lucas Street. The waitlist for public housing units can take years to navigate, while demand continues to increase on a yearly basis.

To supplement what the Housing Authority can provide, Habitat for Humanity has been active in Cayce helping to build and rehabilitate homes for low income households. Habitat has also engaged in a new neighborhood revitalization program where their assistance is offered to all owners to help make small improvements that raise the quality and value of all homes in the neighborhood.

Affordable housing is an important component of a city's housing stock as it not only helps individual households but also creates more balanced communities. Units can come in all forms and sizes including single-family, duplexes, quadraplexes, or larger multifamily developments.

Area Median Income Threshold	Income	Households		Affordable Monthly Rent	Affordable Home Purchase Price
		%	#		
30% AMI (Extremely Low Income)	\$21,720	1,126	19%	\$543	\$85,119
50% AMI (Very Low Income)	\$32,700	683	12%	\$818	\$128,149
80% AMI (Low Income)	\$52,300	1,203	20%	\$1,308	\$204,961
100% AMI (Moderate Income)	\$72,600	263	4%	\$1,815	\$284,515
120% AMI (Moderate Income)	\$78,450	984	17%	\$1,961	\$307,441
Above 120% AMI (Middle Income +)	\$78,451+	1,646	28%	\$1,962+	\$307,442+



Supply and Demand for Affordable Homeownership Units, City of Cayce

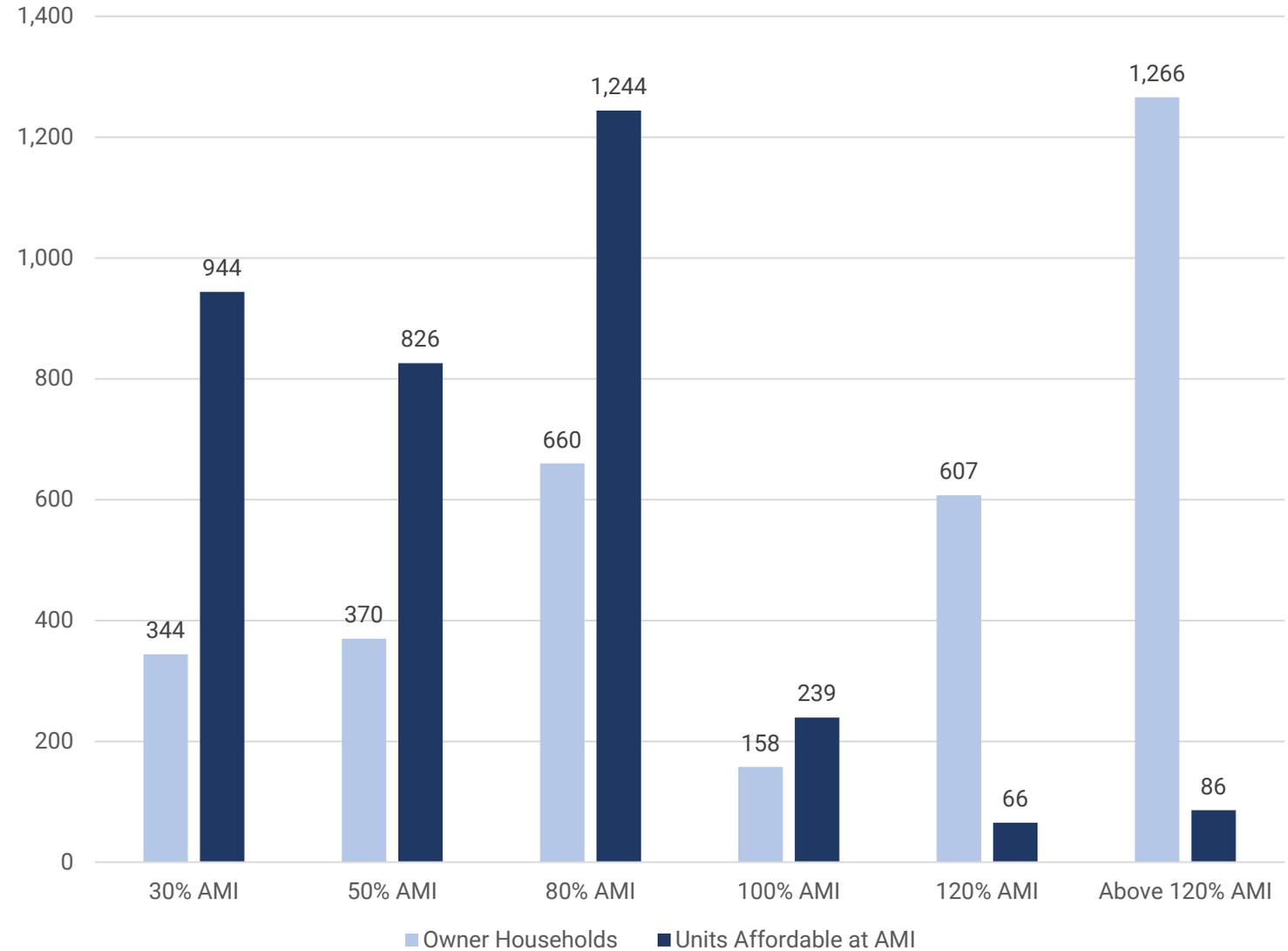
Source: HUD 2020, ACS 2018

THERE ARE MORE POTENTIAL BUYERS IN HIGHER INCOME BRACKETS THAN THERE ARE HOUSING UNITS THAT MATCH THEIR PRICE POINTS.

For households earning at or below 30% of AMI, there are 600 more housing units than there are households. **Nearly 28% of owner-occupied units are valued at less than \$85,119.** Many of these lower priced units may need rehabilitation or interior upgrades to make the units marketable to today’s homebuyers. The neighborhoods these units are in may also need attention from the City for clean up efforts, code enforcement, and infrastructure investments. Many units in lower priced neighborhoods have been converted to single-family rentals and investment in the long-term upkeep and quality of these units may keep values depressed as well.

Units priced between 50-80% of AMI account for 61% of all owner units, yet only 30% of owner households have incomes that fall within this grouping. There is a net surplus of 1,040 units indicating higher income households are likely buying down in Cayce’s market since overall vacancy for homeowner units is extremely low.

Households earning more than 100% of AMI account for 60% of all owner households, yet the supply of units priced to meet the demand accounts for only 11% of units. **The gap between demand and supply for households above 100% AMI is 1,640 units.** This indicates a potential market for new higher priced housing that could ease the competition for moderate income units.



THE MARKET FOR AFFORDABLE RENTAL UNITS IS TIGHT AT THE LOW END OF THE INCOME SPECTRUM.

For extremely low-income renter households, the supply of affordable and available units is tight. There are 72 more households than available affordably priced units. **Nearly 28% of occupied rental units have rents below \$543 a month**, illustrating the degree to which some Cayce residents rely on affordable housing that matches their incomes.

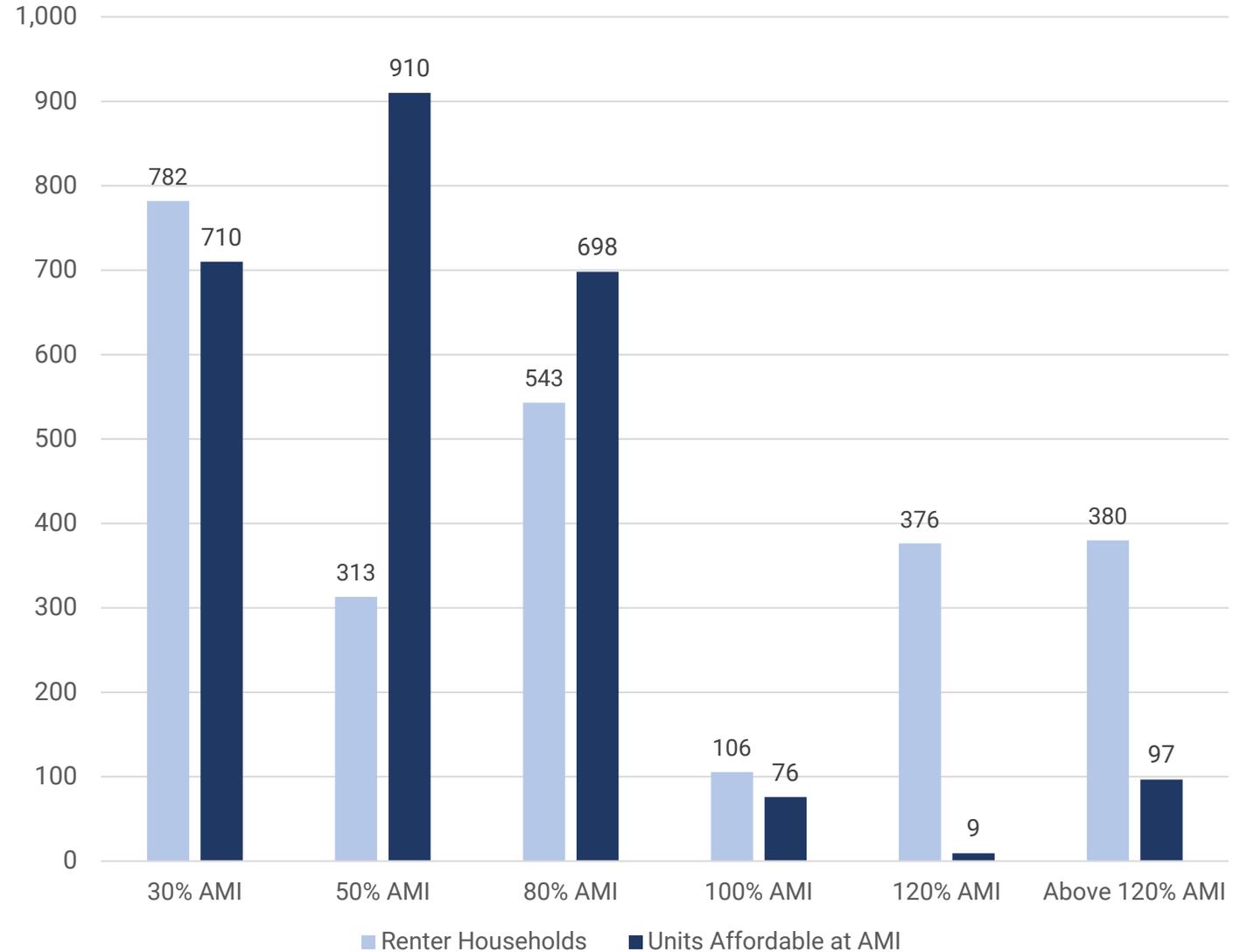
Units priced between 50-80% of AMI account for 64% of all rental units, while only 34% of renter households have incomes corresponding to this price bracket. **This creates a surplus of 752 units** that are likely rented by households with higher incomes who could otherwise afford higher rents.

Renter households earning more than 100% of AMI account for 35% of all households, but the supply of units at this price point accounts for only 7% of the rental stock. **The gap between demand and supply for households above 100% AMI is 680 units.**

The lack of higher priced rental units in Cayce puts downward pressure on the supply of housing priced for lower income households. Higher income households have choice and tend to rent units below their means. New rental housing at Indigo at Brickworks (186 units), Advenir at One Eleven (224 units), and Otarre Pointe (299 units) offer a higher priced product with amenities that looks to capitalize on this market segment and balance price points a bit more within Cayce’s rental market.

Affordable Rental Supply and Demand, City of Cayce

Source: HUD 2020, ACS 2018, RKG Associates



Financial Resources of Homebuyers and Renters

OPPORTUNITY TO BUILD HOUSING AT A VARIETY OF PRICE POINTS AND TYPOLOGIES.

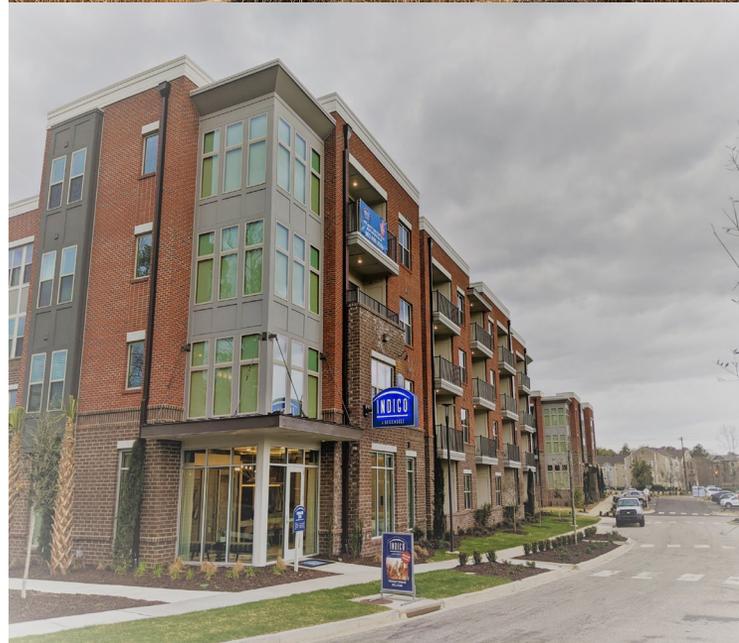
Developers build new housing products based on both what the market demands and what households can afford.

Cayce is seeing growth in both new single-family and multifamily units. Congaree Bluff and Indigo at Brickworks are examples of new developments and product types built to meet demand at the higher end of the income spectrum.

To build new housing units requires developers to assume significant financial risks. The process typically involves purchasing land already entitled or working through the permitting process to meet both the zoning and design requirements. The speed at which a project can move through the planning and development phase is critical, as delays can result reduced financial returns.

Opportunities for new development model approaches exist. **Habitat for Heroes provides housing for veterans, fire, and police officers first-time homebuyers.** Financing is done through local lenders via Community Reinvestment Act (CRA) funds. The Housing Authority is actively looking for locations to expand their housing portfolio to ease pressures on their current waitlist for units.

Housing affordability can be addressed by building units that are priced affordably to what market segments can afford and deed restricted affordable housing that is tied to a household's income. There appears to be demand in Cayce's housing market, both rental and owner, for a variety of housing types and price points.





ISSUE AREA 2

SINGLE-FAMILY RENTAL MARKET

SINGLE-FAMILY RENTAL UNITS PLAY A KEY ROLE IN CAYCE'S HOUSING MARKET.

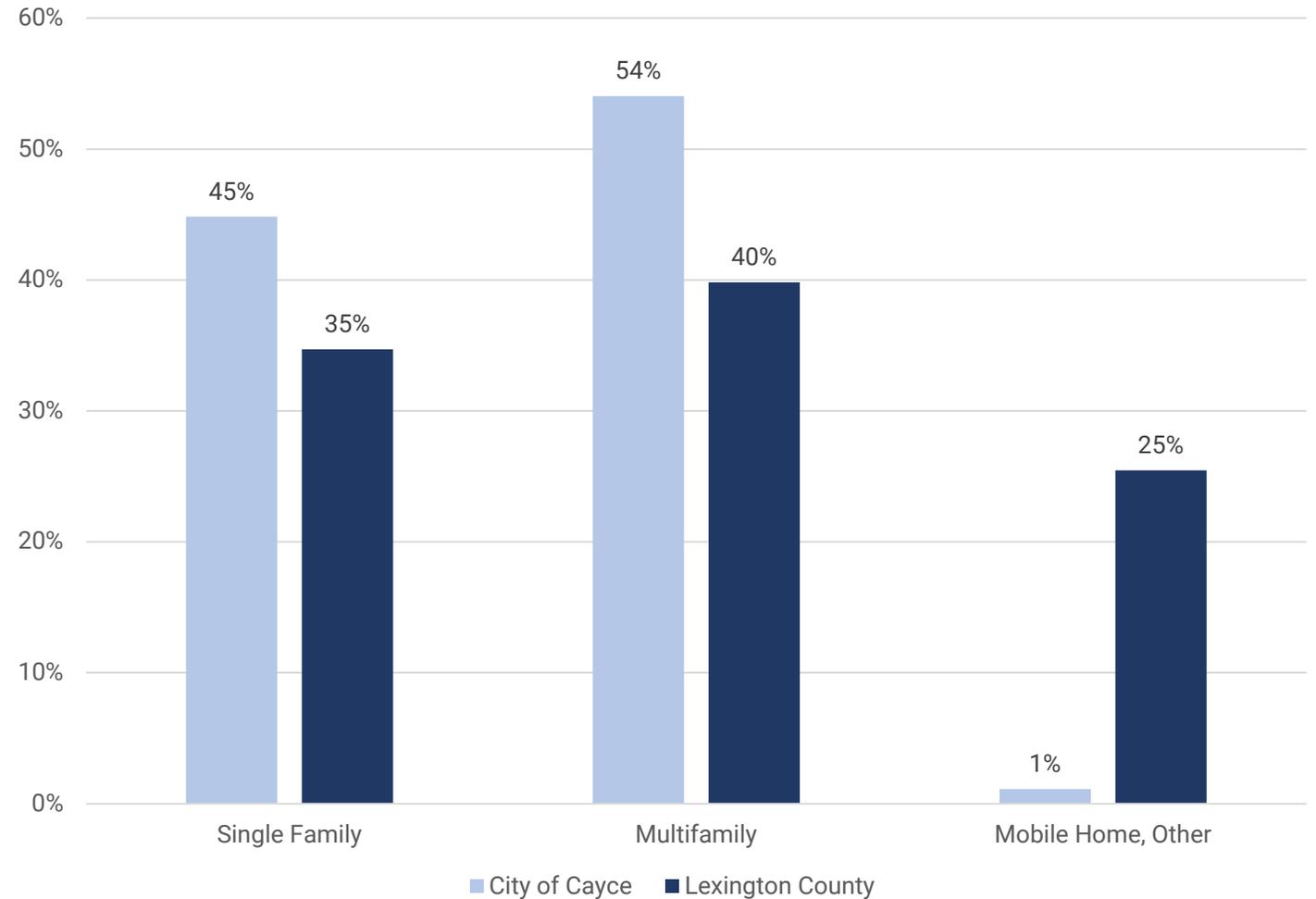
Out of a total of 2,500 rental units in Cayce, **nearly 45% are single-family homes**. For comparison, in Lexington County, single-family homes account for 35% of the rental units.

Single-family detached structures are a desirable rental typology both in terms of functionality and pricing from the standpoint of a landlord. Units can be acquired by landlords in many neighborhoods in Cayce for relatively low prices, and then rented out for a modest profit. **The average sales price of single-family homes found neighborhoods with the greatest concentration of rentals is about \$92,000.**

Single-family rentals make good investments as purchase prices are relatively low in many neighborhoods and units can be rented for \$1,000 a month or more. Assuming the monthly rent covers the mortgage, taxes, insurance, and maintenance/operations of the unit, the investment could be paid off in under 10 years.

Rental Units by Type

Source: ACS 2018, RKG Associates



Single-Family Rental Market

SINGLE-FAMILY RENTAL UNITS TEND TO BE CONCENTRATED IN THREE NEIGHBORHOODS IN CAYCE.

The Avenues is a desirable neighborhood with a mix of both owner- and renter-occupied units. The housing stock, neighborhood character, and proximity to Columbia attracts students from the University of South Carolina, as well as young professionals. The common housing typology is a single-story ranch style home with three bedrooms. **Unit sales prices average around \$147,000** which is lower than new housing at Concord Park or Congaree Bluff and offers an affordable point of entry for younger homeowners looking for smaller homes in an established neighborhood. It also creates competition with investors looking for single-family rental properties in this desirable neighborhood.

A greater concentration of single-family rental homes is found in the Broadacres neighborhood. This neighborhood is bisected by Julius Felder Street and Summerland Drive. Units located here are older and not as well maintained as those in The Avenues. A variety of typologies exist in this neighborhood, including traditional ranch style homes, small two-bedroom bungalows, and some two-story units. **Unit sales prices average around \$81,000 which is considerably lower than The Avenues and is attractive to investors looking for less expensive housing and quick returns on investment.**

The Riverland Park neighborhood, located southeast of Martin Marietta Quarry, has the most intense cluster of single-family rental units. **Sales prices average around \$52,000 creating a very low entry point for landlords.**



Rental Unit in The Avenues



Rental Unit in Riverland Park



Rental Unit in Broadacres

SINGLE-FAMILY RENTAL HOMES ARE COMPETITIVELY PRICED WITH MULTIFAMILY UNITS.

While there are different submarkets for single-family rental units in Cayce, on **average single-family rental units are priced lower than multifamily units.** Ranch style homes which populate Cayce are attractive to family households, as these typically have three bedrooms and a yard. Family renter households are growing in Cayce.

A 23% price differential exists between a two-bedroom single-family unit and a two-bedroom apartment unit, in addition to a 13% differential in available square feet. Multifamily dwellings may be newer on average, but family households may prefer more spacious living environments.

For three-bedroom units a 30% price differential exists between single-family and multifamily units, while the differential in square feet averages around 20%.



Current Pricing for Single-Family Rental Units, City of Cayce

Source: Zillow, Trulia, Apartments.com, RKG Associates

Unit Type	Average Rent	Average Unit Size
Two Bedroom	\$939	1,026 SF
Three Bedroom	\$1,328	1,412 SF
Four Bedroom*	\$1,095	1,656 SF

*Pricing and square feet based on a single record.

Current Pricing for Multifamily Rental Units, City of Cayce

Source: Zillow, Trulia, Apartments.com, RKG Associates

Unit Type	Average Rent	Average Unit Size
Studio	\$1,108	551 SF
One Bedroom	\$1,252	794 SF
Two Bedroom	\$1,640	1,223 SF
Three Bedroom**	\$1,424	1,332 SF

**Pricing and square feet based on two records.

Rental Property Locations and Code Violations in Cayce

Source: City of Cayce Rental Registry & Code Violations

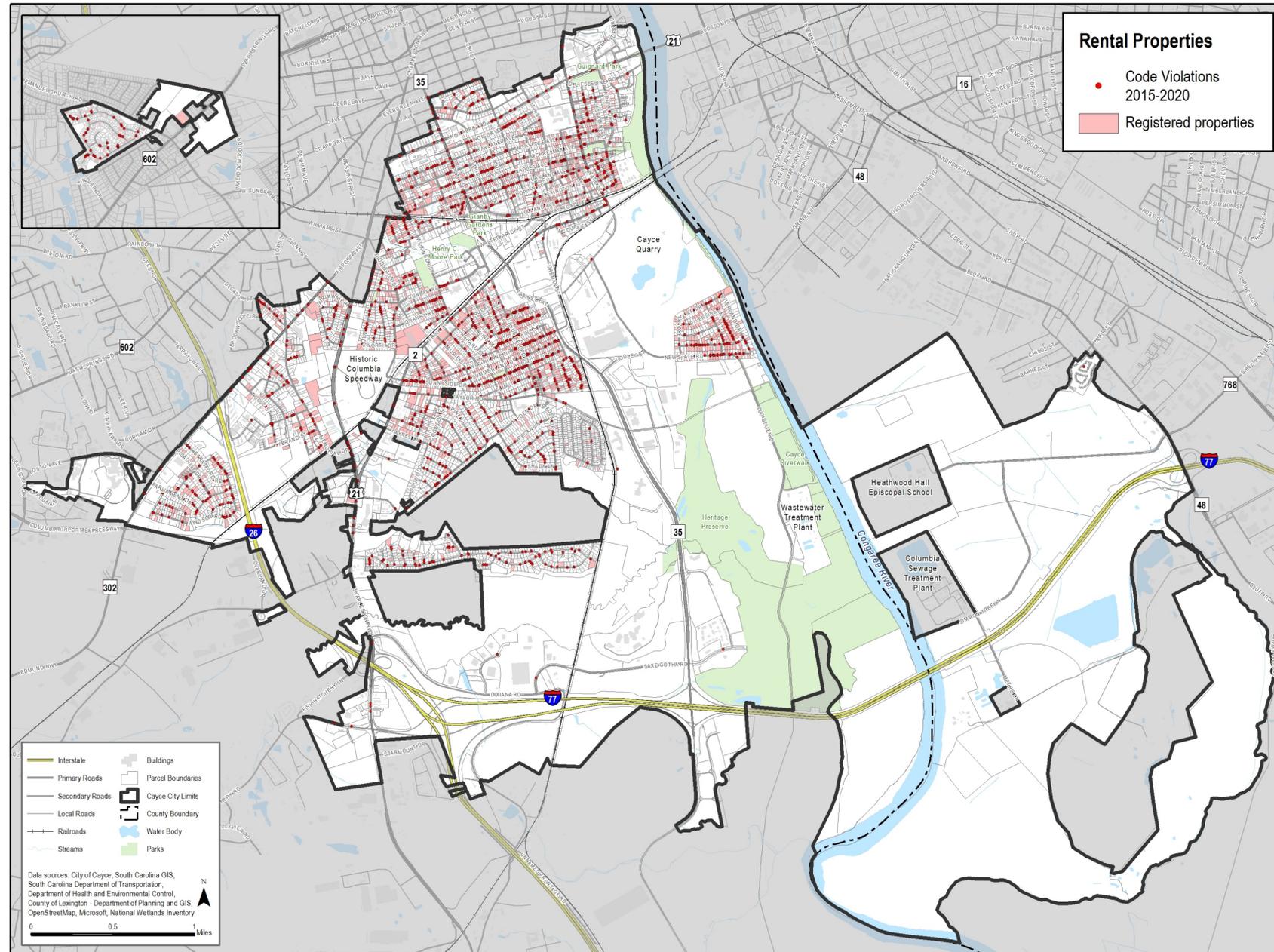
CODE VIOLATIONS ARE CLUSTERED IN AREAS WITH SIGNIFICANT NUMBERS OF RENTAL UNITS.

The upkeep of single-family rental properties was identified as an issue among stakeholders interviewed. Code violations can result from a variety of circumstances including high grass, clutter on the property, or structural issues with the unit. Excessive code violations that go unaddressed can create negative perceptions and may eventually impact property values.

In neighborhoods like Concord Park, higher priced housing, higher incomes to address property or maintenance issues, and greater numbers of owner-occupied units partially insulates the neighborhood from having high concentrations of code violations.

In contrast, the Broadacres neighborhood has had many documented code violations. Property owners may not be as responsive to violations due to financial constraints. The neighborhood also has a propensity toward single-family rental housing which could be negatively affecting pride in the neighborhood and individual homes.

Riverland Park’s geographic isolation, low property values, and high concentration of rental housing may also be contributing to the large number of property violations.



OPPORTUNITY FOR RETAINING AND ATTRACTING HOUSEHOLDS BY MAINTAINING A DIVERSIFIED HOUSING STOCK.

Single-family homes play an important part in Cayce’s rental market, and the city has an opportunity to collaborate and work with local landlords to understand their perspectives and needs.

The city can be proactive in identifying neighborhoods which are experiencing a transition to more single-family rental units. Tracking data and mapping these transitions can help the city staff monitor these changes over time including code violations, changes from owner to renter-occupied, and rents charged by neighborhood. Closely monitoring rental units across the city can help address issues of tenant safety, quality of housing, and ensuring values in the neighborhood remain stable over time.

Single-family rentals in some neighborhoods offer an affordable alternative to the new higher cost multifamily units elsewhere in the city. Single-family units also provide family-sized rental units to accommodate Cayce’s growing cohort of 4- and 5-person renter households. With added analytics and monitoring, these housing units can continue to be a valuable option for households who cannot or chose not to enter the homeownership market.





ISSUE AREA 3

VACANT HOUSING UNITS

Vacant Housing Units

VACANT AND BLIGHTED STRUCTURES CREATE SAFETY ISSUES AND A NEGATIVE PERCEPTION OF THE NEIGHBORHOOD.

Neighborhoods such as Riverland Park and Broadacres have concentrations of vacant units and blighted structures which are contributing factors to lower property values. **Sales prices for homes in these two neighborhoods are, on average, 50% lower than the city-wide median sales price.**

There are several reasons properties may experience periods of decline and vacancy which include issues like title clearing or heir's property, foreclosure proceedings, accrued property taxes and title liens, and abandonment.

According to data from the 2018 ACS, approximately 50% of all vacant units in the City of Cayce are classified as "vacant other", meaning those units are not currently being marketed for sale or rent. These units are typically encumbered by one of the issues noted above, or in some cases, could be undergoing an extensive renovation rendering the unit uninhabitable.

The City has been an active participant in demolishing vacant units that pose a hazard to the general public. Some of these demolitions occur in partnership with the owner of the property, while others are done by the city themselves.



Vacant Housing Units

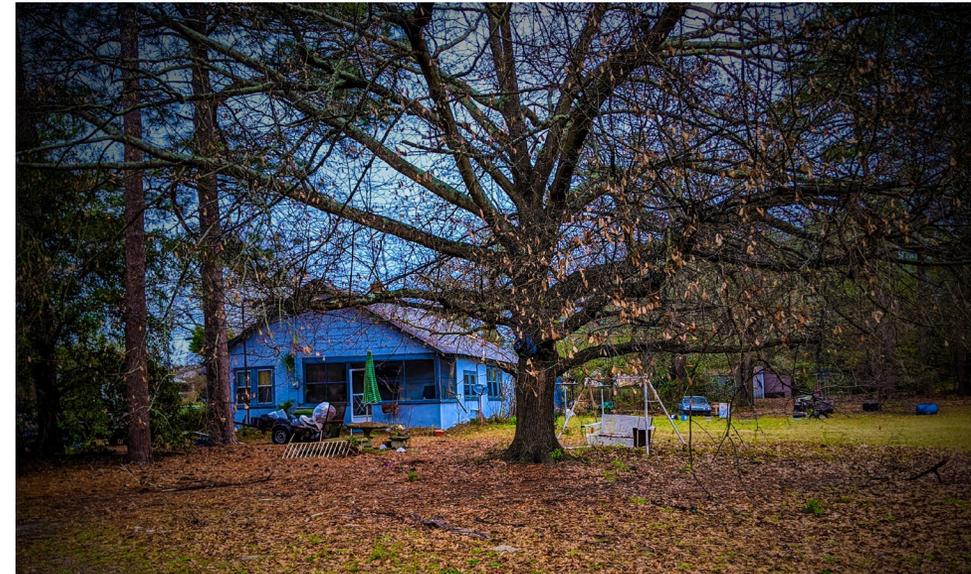
OPPORTUNITY FOR COMMUNITY REVITALIZATION, REINVESTMENT, AND PRESERVATION OF NEIGHBORHOODS.

There are many benefits for a strategy that focuses City resources and partnerships on existing neighborhoods to help reduce vacant and blighted structures, encourage context sensitive infill development, and stabilize neighborhoods to stem further decline. Opportunities to advance neighborhood revitalization include:

- Potential for transformative approaches toward strengthening existing neighborhood fabric and bolstering home values.
- Leverage partnerships with entities such as Habitat for Humanity who administer neighborhood revitalization programs and have worked closely with residents, property owners, and municipal officials to prioritize needs and build neighborhood capacity.
- Share intergovernmental (city, county, state, and federal) funding resources and coordination of action to consistently track, rehabilitate, or demolish identified vacant structures.
- Work with low-income homeowners to ensure they have access to housing rehabilitation funds to improve the structural integrity of the unit and the exterior aesthetics that contribute to stabilized values.



**TRANSFORMATION
POTENTIAL**





ISSUE AREA 4

REGULATORY, PROGRAMS & FUNDING

Cayce Zoning Districts Source: City of Cayce

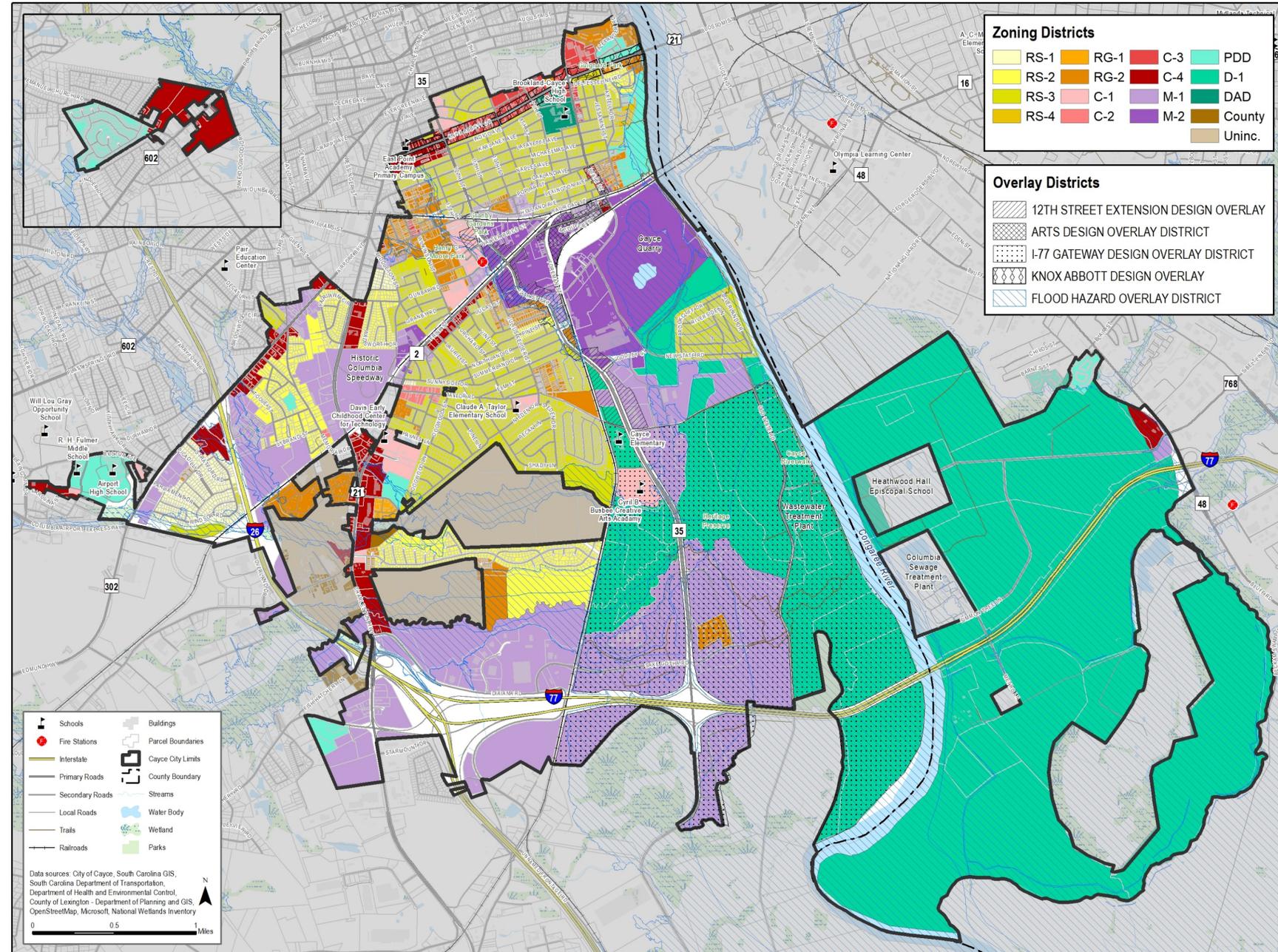
CAYCE OFFERS A LOT OF FLEXIBILITY WITH ZONING.

Cayce has six primary residential zoning districts with several others (like C-3 and C-4) that allow for multi-family residential. Overlay districts like the 1-77 Gateway and Arts Design Districts also allow different types of housing.

The primary residential districts have use restrictions and dimensional regulations that generally mirror the character existing neighborhoods. For example, minimum lot size requirements and setbacks generally match what one might find in the existing fabric of a given neighborhood. This helps to ensure new development or infill projects are placed on similar sized lots with buildings placed in specific locations to create a consistent street frontage.

Cayce's zoning, depending on the district, allows several different housing types including single-family, duplexes, triplexes, quadplexes, townhomes, patio homes, and accessory units. Multi-family development is also allowed in the RG and C-3 and C-4 districts.

The City also has a Planned Development District (PDD) that provides even greater flexibility, provided the developer work with the Planning Commission and Council to establish agreeable standards.



ZONING ISSUES TO EXPLORE:

1

INFILL DENSITY IN THE RG DISTRICTS.

In order to add triplexes, quadplexes, or multi-family buildings in the RG districts a lot size of 5,000 sqft is required plus additional lot area for each additional unit. The additional lot area requirement is tied to the number of bedrooms in each additional unit. For example, a one-bedroom unit would only require 2,000 sqft of lot area versus 3,000 for a three-bedroom unit.

In RG districts where lot sizes are already fairly small and narrow, it may be difficult to accommodate small increases in density on existing lots. Several lots may need to be consolidated to provide enough overall lot area and frontage to meet zoning requirements. Consolidating lots can be expensive and challenging if owners are unwilling to sell.

2

PLANNED DEVELOPMENT DISTRICTS.

The current PDD appears to be applied most often to larger-scale developments that may not fit well within the standard zoning districts and performance standards. The current PDD is very flexible and relies on the efforts of the developer and the Planning Commission and City Council to agree on the details. This could leave standards up to interpretation and potentially create a longer process if the project is not well-received from the beginning.

The zoning ordinance does not appear to have a flexible PDD-like option for residential development of a smaller scale to support neighborhood infill at a slightly higher density. Something akin to a Cluster Development Ordinance could provide additional flexibility for smaller residential projects.

3

REVIST PATIO HOMES FOR DOWNSIZERS AND YOUNGER BUYERS.

Patio homes are allowed in RS and RG districts either by Special Exception or Conditional Use but must adhere to more onerous performance standards. These homes can serve as excellent entry points into the homeownership market for younger buyers or those with limited income. Patio homes can also support older residents who are looking for a low-maintenance, single-floor option to downsize into.

Finding ways to encourage this type of housing, possibly as infill to existing neighborhoods or near walkable places near amenities for seniors could help fill a housing need in Cayce that may not be met through traditional single-family homes or multi-family buildings.

4

INFILL DEVELOPMENT DESIGN STANDARDS.

The current infill development design standards do not include any visual or graphic representation of the desired design outcomes that are described in the design standards paragraph of Section 6.12. The written description could leave standards up to personal interpretation on the part of the developer or architect, as well as the Planning and Development Department Review Committee.

Infill development is likely to be an important component of revitalizing some of Cayce's more challenged neighborhoods. Ensuring barriers reduced where possible and permitting is as predictable as possible will help save time and money and allow projects to move more quickly through the permitting process.

Desirable Characteristics of Infill Housing

The City's residential infill guidelines point to several desirable characteristics of new or updated housing in the interior of neighborhoods. The ability of new construction to accommodate these design characteristics depend on cost and what a home can sell for in each neighborhood. Flexibility with design guidelines could provide desired aesthetics and cost-effective solutions for the builder.

1.5 story, low gabled roof line

Vertical columns supporting porch roof overhang

HardiePlank or Clapboard siding for long-term durability

Covered front porch with enough depth for seating, facing lot frontage/sidewalk.



Funding for Housing

MOST FUNDING FOR HOUSING-RELATED PROJECTS IN CAYCE COMES FROM COUNTY HUD ALLOCATION.

Cayce is not a direct recipient of federal HUD money through the CDBG or HOME program. The City can, and does, apply for funding made available to Lexington County but must compete with the county and 13 other jurisdictions for the money.

Lexington County has 10 program areas where HUD funds are allocated. The table to the right lists five that are directly applicable to housing units and supportive infrastructure. In the 2018-2019 fiscal year, the County received about \$2.5 million in HUD funds of which about \$1.7 million was allocated to the five program areas in the table. The largest funded category provided support for community facilities and infrastructure.

The County offers several programs where any resident in Lexington County meeting certain income or homeownership qualifications can apply directly for first time homebuyer assistance or major and minor home repair assistance. Given the size of the county’s population and number of households, these programs are only able to serve a very small percentage of the overall population. The two home repair programs in combination were expected to serve a total of 9 qualifying low to moderate income households in that fiscal year.

CDBG and HOME Fund Programs and Funds

Source: Lexington County, 2018-2019

Programs for 2018/2019	Amount	HHs Helped	Notes
Acquisition and Rehab	\$378,578	3 LMI HHs	\$100,000/HH
Major Home Repair	\$75,000	3 LMI HHs	\$25,000/HH
Minor Home Repair	\$68,549	6 LMI HHs	\$13,000/HH
First Time Homebuyer Program	\$80,000	16 Total HHs	\$5,000/buyer
Facilities/Infrastructure	\$1,125,859	5 projects	-

**Table does not include full listing of program areas.*

ISSUE FOR CAYCE:

There are several neighborhoods and streets in Cayce where homes, or parts of homes, have fallen into disrepair. While some funding is available through the county, it is not enough to cover the need. Over the last several years, Habitat for Humanity has worked in the City’s lower income neighborhoods to construct new homes, complete minor home repairs, and work with willing neighbors to improve the appearance of homes, yards, and the street overall.

Neighborhood revitalization, home repair, demolition, and aesthetics were some of the themes that were raised by many stakeholders during our interview sessions. Funding for these efforts could be part of a HUD application to Lexington County in the future.

Since 2015, the City of Cayce has applied for HUD money from the county but has directed the ask toward infrastructure projects, specifically sewer and line projects on State Street. The City was successful in securing two funding rounds, one in 2016-17 and another in 2019-20 for a total of \$306,335.

RECOMMENDATIONS

ORGANIZATION OF RECOMMENDATIONS

The recommendations for Cayce’s Housing Plan are organized under four topic headings which address different elements of creating and maintaining a stable, diverse, and affordable housing stock. Cayce should use a combination of regulatory, financing, and programmatic tools to encourage new investment within existing neighborhoods and to direct energy toward the creation of new neighborhoods that will address housing preferences and price points at all levels. Accompanying each recommendation are visual icons linking them back to the issues they address and a timeframe to help the City prioritize those recommendations that should come earlier or later in the implementation process.

1

LEVERAGING GROWTH TO EXPAND HOUSING CHOICE

- When appropriate, lift the housing moratorium
- Strengthen the City’s annexation policy
- Require a detailed fiscal impact analysis for any new annexation
- Encourage use of flexible zoning or Development Agreements for new annexation proposals

2

REVITALIZING AND STABILIZING NEIGHBORHOODS

- Create a housing task force
- Continue working closely with partners like Habitat for Humanity on neighborhood revitalization
- Organize and support neighborhood clean-up efforts
- Help establish neighbor to neighbor networks through neighborhood associations or HOAs
- Work with non-profits or faith organizations on neighborhood revitalization and beautification projects
- Create a housing rehabilitation program
- Leverage city-owned land for housing production

3

USING ZONING TO GUIDE HOUSING INVESTMENTS

- Create a smaller Planned Development District for neighborhood infill
- Encourage homeownership by allowing duplex and triplex building types as of right in some neighborhoods
- Explore options for residential design guidelines
- Ease restrictions on patio homes
- Create an accessory dwelling unit (ADU) policy

4

ADVANCING PROGRAMS, POLICIES, AND FUNDING FOR HOUSING

- Create and adopt a short-term rental policy
- Strengthen rental registry program
- Work collaboratively with the counties on a right of first refusal policy and creative uses of property liens
- Develop marketing materials to promote City’s interest in encouraging new housing and investment

RECOMMENDATIONS	ISSUE AREA			
	 FINANCIAL RESOURCES OF HOMEOWNERS AND RENTERS	 SINGLE-FAMILY RENTAL MARKET	 VACANT HOUSING UNITS	 REGULATORY, PROGRAMS & FUNDING
LEVERAGING GROWTH TO EXPAND HOUSING CHOICE				
Lift the housing moratorium & Strengthen annexation policy	X	X	X	X
Fiscal impact analysis for any new annexation	X	-	-	X
Flexible zoning/Development Agreements	X	-	-	X
REVITALIZING AND STABILIZING NEIGHBORHOODS				
Create a housing task force	X	X	X	-
Work with organizations on neighborhood revitalization	-	X	X	X
Work with organizations on neighborhood revitalization	-	X	X	X
Help establish neighbor to neighbor networks	X	-	X	X
Neighborhood revitalization and beautification projects	X	-	X	X
Housing rehabilitation program	-	-	X	X
City-owned land for housing production	X	-	X	X
USING ZONING TO GUIDE HOUSING INVESTMENTS				
Create a smaller Planned Development District	X	X	-	X
Duplex and triplex building types as of right in some neighborhoods	X	X	-	X
Residential design guidelines	-	-	-	X
Restrictions on patio homes	X	-	-	X
Accessory dwelling unit (ADU) policy	X	X	X	X
ADVANCING PROGRAMS, POLICIES, AND FUNDING FOR HOUSING				
Short-term rental policy	-	X	-	X
Rental registry program	-	X	X	X
Right of first refusal policy & property liens	-	-	X	X
Marketing materials for new housing and investment	-	-	-	X

MATRIX KEY:

This matrix shows the recommendations organized by topic area and the issues each recommendation addresses. The issue area icons are used throughout the recommendations section to identify which issue areas are being addressed.

RECOMMENDATIONS

LEVERAGING GROWTH TO EXPAND HOUSING CHOICE

Lifting the Moratorium

Issues Addressed:



Timeframe for Action: **Short Term**

The City of Cayce enacted a housing moratorium in December 2019 to create the opportunity to study the local housing market and guide future growth in a way that addresses the needs of current residents and those that may be attracted to Cayce in the future. As noted in this report, there are several recommendations which can help the City address its immediate housing needs. These include:

- The creation of a clear and deliberate annexation policy that ensures the City is making sound financial and planning decisions by annexing land.
- Adopt a new zoning district that could be applied to newly annexed land where the goal is to encourage a variety of housing types to meet current and future market demand. A second option is to develop a new flexible residential zoning district that could be applied to newly annexed land.
- Have a clear set of design and performance standards that development on newly annexed land should meet.

The Mayor, City Council, and City staff should discuss these recommendations and determine the length of time needed to address them in the context of an extension to the moratorium. Setting a clear and transparent time frame for addressing these action items and lifting the moratorium provide property owners and developers with sufficient lead time to prepare any applications for development.

Addressing any potential zoning changes within the city's boundaries are most important, while annexation policies may come second. Any annexations would be required to go through a much more rigorous approval process and require Council approval. Proposals within the city boundaries, particularly those follow existing zoning, could be acted upon when the current moratorium ends. Therefore, addressing zoning changes in the city should take precedence.



Strengthen Annexation Policy

Issues Addressed:



Timeframe for Action: **Short Term**

South Carolina's laws clearly outline the legal basis for which municipalities and petitioners can request annexation. While the 100 percent and 75 percent methods of annexation do create a high bar for agreement amongst property owners, it also ensures individual property rights are protected. On the other hand, it has also created donut holes in Cayce's municipal boundary that can make it difficult to plan and deliver services in an efficient manner. Therefore, the City should consider strategic annexations that make service delivery more cost effective and efficient, address housing or job creation goals, and result in a net positive tax contribution.

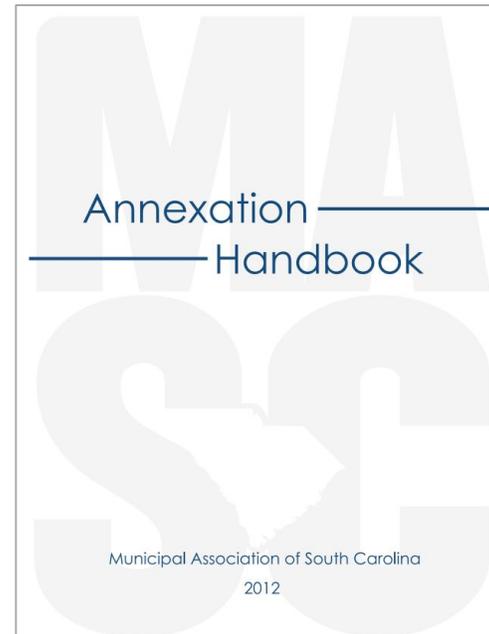
A stronger annexation policy is also consistent with the City's 2015 Comprehensive Plan Update which notes:

"Careful consideration should be given to the potential impact of annexation on the city's resources and services. Will the annexed property produce enough revenue to pay for City services? Will the City be required to build new police or fire substations, or build new parks in support of new annexations? Will the additional costs of servicing the annexed property be passed on to those already residing in the City or will the annexed area produce sufficient revenue to pay for services received? These questions need to be framed and answered before annexations take place."

The Municipal Association of South Carolina has some excellent resources for cities and towns considering annexation or looking for examples of how other communities in the state treat annexations. Their website includes sample annexation tools, including marketing materials from different South Carolina communities. Another resource is the annexation handbook described and linked below.

[South Carolina Annexation Handbook](#)

In 2012, the Municipal Association of South Carolina developed a guidebook detailing the different types of annexation paths and the impacts and outcomes that should be weighed when considering annexation. The Guidebook also provides a useful set of metrics a municipality can use to weigh the benefits and drawbacks of annexing land, and ways of discussing annexation to those who may be concerned about its impact on their property.



Strengthen Annexation Policy

If annexation of land into the City of Cayce is going to be considered in the future, the City should create a more formalized process for evaluating the benefits and drawbacks of annexation. The City has an existing policy for annexing land (Sec 40-2) that stipulates any water and/or sewer service extensions outside the City Limits requires annexation if the property is contiguous or becomes contiguous in the future.

While this is an important consideration for annexing property, it should not be the only metric weighed in deciding on annexation. The City should work to create a decision matrix that includes all relevant considerations from importance of the land to city goals, potential to support housing and jobs, potential to support city facilities and services, and revenues and service costs. The decision matrix also adds transparency to the process and informs petitioners who are looking to have land annexed into the city. Petitioners would have more information to align their annexation proposal with city goals.

Cayce should also consider requesting a full fiscal impact analysis with each annexation to determine the potential revenues and service costs. The impact analysis should consider both revenues and costs at time of annexation and future costs such as long-term maintenance and operations of any new infrastructure the City takes control over. This analysis would help the City evaluate the “Fiscal” category in the decision matrix.

Lastly, the City should designate a primary point of contact for all annexation petitions and inquiries. Currently, annexation information is linked from the City’s Water and Sewer webpage and not easily identifiable. Annexation information may be better placed in the City Manager’s office or in Planning & Development. If annexation is a desired pathway to growth long-term, the City may want to consider creating a webpage dedicated to information on the annexation process, goals for annexation, benefits of annexation, and primary point of contact information.

Example Annexation Policy Matrix

BOUNDARY ADJUSTMENT DECISION MATRIX			
CATEGORY	BENEFICIAL	NEUTRAL	ADVERSE
LAND USE			
Is the potential future use of the property in conflict with the Comprehensive Plan?			
Does the use of the property influence the competitiveness of a property in the city?			
Will controlling the land use of the property benefit the City's reputation?			
FISCAL			
Does the property provide financial gain to the general fund?			
Does the property provide financial gain to the water and sewer fund?			
Will the future use of the property adversely impact the value of a City property?			
GROWTH			
Is the property a potential growth location for the city?			
Does the property impact the gateways to Cayce?			
Can the property help address the growth needs of the City?			
TRANSPORTATION			
Is the property critical to the current intra-community connectivity for Cayce?			
Is the property critical to the current inter-community connectivity for Cayce?			
Is the property critical for future transportation needs?			

Zoning for New Annexations

Issues Addressed:



Timeframe for Action: **Short Term**

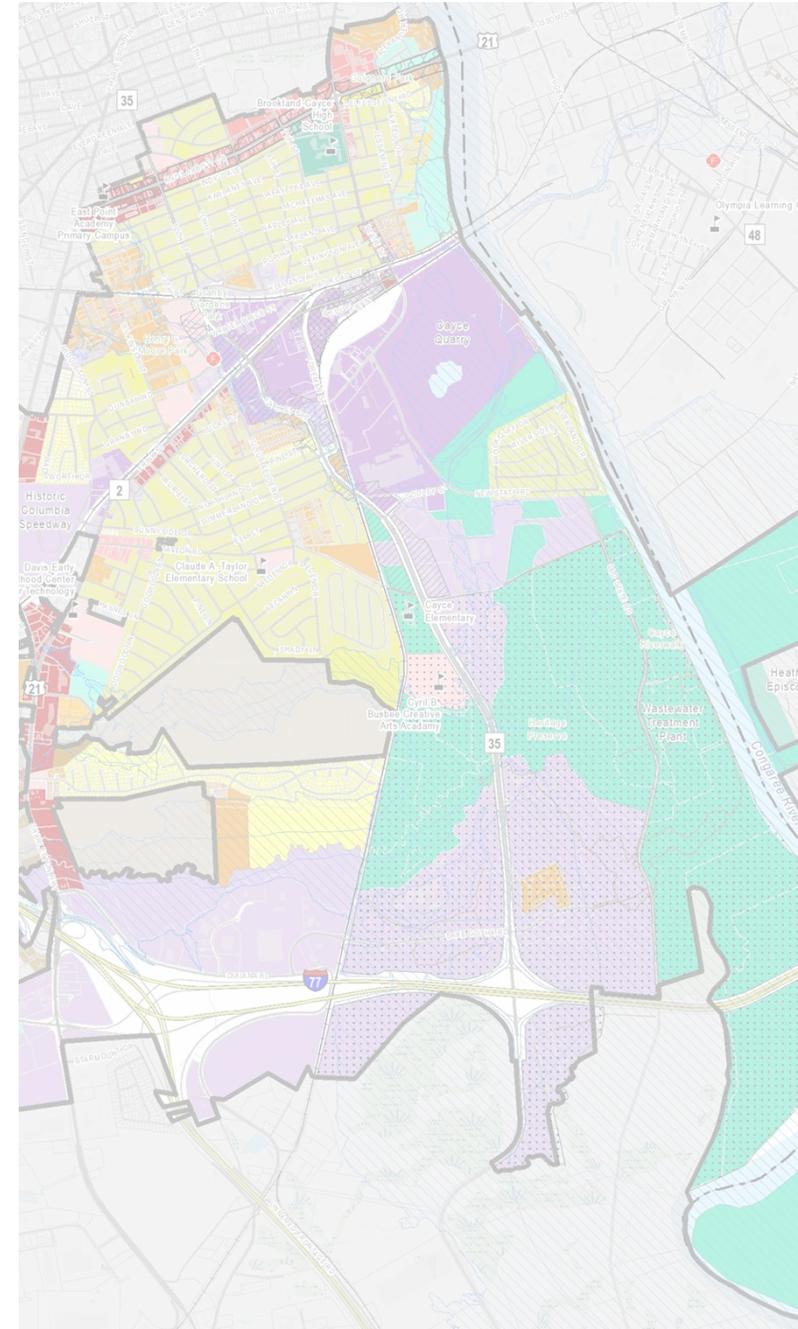
If the City chooses to annex land, the development proposal for the property needs to align with the Comprehensive Plan and should address specific needs for housing, economic development, transportation, open space and recreation, and public facilities and services. Annexation should be viewed as an opportunity for both the City and the petitioner to advance goals in concert and ensure the City is not taking on undue burdens without benefits.

From a housing perspective, there are several ways future annexations could benefit the city in the short- and long-term. If the property is larger than 2 acres, the City has the flexibility to use a development agreement or their PDD process if the project contains a commercial component. These two options provide space for creative solutions to building housing that could meet a range of price points and housing types. For example, a larger property could include phases or pods of larger single-family homes, patio homes, town homes, and small multi-family structures all integrated into the same development. This would not be possible under current zoning in Cayce.

A third option would be for the City to create and adopt a new zoning district that could be applied specifically to new annexations. This new residential district could be akin to a mixed housing zoning district that would allow and encourage a range of housing types on the same parcel of land so long as the site plan, performance standards, and design meets the City's expectations.

The new zoning could also include provisions for Voluntary Inclusionary Zoning coupled with incentives such as density bonuses or tax agreements to encourage the inclusion of affordable housing units in the new development. A payment in-lieu of providing units could also be considered and be used to build and maintain units elsewhere in the city. This funding could also potentially be used to help with advancing a city housing rehab program for low- to moderate-income households.

The City will want to consider incentives to ease the financial burden of providing units or funding for affordable housing. This could include density bonuses, reduced permit fees, expedited permitting, advancing the use of tax credits, and reduced water/sewer tap fees.



RECOMMENDATIONS

REVITALIZING AND STABILIZING NEIGHBORHOODS

Creating a Housing Task Force

Issues Addressed:    

Timeframe for Action: **Short Term**

Cayce is a diverse and growing community with much to offer residents. The city has been gaining higher income residents over the last five years and has seen home prices and rents escalate. Establishing a housing task force can help ensure the city can continue to offer a high quality of life and quality affordable housing options in safe, well-maintained, and inclusive neighborhoods. The task force can focus on addressing the regulatory, financing, and programmatic issues associated with housing in Cayce. The membership of the task force should be representative of Cayce with neighborhoods having a voice. Potential members of the task force include city officials, leaders of non-profit groups, Cayce Housing Authority, neighborhood leaders, businesspeople, and faith-based organizations.

POTENTIAL GOALS OF THE TASK FORCE

The task force should be charged with assessing the current and future landscape of housing in the city, evaluating programs and initiatives to produce new affordable units, engaging in housing preservation, and providing recommendations to city leadership. Potential goals for the task force include:

- Promoting strategies that create and sustain mixed-income neighborhoods.
- Ensuring workers in Cayce can afford to live in the city.
- Creating a range of affordable and attainable housing options.
- Creating solutions for housing that respect the city's unique natural, historic and cultural resources.



Partnering with Habitat on Neighborhood Revitalization

Issues Addressed:



Timeframe for Action: **Short Term**

Habitat for Humanity is transforming entire neighborhoods, house by house, block by block. Habitat is also dedicated to eliminating substandard housing, and aims to make adequate, affordable shelter a matter of conscience and action. Not only does Habitat build homes from the ground up, but they also work to renovate existing homes. The families that Habitat partners with can realize the dream of home-ownership through a zero-interest mortgage.

Habitat's Neighborhood Revitalization Program has the potential for affecting change by being a partner with locals to help complete community clean ups, and engage in interior home repairs, exterior renovations, and accessibility improvements.

CONTINUE TO WORK WITH HABITAT TO TARGET SPECIFIC NEIGHBORHOODS

Currently Habitat is focused on Allen Street in Cayce. In addition to building and selling a home, Habitat has engaged in clean up efforts to uplift neighborhood morale and property values. As part of a housing strategy the city can help make infrastructure improvements in the neighborhoods where Habitat is active. Interviews with Habitat staff revealed one of the biggest requests from residents is safer street lighting, sidewalks, and streets. This is a role the city can play alongside Habitat for neighborhood revitalization. The City should continue to support Habitat's requests to Lexington County or other grant funders for CDBG or philanthropic funds. These funds directly benefit the city and residents by stabilizing and uplifting challenged neighborhoods.



Source: Habitat for Humanity, 2020

Facilitating Neighborhood Clean-ups

Issues Addressed:



Timeframe for Action: **Short Term**

The city should create a formalized Neighborhood Clean-up Program led by Councilmembers and other community leaders. Aside from improving the neighborhood, **clean-ups are also a great way for neighbors to get out and meet each other while providing a valuable public service.** Free dumpsters and other cleaning supplies could be made available to neighborhood associations and community non-profit organizations that organize neighborhood cleanup efforts. The program could also connect neighborhoods with other volunteers to assist with the cleanup and provide vehicles to help transport items from the curb to the dumpster. The City's Code Enforcement staff have already started partnering with neighborhood groups and elected leaders to start this process.

MINIMAL EQUIPMENT IS NEEDED TO START A PROGRAM

Basic equipment and coordination would be necessary to ensure the success of the program. **Clean-up efforts could rely on dedicated supplies and equipment purchased by the city.** Items needed include shovels, rakes, mulch forks, saws, gardening materials, wheelbarrows, gloves, and trash bags. The city could rent dumpsters for days when clean-up efforts are scheduled. Volunteers can help mobilize individuals to join the clean-up efforts.

SPECIFIC CAPITAL EXPENDITURES AND DEDICATED FUNDING CAN ENSURE SUCCESS

The city can create a formalized Neighborhood Clean-up Program funded directly by the General Fund to ensure sustained funding and continuity of service. **The total investment in the program would be minimal as purchases of tools are one-time occurrences and can be given to the Department of Sanitation when not in use.** Dedicated funding would also allow the city to pay for any staff time needed to coordinate the clean-up efforts.



Creating a Neighbor to Neighbor Network (NTNN)

Issues Addressed:



Timeframe for Action: **Mid Term**

The city can help facilitate the creation of an NTNN by engaging in outreach efforts with neighborhood and homeowner associations. The purpose of an NTNN is to put a support structure in place where volunteers can help vulnerable populations and groups. This non-traditional approach helps make sure neighbors are helped not only through traditional service delivery models administered by the city but also by residents in their neighborhood.

In Cayce, the NTNNs could be organized by neighborhood groups, local citizens, and businesses to recruit volunteers who provide services to residents not available through existing programs. **Some of the services that could be provided include minor home repairs, painting, landscaping, and trash removal.** The NTNN is a way for the community to fill a gap in service delivery while the city works on putting in place a long-term solution to such problems. The funding of NTNNs can be derived locally from volunteers or community groups and supported with grants from the city or county. Neighborhoods with the greatest number of code violations could be a starting point in helping meet the needs of residents.

Benefits of NTNNs:

- Neighborhoods are better connected by providing opportunities to get to know one's neighbors, creating a sense of community.
- They help older adults maintain and stay in their homes and/or communities by ensuring preventative care takes place on their homes.
- They encourage volunteerism at the local level.



Collaboration Between Local Organizations to Improve Neighborhoods

Issues Addressed:    

Timeframe for Action: **Mid Term**

Non-profit and faith-based organizations are composed of like-minded individuals linked by common cause to improve their communities through service and participation. These organizations have social networks which can be mobilized to deploy resources, both individuals and money, towards improving neighborhoods. Cayce has many organizations and could benefit from engaging and coordinating with them to encourage revitalization and beautification.

Beautification is a way to enhance the community experience, as it encourages members to become more connected, and significantly enhances a sense of belonging. Beautification is a key aspect of community development, and it can be an easy way to stabilize neighborhoods. Activities these groups could engage in include:

- Cleaning up empty lots
- Painting dilapidated structures
- Creating community gardens
- Landscaping yards and planting shrubbery
- Repairing the homes of vulnerable populations



United Way
of the Midlands

Case Study – Sumter, SC Collaborative Rehab Program

CONSTRUCTION MINISTRY REBUILDS HOMES, LIVES, AND HOPE IN SUMTER COUNTY

Sumter United Ministries provides a platform for Sumter churches to meet the needs of elderly, working poor, disabled, and homeless residents across the city. United Ministries services include home repair and construction, emergency shelter, crisis relief services, and medical and education assistance. From a housing perspective, the United Ministries construction and home repair services are critical to helping city residents gain access to additional housing rehab resources. The organization offers two levels of assistance: the weekend home repair program which handles small jobs that can be completed in a weekend, and the Restore projects which are substantial home repairs handled over a two-week period in June each year. The Restore projects include roofs, doors, windows, floors, and more.

FUNDING FOR PROJECTS IS A COMBINATION OF MONEY RAISED BY THE MINISTRY AND CITY OF SUMTER

The United Ministries pools money from several churches and from the City of Sumter to coordinate the Restore program which brings in volunteer contractors to help up to 20-25 households with major repairs. The City of Sumter maintains a Homeowner Rehabilitation Program, which is funded by CDBG, and provides about \$140,000 in rehabilitation funding to low- and moderate-income households for major housing repairs. This funding amount is typically enough to benefit six households. The City provides about \$25,000 of their annual CDBG allocation to United Ministries as a matching grant to support their annual minor rehabilitation program.



Source: United Ministries Sumter, SC

Create a Local Housing Rehabilitation Program

Issues Addressed:



Timeframe for Action: **Mid Term**

The City should consider creating a local housing rehabilitation program to augment the program currently run by Lexington County. There are more housing units, particularly those owned by low- and moderate-income households, that could benefit from rehabilitation grants or loans than what the County can fund each year. A rehab program would require seed funding from the City, or a CDBG request through Lexington County. This type of program does require considerable oversight and coordination to ensure funding is reaching those most in need and addressing issues that would normally trigger a building code violation. If the City were to pursue its own rehab program, the following questions and parameters should be considered:

- Should the program target owner-occupied units and/or renter-occupied units?
- Should the rehab money be given as a grant, no-interest loan, interest loan, or deferred loan repayable on sale of the property?
- What household income levels would the City want to target (30% AMI, 80% AMI, etc.)?
- What types of home repairs would be eligible under the program?
- What should the maximum loan amount be set at?

An alternative to a City-funded and staffed program could be a stronger partnership with Lexington County to expand their housing rehabilitation program using Cayce generated funding. Lexington County already has a HUD funded housing rehab program open to any owner-occupied unit that meets the County's funding criteria. The City could approach the County to help screen candidates, disburse funding, monitor progress, and collect repayment (if desired). The City could provide the County with a small administration fee to cover operational costs associated with the program. The City could also approach the County about providing a dollar for dollar match to Cayce's program using County CDBG funding up to a certain dollar value. This would help Cayce expand the program to more households or fund larger repair projects.

A third alternative would be for Cayce to begin requesting County CDBG funding on an annual basis to cover a housing rehabilitation program in the City. For the last several years, Cayce's CDBG applications to the County have covered infrastructure requests. The City could pivot to a request for housing funding and ask the County to help administer the rehab program.

Both approaches would require early conversations and close coordination with the County to ensure city and/or CDBG funding are benefiting Cayce households most in need.

Leverage Public Land for Housing Production

Issues Addressed:



Timeframe for Action: **Short and Mid Term**

Disposing of available City or School District owned properties to support housing production, particularly mixed-income or affordable housing, can be an effective way of partnering with developers to address housing needs. Land is a cost borne by the development, but when publicly owned, could be offered at a discounted rate to improve the financial viability of a proposal that includes an affordable housing component. South Carolina state law provides municipalities with broad authority for disposing of public assets like land and buildings, typically handled through the passing of an ordinance. School districts have an added level of accountability and must seek state Board of Education approval in cases where state funds were used for the land or buildings.

The City has options when it comes to property disposition which include selling the property to support on-site affordable housing or, using the sale proceeds to fund off-site affordable housing. If the site is not large enough to support enough development density to make an affordable housing project financially feasible, the City may want to consider using the proceeds from the sale to fund other affordable housing efforts elsewhere in the community.

One **short term** step the City and School District could take is to identify the most appropriate department(s) to oversee disposition and charge its staff with creating a disposition strategy. This should also include the establishment of criteria for identifying potential sites for disposition and the criteria used to rank those sites for supporting housing.

Sample Criteria for Identifying Potential Sites

Minimum Lot Size: Over 5,000 square feet, but preference for larger sites that could accommodate multi-family units.

Use of Property: Ensure there are no other competing public uses for the property, and no plans by other city or school district departments for future use of the property. The use/housing type should be compatible or not conflict with existing neighborhood character.

Zoning: Property should be in an existing residential or mixed-use district or overlay district.

Infrastructure Capacity: Property should be served by existing water, sewer, and transportation infrastructure. Capacity should be available to serve the development.

Property Location: Ideally, the property is located near amenities residents could take advantage of such as parks and open space, schools, childcare facilities, and shops and grocery options.

Environmental Considerations: Property should not be located within a floodplain or have significant wetland encumbrances.

RECOMMENDATIONS USING ZONING TO GUIDE HOUSING INVESTMENTS

Create an Option for Small PDD or Cluster Development

Issues Addressed:



Timeframe for Action: **Short Term**

The City's current PDD ordinance is restricted to parcels of 2 acres or more and the planned development must contain a commercial component. Developers enjoy the flexibility of the PDD as it allows for more creativity and a mixture of uses that might not otherwise be allowed through traditional zoning districts. However, it was noted during interviews with the development community that a more flexible option is desired for infill development where large parcels of land are not readily available nor is land assemblage at that scale financially viable.

A cluster development ordinance is one option to consider as it allows homes to be spaced more closely together on a tract of land while preserving a higher percentage of open space than what may have been achieved under a more traditional subdivision layout. Cluster developments can also help reduce infrastructure costs and impervious surface coverage by reducing the amount of internal roadways needed.

The City should consider the creation and adoption of a cluster development ordinance that allows smaller single-family detached units, attached patio homes or townhomes, or a combination of housing types if the site is large enough to accommodate it. Site and building design standards should be applied to each cluster development as homes will be spaced more closely and site layout, landscaping, and circulation become important considerations. Compatibility with the surrounding neighborhood should be an important consideration.



Cluster Development Example: Attached single-family dwellings in Melrose, Massachusetts.

Encourage Homeownership by Allowing Duplex and Triplex Buildings As of Right in Some Neighborhoods

Issues Addressed:    

Timeframe for Action: **Mid Term**

To address the need for more diverse housing types and price points in some of Cayce's neighborhoods, the City should consider allowing duplex and triplex units in RS-3 and RS-4 zoning districts. These are the City's higher density residential districts where slight increases in development intensity coupled with design standards could add value for infill development. Today, duplex and triplex buildings are only allowed in the general residential districts which limits their effectiveness. The additional units in these buildings could help cover added costs of better site and building design.

The City may also want to consider using the density "bonus" as an incentive to encourage homeownership. The City could tie the allowance of a duplex or triplex unit to a restriction on the units that they be owner-occupied and not rented for short- or long-term use. A deed restriction could be attached to the unit or a covenant in the homeownership association which makes prospective buyers or future owners aware of the restriction on the unit.

From the City's standpoint, this provision would require a separate tracking mechanism for these units and the sales activity as owners change hands to ensure the owner is residing in the unit. If an owner is found to be in violation of the occupancy restriction, the City could institute a fine until the issue is remedied.



Infill duplex example from Port Royal, South Carolina.

Explore Options for Residential Design Guidelines

Issues Addressed:    

Timeframe for Action: **Short and Mid Term**

Cayce already has in place design guidelines for residential infill development, but they do not offer visual guidance in the document itself to help residents, property owners, or developers understand the design characteristics that are desired in each neighborhood. The guidelines point to matching the character of all residential properties within a certain distance from the subject property and City staff will survey the area and determine the common characteristics. While this method does capture the design features of the neighborhood, it is not as clear as having photographic or sketch examples in the guidelines document. Creating a more robust set of guidelines also provides the City with the option of adding in flexibility or multiple examples for how to address specific design characteristics. This approach would help address concerns that some design characteristics place new infill homes outside the realm of financial feasibility. Very low home values in some neighborhoods may make it difficult to identify sale comps and justify the rehabilitation or construction of a higher priced home. That said, the City does have several options for enforcing design through regulatory means, and/or encouraging better design through incentives.

REGULATORY SIDE OPTIONS

If design qualities the City desires are not being incorporated in some neighborhoods, the City may wish to advance more robust regulations to ensure long-term neighborhood value. These options include:

- Adopting a more robust set of design guidelines that offer visual examples, material samples, and cover different types of neighborhoods and housing products.
- Adopt a historic district overlay.
- Adopt an architectural conservation district overlay.
- Create pre-approved building typologies for infill development that are held to a higher design standard.

INCENTIVE SIDE OPTIONS

Developer incentives provide market-based mechanisms for encouraging the construction of higher quality homes. Some options the City could use to encourage improved designs are:

- Expedited permitting for adhering to design guidelines.
- Small density bonus if higher quality design features are incorporated.
- Design flexibility if the unit is deed restricted for affordable housing.
- City commitments to neighborhood improvement projects if new infill is held to a higher quality design.

Explore Options for Residential Design Guidelines

Case Study – Elgin, IL Residential Design Guidelines

The City of Elgin, Illinois, approximately an hour outside of Chicago adopted residential design guidelines tied to their comprehensive planning process and a visual preference survey. The guidelines describe the character of neighborhoods, infill housing, multi-family housing, and design characteristics of new greenfield subdivisions/neighborhoods.

The guidelines discuss site planning principles, architectural design features, streets and rights of way, public improvements, landscaping, and more. The document uses a combination of text, hand drawn sketches, and photographs to describe and illustrate concepts.

Cayce could create and adopt a more robust set of residential design guidelines that provide imagery in addition to descriptive text to add both clarity, as well as some flexibility, to the current infill design guidelines the City has adopted. Cayce could also consider creating a new section in the guidelines for annexed land that contains a housing component to ensure new developments are held to higher standard.

[City of Elgin Residential Design Guidelines](#)

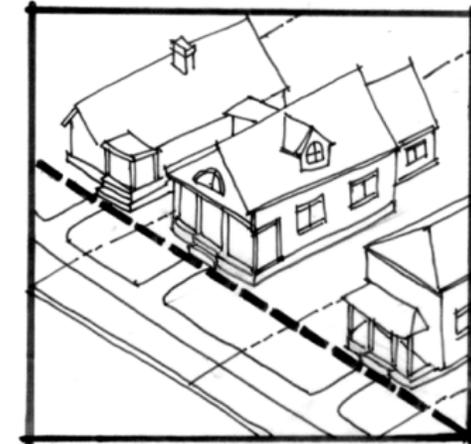
Residential Design Guidelines Sample, Elgin, Illinois

Single Family Residential Design

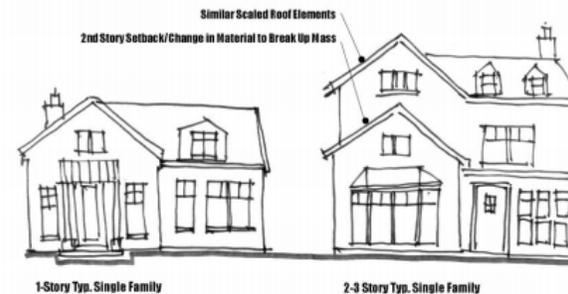
Universal Guidelines

Site Planning – Elgin’s neighborhoods vary widely with respect to single family residential lot sizes, subdivision patterns, and building scales. New development or infill development should follow these basic guidelines:

1. Primary dwelling entrances should be clearly defined and face the street. The use of porches, stoops and other entryway features is encouraged.
2. Garages should be located towards the rear, or at least be placed in a subordinate position to the main building façade.
3. As illustrated, a consistent front yard should be provided, maintaining the setback established by adjoining existing buildings.
4. The width of the “building face” of an infill project should not exceed the width of a typical residential structure on adjacent lots.
5. New development should have finished heights within the range typically seen in adjacent neighborhood areas.



Uniform setback on street



1 - 2 Story Single Family Compatibility

6. Use building roof forms similar to those present in the neighborhood.
7. Especially in neighborhood areas consisting of one story structures, the perceived scale of new, taller infill buildings should be mitigated through the use of upper story setbacks and articulation of façade planes.
8. Sidewalks in poor condition should be reconstructed or replaced to maintain a continuous sidewalk system for the neighborhood.

Explore Options for Residential Design Guidelines

Case Study – Columbia, SC Architectural Conservation District

The City of Columbia, South Carolina has several architectural conservation districts which in some respects offer stronger protections than a historic preservation overlay. These districts are intended to preserve the form of the neighborhood as well as the general character of its individual structures, including the preservation of historic materials. Generally, all exterior work, including changes to windows, siding, porch details, or other architectural features, is reviewed. Any materials used on structures in architectural conservation districts are typically required to match the original, and modern materials that approximate historic appearance may be considered for use on new construction.

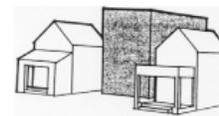
Case Study – Columbia, SC Historic Protection Area

Unlike the architectural conservation district, a protection area is intended to protect the general form and character of the district as much of its historic materials have been replaced over the years. For this reason, more emphasis is placed on the district rather than on individual structures. Generally, review of work in these districts largely is limited to additions, new construction, demolition, and certain site improvements such as fences and driveways. Additionally, modern materials that approximate historic appearance may be considered for review for individual design features.

[Columbia, SC Historic Overlay Website](#)

Melrose Heights/Oak Lawn Design Guidelines, Columbia, SC.

4. Setback: Locate the new building on the site so that the distance of the structure from the right of way is similar to adjacent structures. In Melrose Heights/Oak Lawn, the characteristic setback is between 10 – 20’.



Do not violate the existing setback pattern by placing buildings in front of or behind existing façade lines.

5. Sense of Entry: Place the main entrance and the associated architectural elements (porches, steps, etc.) so that they are compatible with surrounding structures. The main entrance shall be constructed with covered porches, porticos or other architectural forms that are found on historic structures on the block or street.



Do not construct facades without a strong sense of entry.

6. Rhythm of Openings: Construct new buildings so that the relationship of width to height of windows and doors, and the rhythm of solids (*walls*) to voids (*door & window openings*) is visually compatible with historic buildings on the block or street. Maintain a similar ratio of height to width in the bays of the façade.



Do not introduce incompatible façade patterns that upset the rhythm of openings established in surrounding structures.

Explore Options for Residential Design Guidelines

Case Study – Midtown Area Plan for Bryan, TX

The Midtown Area Plan for Bryan, Texas is a small area plan that looked at incremental revitalization and redevelopment for five subdistricts along major commercial corridors and interior residential neighborhoods. Bryan is directly adjacent to College Station, Texas and the Texas A&M University. In fact, the southeastern boundary of Midtown abuts the University’s campus.

One of the primary motivations for undertaking this study were complaints from neighborhood residents to address the demand and design of detached shared housing. There is substantial housing demand from students, but as the study discovered, also from young professionals and seniors who are all looking for very similar housing types and price points. To address this issue, the consultant team developed a pattern zoning technique that combines expedited permitting, licensed architectural design, and site development criteria. The licensed architecture is pre-approved for building permits, so applicants who use a pre-approved design can save time and money. The process is completely opt-in, so custom projects can still be approved through the typical permit review process.

With pattern zoning, neighborhoods can see what building types have been pre-approved so there’s maximum transparency. Pre-approved buildings are held to a higher design standard and attempt to match the neighborhood’s architectural characteristics. In Bryan, there were four pre-approved building types: Cottage (1-2 units), Flex House (1-2 units), Apartment House (3 units), and Walkup (4-12 units). These patterns could and should be modified to meet density and design standards for each community as it is applied to.

[Midtown Area Plan Website](#)

FLEX HOUSE Convertible home for changing households

The Flex House is a simple two-story 1,800 square foot building that adds duplex convertibility to a single-unit house. In its most basic form, it offers an efficient three bedroom, two and 1/2 bath arrangement with a master bedroom on the ground floor.

With very minimal changes, the house can be made into a stacked one-over-one duplex. In this configuration, the building offers a generous one bedroom, one and 1/2 bath apartment with a front porch on the lower level, and a two bedroom, one bath apartment on the second level that is accessed via a private entrance on the side of the building.

OPTIONS INCLUDED

1. Single-Porch Flex House
2. Single-Porch Flex House Duplex
3. Double-Porch Flex House
4. Double-Porch Flex House Duplex



Single-Porch Flex House Duplex



Option 1
Single-Porch Flex House



Option 2
Single-Porch Flex House Duplex



Option 4
Double-Porch Flex House Duplex



Approved Variation
Flex House in Brick

APARTMENT HOUSE Small multifamily that just fits

The Apartment House is a context sensitive approach to adding density gently into an existing neighborhood. From the street, the building presents as a 1.5-story single-family house. Within the building, three modest but dignified apartments offer a variety of sizes and amenities.

Unlike similarly sized buildings that provide separate sleeping areas with a common kitchen and living area, the apartment house has three fully independent housekeeping units with only a small stairwell shared between them. Separate living units reduce the building’s individual household sizes to numbers that are more consistent with small families living in typical existing neighborhoods.

INCLUDED OPTIONS

1. Shed Dormer Apartment House
2. Gable Dormer Apartment House
3. Low-Slope Apartment House



Shed Dormer Apartment House



Option 1
Gable Dormer Apartment House



Option 2
Low-Slope Apartment House



Option 3
Shed Dormer Apartment House



Approved Variation
Shed Dormer Apartment House in Brick

Loosen Restrictions on Patio Homes

Issues Addressed:



Timeframe for Action: **Short Term**

Patio homes are a very popular housing type in many parts of South Carolina for both their affordable price points, single-story layout, and often less maintenance than a large single-family home. Patio homes are defined by overall height and size, single-story design, and can be attached to other dwelling units. They are similar from an architectural standpoint to a townhouse or condominium, but smaller.

Patio homes are allowed in Cayce's residential districts but only through either Special Exception in single family districts or by Conditional Use in the general residential districts. The City should consider loosening restrictions on patio homes, possibly in return for improved design considerations to try and match the character of the neighborhoods where patio homes are being proposed. As an attached home product, it is likely patio homes would be more appropriate for larger infill sites or as one component of a subdivision with a mix of housing types.

There are examples across South Carolina of well-designed patio homes that have some of the architectural features Cayce desires to have replicated. These included pitched roofs, dormers, covered overhangs and entry ways, and higher quality exterior finishes including some foundation level brick or stonework. In Greenville for example, patio homes with these finishes tend to be larger and offered at a much higher price point than a more prototypical patio home. Cayce should consider the impact of design requirements on price points and how that fits in with different neighborhoods and zoning districts.



Example of a lower-cost patio home in Greenville, SC. List price \$110,000.



Example of a higher-cost patio home in Greenville, SC. List price \$389,000.

Create an Accessory Dwelling Unit (ADU) Policy

Issues Addressed:



Timeframe for Action: **Short Term**

Accessory dwelling units, or ADUs, are additional living quarters located on a single-family parcel and independent from the primary structure. ADUs can be attached to the primary structure but have its own entrance, kitchen, bathroom, and living quarters or could be a separate detached structure located on the parcel. ADUs serve numerous purposes including expanding available housing, they are often a more affordable housing option, provide smaller units for single-person or small family households, can support multi-generational living arrangements, and offer additional income to the owner to help them meet their mortgage commitment.

Cayce's zoning ordinance does not currently allow any stand-alone dwelling unit within the single-family districts regardless of if the unit is attached or detached from the primary dwelling unit. City staff have noted interest from residents to add ADUs to their property to support aging family members or to provide added monthly income.

Moving forward, the City should consider allowing the reactivation of any existing grandfathered ADUs that may exist and change current zoning in single-family districts to allow ADUs on parcels of land that meet or exceed certain specifications. New accessory units would likely need Board of Zoning Appeals approval to move forward.

Considerations for an ADU Policy/Zoning Change

Type of ADU: Does the City want to allow one or more types of ADUs that could include both detached and attached options?

Occupant Limitations: Does the City want to limit the occupants of ADUs to family members or open the unit to any tenant?

Zoning: What zoning districts should ADUs be allowed in, and should they be allowed as of right, conditional use, or by special exception?

Lot Size and Setbacks: What minimum lot size and setback requirements should be applied to limit ADUs to lots that can realistically accommodate them?

Dwelling Unit Size: How should ADUs be limited in size and height?

Income Restrictions/Incentives: Does the City want to encourage or incentivize homeowners to construct ADUs as an affordable housing option?

RECOMMENDATIONS

ADVANCING PROGRAMS, POLICIES, AND FUNDING FOR HOUSING

Creating a Short-Term Rental Policy

Issues Addressed:



Timeframe for Action: **Short Term**

In cities with high housing demand, STR's tend to have an impact on housing availability and affordability. While STR's help some homeowners occasionally rent a portion of their primary residence, a significant number of hosts use STR platforms (Airbnb, VRBO, etc.) to rent multiple homes or entire apartment communities to transient occupants instead of housing locals. The revenues from STR's creates an incentive to shift housing uses from long-term to short-term which decreases the supply of housing available to households looking for long-term housing. **Regulating short-term rental helps maintain affordability in neighborhoods.**

Steps Toward Enacting Policies for STR's

- Establish clear definitions.
- Require registrations and recordkeeping.
- Establish protections for long-term owners and renters.
- Create protections for STR guests.
- Establishing a mechanism for city oversight, complaint, and sanctions.
- Preserving neighborhood quality.
- Ensuring a level playing field for commercial hotels.



Creating a Short-Term Rental Policy

Case Study – Short-Term Rental Policy, Charleston SC

TOURISM IS A MAJOR INDUSTRY IN CHARLESTON

The city draws people from around the world to experience the city's history, food scene, outdoor recreation, and people. Since 2012, the growth in tourism has negatively impacted both the housing and hotel markets as property owners began using residential units as illegal short-term rentals (STR).

In 2018 the city adopted a STR policy attempting to curb illegal rentals and increase compliance through tougher enforcement. The regulations legalize short-term renting throughout the city in a very limited form that protects existing neighborhoods. Most importantly, to qualify for legal STR, **the property must be the owner's full-time primary residence**, as verified by receiving the County's 4% tax exemption for owner-occupied property. This means that **investment properties are not eligible for short-term renting**. However, portions of existing dwellings or accessory dwellings on a property are eligible.

STR REGULATIONS ARE STRICTLY ENFORCED

The regulations were crafted to allow for multiple avenues of enforcement for short-term renters, property owners, and listing companies. They broaden what qualifies as a violation and allow for effectively-targeted enforcement via specific categories. In addition, the City has three new staff members dedicated to short term rental enforcement.

FEES ASSOCIATED WITH A STR PERMIT

Applicants must submit a \$200 zoning application review fee, a \$40 fire & safety inspection base fee, a \$32.21 plan review fee, and an additional \$32.61 per number of floors in the unit being inspected. There is also a \$64 business license fee, plus an additional \$3.90 per \$1,000 of expected income.



Creating a Short-Term Rental Policy

Case Study – Short-Term Rental Policy, Charleston SC

GEOGRAPHIC VARIATION OF THE POLICY

The city varied the rules of the STR policy based on location of the rental unit. Areas in the downtown have greater restrictions than outlying areas.

SHORT TERM RENTAL OVERLAY ZONE

Units are eligible for either a Bed & Breakfast Permit or a Commercial STR Permit depending on the zoning of the property. Commercially zoned properties are eligible for commercial STR permits while residentially zoned properties are eligible for bed & breakfast permits.

RESIDENTIAL CATEGORY ONE

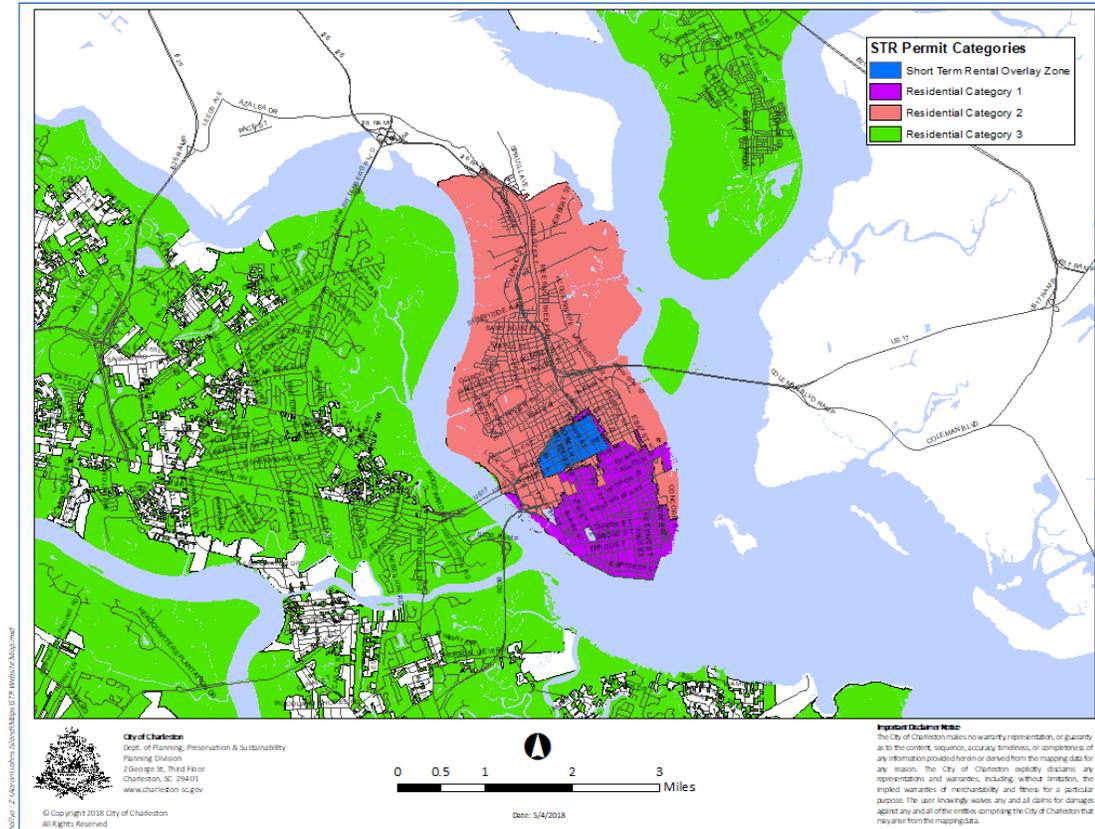
Corresponds to the area of the peninsula in the Old and Historic District. Properties cannot contain more than one STR unit and must provide one off street parking space in addition to providing the required parking for the property's existing use. Additionally, the STR unit must be located within an existing structure or accessory building that is individually listed on the National Register of Historic Places.

RESIDENTIAL CATEGORY TWO

Corresponds to the area of the peninsula outside of the STR overlay zone and the Old and Historic District. Properties cannot contain more than one STR unit and must provide one off street parking space in addition to providing the required parking for the property's existing use. Additionally, the unit must be in a building constructed 50 or more years ago.

RESIDENTIAL CATEGORY THREE

Corresponds to the all areas of the city off the peninsula. Properties must provide one off street parking space in addition to providing, on the subject property, required off street parking for existing uses on the property.



Charleston STR Permit Areas Source: City of Charleston, SC

Tying the Rental Registry to Inspections

Issues Addressed:



Timeframe for Action: **Mid Term**

The city has code enforcement staff who investigate residential code violations. The inspection mechanism should be connected to the existing rental registry program to ensure inspections on rental properties are undertaken. Inspections should take place regularly, ideally anytime a new tenant occupies the unit. Property inspections ensure landlords are complying with all housing laws. The city should increase its rental registry fee to cover the cost of hiring any additional staff necessary to carry out inspections and code enforcement. The proposed program has three elements.

REGISTRATION

Cayce already requires property owners to register their rental properties and obtain a commercial license; however, there are problems with landlords complying with the rules. Due to issues with compliance, the city should establish a robust registration and tracking system to allow for follow-up on non-compliant landlords. To increase the participation of landlords the city should examine increasing the penalties for noncompliance and attaching unpaid registration fees as liens to the property.

PERIODIC INSPECTIONS

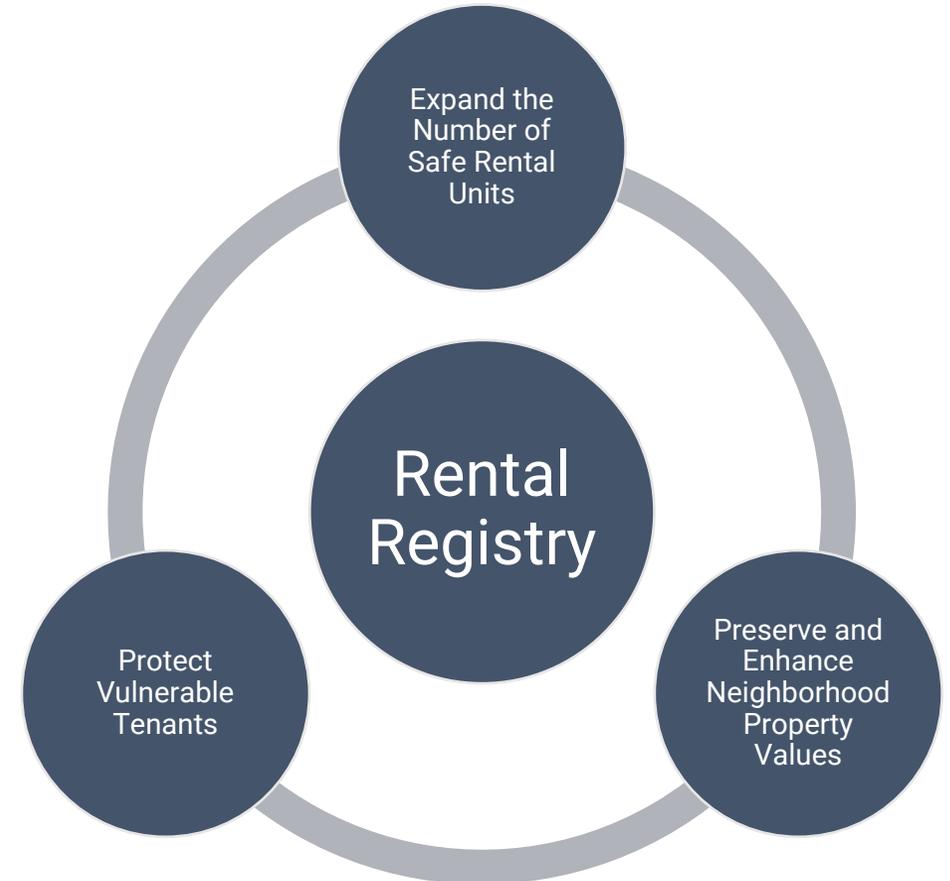
Mandate periodic inspections of all covered rental properties. Inspections should occur on a periodic basis to ensure that the housing is adequately maintained. An internal goal the city should have is to ensure the inspection every rental unit at least once every five years.

ENFORCEMENT

With a property registered with the city, strict enforcement measures can be initiated if the property fails inspection. As part of the enforcement, the city can increase the fees applied to landlords who are in non-compliance. Additionally, the city can track problematic landlords under the system.

Benefits of a Rental Registry

Source: RKG Associates



Tying the Rental Registry to Inspections

Case Study – Rental Registry and Inspection Ordinance (RRIO), Seattle WA

SEATTLE RENTAL REGISTRY AND INSPECTION ORDINANCE IMPROVES NEIGHBORHOODS

The RRIO program was established by the Seattle City Council in 2014 to ensure that all rental housing in Seattle is safe and meets basic housing maintenance requirements. Rental property owners in Seattle must register their properties with the City. Inspectors make sure all registered properties comply with minimum housing and safety standards at least once every 10 years.

BENEFITS OF THE PROGRAM

- Preserving neighborhoods and quality of life.
- Educating property owners, inspectors, and renters about the RRIO standards and encouraging proper maintenance of rental housing.
- Ensuring all rental properties meet the same minimum standards through periodic inspections.
- Creating clear communication methods between rental property owners and the City in the event of emergencies.

TYPES OF RENTAL UNITS COVERED

Rental properties (with a few exceptions) must be registered with the RRIO program. This includes multi-family apartment buildings, single family homes for rent, boarding houses, fraternity/sorority houses, micro-housing facilities, floating on-water residences for rent and vacation home rentals that are not owner-occupied. There are some exceptions such as hotels, nursing homes, religious housing, government housing, or emergency housing.

COSTS ASSOCIATED WITH RENTAL REGISTRY

Rental registration is valid for two years and the fee is \$70 for each property including the first rental unit, plus \$15 for each additional unit.

Example Pricing Structure of RRIO Inspection Fees

Source: Seattle RRIO, 2020

Number of Rental Housing Units	Base + Unit Fee	Total Fee
1	\$70 + \$0	\$70
2	\$70 + \$15	\$85
20	\$70 + \$285	\$355



Create an Entity to Acquire Tax Sale Property

Issues Addressed:



Timeframe for Action: **Long Term**

The City of Cayce should work with the Housing Authority, and other partners, to facilitate the creation of a non-profit entity, such as a land bank, that can purchase property auctioned in county tax sales. In Lexington County, tax sales are normally held monthly and with each property sold subject to past due property taxes, assessments, existing easements and restrictions, and any liens or judgments against the property. Land banks can be a good vehicle for stemming vacancy and abandonment by strategically acquiring problem properties and converting them back to occupied housing.

By acquiring problem properties, eliminating the liabilities, and engaging in rehabilitation efforts, the land bank can transfer the properties to new owners in a transparent manner resulting in positive outcomes for the community. Once rehabilitated, the homes could either be made for for-sale or for rent in conjunction with the Housing Authority. This tool could be used as a mechanism to stabilize neighborhoods and ensure long-term affordable housing options remain in Cayce.

As a non-profit entity, an arrangement could be made with Lexington County to obtain a right of first refusal on tax sale properties. This would allow the county to sell properties to a mission driven entity engaged in revitalization efforts in Cayce.



Creating and Capitalizing an Entity to Acquire Tax Sale Property

Case Study – Greenville Housing Fund (GHF), Greenville SC

The purpose of the Greenville Housing Fund’s Land Bank Program (GHFLB) is to create vibrant communities through the creation of affordable housing opportunities, stabilization of property values, and the elimination of blighted properties. **The Land Bank acquires real property through donations, tax sales, and real estate transactions to support the production and preservation of affordable housing and neighborhood stabilization.**

Goals

- Serve as an advocate and champion for affordable housing in Greenville
- Invest in affordable housing development and preservation
- Acquire land to facilitate affordable housing development opportunities

Target Areas

The GHF Land Bank Program serves several target neighborhoods in both the City of Greenville and Greater Greenville County. These neighborhoods have a surplus of blighted and vacant properties poised for redevelopment and are strategic areas for the preservation and production of affordable housing. Priority neighborhoods do not preclude GHF from acquiring properties outside these areas. GHF seeks to acquire and dispose of said properties as part of a larger redevelopment and affordable housing strategy.

Funding Partners

City, county and state funding is not enough to solve the Greenville affordable housing deficit and therefore philanthropic funds were raised to cover the funding gap. GHF has leveraged over \$1M in philanthropic commitments from organizations such as The Graham Foundation and United Way of Greenville County.



Creating a Promotional Strategy Showing Cayce is Open for Business

Issues Addressed:



Timeframe for Action: **Mid Term**

Cayce competes with several communities in Lexington and Richland Counties for private investment dollars. To compete effectively, Cayce should continue to improve its marketing capabilities to ensure investors and businesses know this is a city with excellent opportunities. From a marketing perspective, Cayce may wish to consider the following:

- **Branding**
 - Continue strong marketing efforts already underway via online/social media/traditional media presence.
 - Focus on highlighting a positive narrative built upon recent successes, and community assets and strengths.
- **Promotion of Development Opportunities**
 - Identification and promotion of potential development sites.
 - Providing clear guidance regarding types of development and businesses the city desires.
- **Ease of Business**
 - Periodically review tax and fee structure to ensure continued competitiveness.
 - Establishing an efficient, timely, and transparent system of doing business with the city by incorporating technology, points of contact, and easy to follow permitting guides.



Establishing a “One-Stop Shop” Within City Hall

Issues Addressed:



Timeframe for Action: Long Term

The city should establish a streamlined system for businesses and real estate developers to navigate the administrative process related to starting a new project. Developers and businesspeople require consistency, reliability, and efficiency.

- The city can create a unified Business Development and Permitting Guide which synthesizes and details the entire administrative process related to permitting businesses and real estate developments. Presently, the city website offers a basic outline of the process but lacks details. The creation of a stand-alone document which outlines the process, requirements, fees, key personnel and boards, and expected timeframes can help bolster the reputation of Cayce as an easy place to do business.
 - Communities such as Mansfield, MA have created documents which help individuals navigate the local process. See the [Mansfield Business Development and Permitting Guide](#) as a reference.
- The city can invest resources into an online permitting system which minimizes the chance of errors while increasing efficiency and tracking/auditing capabilities. The current paper-based system requires downloading permit applications, filling them out by hand, and submitting them for review. Under this system, the applicant cannot track where they are in the process. Online systems can increase transparency.





**HOUSING STUDY FOR
THE CITY OF CAYCE, SOUTH CAROLINA**

June 2020