

# Greenville County Council Approves New Workforce/Affordable Housing Policy

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## Article

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On October 18, 2022, the Greenville County Council approved a new policy which provides incentives for the development of affordable and workforce housing by allowing for credits against a project owner's fee in lieu of *ad valorem* property taxes. Special source revenue credits permitted under this Policy allow for tax abatement up to as much as 70% depending on the percentage of affordable/workforce housing within the project.

## Eligibility Criteria

To be eligible for incentives under this Policy, a project must have a minimum \$7.5 million investment and be completed within a five-year investment period. Additionally, 20% of the project's housing units must be comprised of workforce/affordable housing units at varying AMI levels. However, if a project's housing units are comprised of more than 20% workforce/affordable housing units, the project owner could be entitled to more advantageous incentives. The workforce/affordable housing units' mix of AMI levels are to include incomes at 40% AMI, 60% AMI, and 80% AMI, with the majority of such housing units being comprised of units at 60% AMI.

## The Proposal

The process for obtaining the incentives requires the project owner to submit a proposal and enter into an incentive agreement with Greenville County. A proposal must include a legal description of the property, the total number of planned units for the project, planned completion dates and phases, and estimates of the total real property and public infrastructure improvements. The proposal should also contain specific information on the makeup of the planned proposed workforce/affordable housing units, including the number of units for each AMI level, their estimated initial rental rates, and the mixture of



bedrooms per unit within each AMI level. The proposed incentive agreement must then be voted on and approved by the Greenville County Council.

### **Incentive Agreements**

Under this Policy, incentive agreements shall have twenty-year terms and must contain standard terms and conditions for the provision of special source credits, including termination and clawback provisions. Where a project owner ceases operation for a 12-month period or fails to complete the project, the agreement could be subject to termination and a project owner then required to pay back any special source credits previously received. Special source credits will only be applied against fee in lieu of tax payments once the first phase of a proposed project has been placed in service and the project owner has submitted an Investment Certification.

### **Continuing Eligibility**

To maintain eligibility for the special source credits, the project owner must submit an Infrastructure Investment and Workforce/Affordable Housing Certification at the beginning of each year which must include the rent roll for the project detailing the number of AMI housing units, their rental rates, and the mixture of bedrooms at each AMI level. If a project does not have the requisite number of AMI units indicated in the incentive agreement, the project owner has 90 days to cure the issue. In the event the project owner does not cure the issue, the project owner will no longer be eligible for special source credits and will have to repay any such credits which were provided during the period of noncompliance.

### **State of the Policy**

During the County Council meeting where the Policy was approved, multiple councilmembers indicated this Policy is only a starting point. As such, project owners can likely expect changes to the Policy in the forthcoming months.