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LANCASTER, SC

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

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ORDINANCE NO. 2019-1580

~~Indicates Matter Stricken~~

Indicates New Matter

AN ORDINANCE

TO ADOPT ARTICLE 2 OF CHAPTER 28 OF THE LANCASTER COUNTY CODE OF ORDINANCES RELATED TO REHABILITATED HISTORIC/ LOW AND MODERATE INCOME PROPERTIES AND TO PROVIDE FOR MATTERS RELATED THERETO.

Be it ordained by the Council of Lancaster County, South Carolina:

Section 1. **Amendment of County Code.**

Article 2 of Chapter 28 of the Lancaster County Code of Ordinances is amended as follows:

Article II. Rehabilitated Historic/ Low And Moderate Income Properties

Sec. 28-21. Special Tax Assessment Created.

A special tax assessment is created for eligible rehabilitated historic properties or low and moderate income rental property for a period of twenty (20) years equal to the assessed value of the property at the time of preliminary certification.

Sec. 28-22. Purpose.

It is the purpose of this Article to:

- (1) Encourage the rehabilitation of historic properties;
- (2) Promote community development and redevelopment;
- (3) Promote the availability of affordable low and moderate income housing;
- (4) Encourage sound community planning; and
- (5) Promote the general health, safety, and welfare of the community.

Sec. 28-23. Eligible Historic Properties.

(a) Certification as Historic Property. In order to be eligible for the special tax assessment, historic properties must receive preliminary and final certification.

- (1) Preliminary certification. To receive preliminary certification a property must meet the following conditions:

a. The property meets the requirements for historic designation as established in this section.

b. The proposed rehabilitation work receives a recommendation of approval from the appropriate architectural reviewing authority (hereinafter "reviewing authority") and is consistent with the rehabilitation standards as set forth in this article. The reviewing authority shall review all proposed improvements associated with the rehabilitation and make a recommendation to the county regarding the project's eligibility. For the purpose of this article, the reviewing authority shall be defined as follows:

1. In any municipality that has an architectural review board, the municipal board shall serve as the reviewing authority.

2. In the unincorporated areas of the county, and within any municipality that does not have an architectural review board, the South Carolina Department of Archives and History shall serve as the reviewing authority for historic properties.

c. Be a project that commenced by or after January 1, 2018 through the date of the adoption of this ordinance and work was permitted to have begun prior to receiving preliminary certification, or

d. Be a project that commences on or after the date of the adoption of this ordinance.

(2) Final certification. To be eligible for final certification, a property must have met the following conditions:

a. The property has received preliminary certification.

b. The minimum expenditures for rehabilitation as set forth in this article have been incurred and paid.

c. The completed rehabilitation receives a recommendation for approval from the reviewing authority as being consistent with the plans approved by the reviewing authority during preliminary certification.

d. All application fees have been paid in full by the applicant.

e. The property has met all other requirements of this article.

(b) Historic designation. In order to be eligible for the special tax assessment, the property must meet one of the following criteria:

(1) The property must be listed on the National Register of Historic Places either individually or as a contributing property in a district; or

(2) The property is designated as a historic property by the County Council based upon criteria established by the County Council and the property is at least fifty (50) years old.

(c) Historic Property Criteria. In order to be eligible for the special tax assessment, the property must meet one of the following criteria:

(1) Any property included in one of the categories below is considered a Historic Property:

a. Listed on the National Register of Historic Places;

b. Determined eligible for the National Register by the South Carolina Department of Archives and History;

c. A contributing property in a National Register Historic District;

d. Qualifying for and having a South Carolina Historical Marker; or

e. Location in an area designated by the local government as a Historic District Rehabilitation Area and the property is at least fifty (50) years old.

(2) All other properties must demonstrate:

a. Association with events that have made a significant contribution to the broad patterns of our history;

b. Association with the lives of significant persons in our past; or

- c. Embodiment of distinctive characteristics of a type, period, or method of construction; or representation of the work of a master; or possession of high artistic values.

Property owners seeking eligibility as historic property must receive a historic property determination by filing an application with Lancaster County.

Sec. 28-24. Eligible Low and Moderate Income Rental Properties.

(a) Certification as Low and Moderate Income Rental Property. In order to be eligible for the special tax assessment, Low and Moderate Income Rental properties must receive preliminary and final certification.

(1) Preliminary certification. To receive preliminary certification a property must meet the following conditions:

- a. The property meets the requirements for low and moderate income rental property as established in this section.
- b. The proposed rehabilitation work receives a recommendation of approval from the appropriate architectural reviewing authority (hereinafter "reviewing authority") and is consistent with the rehabilitation standards as set forth in this article. The reviewing authority shall review all improvements associated with the rehabilitation and make a recommendation to the county regarding the project's eligibility. For the purpose of this article, the reviewing authority shall be defined as follows:
 - 1. In any municipality that has an architectural review board, the municipal board shall serve as the reviewing authority.
 - 2. In the unincorporated areas of the county, and within any municipality that does not have an architectural review board, the Lancaster Housing Authority shall serve as the reviewing authority for low and moderate income rental properties.
- c. Be a project that commenced by or after January 1, 2018 through the date of the adoption of this ordinance and work was permitted to have begun prior to receiving preliminary certification, or
- d. Be a project that commences on or after the date of the adoption of this ordinance.

(2) Final certification. To be eligible for final certification, a property must have met the following conditions:

- a. The property has received preliminary certification.
- b. The minimum expenditures for rehabilitation as set forth in this article have been incurred and paid.
- c. The completed rehabilitation receives a recommendation for approval from the reviewing authority as being consistent with the plans approved by the reviewing authority during preliminary certification.
- d. All application fees have been paid in full by the applicant.
- e. The property has met all other requirements of this article.

(b) Low and Moderate Income Rental designation. In order to be eligible for the special tax assessment, the property must meet one of the following criteria:

- (1) The property provides accommodations under the Section 8 Program as defined in the United States Housing Act of 1937 and amended by the Housing and Community Act of 1974 for low and moderate income families and persons as defined by Section 31-13-170(p); or
- (2) In the case of income-producing real property, the expenditures for rehabilitation exceed the appraised value of the property; and

- (3) The low and moderate income housing rehabilitation is located in an area designated by the local government as a Low and Moderate Housing Rehabilitation District; and
- (4) The owner or estate of any property certified as "low and moderate income rental property" takes no actions which cause the property to be unsuitable for such a designation. The county governing body granting the initial certification has the authority to decertify property in these cases, and the property becomes immediately ineligible for the special tax assessments provided for this type of property; and
- (5) If the property qualifies as "historic" as defined in Section 28-23, then the rehabilitation work must be approved by the appropriate reviewing authority as provided in Section 28-23.

Sec. 28-25. Eligible rehabilitation for historic properties.

(a) Standards for rehabilitation. To be eligible for the special tax assessment, historic rehabilitations must be conducted according to the following standards:

- (1) The historic character of a property shall be retained and preserved. The removal of historic materials or alterations or of features and spaces that characterize each property shall be avoided.
- (2) Each property shall be recognized as a physical record of its time, place and use. Changes that create a false sense of historical development shall not be undertaken.
- (3) Most properties change over time. Those changes that have acquired historic significance in their own right shall be retained and preserved.
- (4) Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a property should be preserved.
- (5) Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new should match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical or pictorial evidence.
- (6) Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
- (7) New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale and architectural features to protect the historic integrity of the historic property and its environment.
- (8) New additions and adjacent new construction shall be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

(b) Work to be reviewed. The following work will be reviewed according to the standards set forth above:

- (1) Repairs to the exterior of the designated building.
- (2) Alterations to the exterior of the designated building.
- (3) New construction on the property on which the building is located, including site work.
- (4) Alterations to interior primary public spaces, as defined by the reviewing authority.
- (5) Any remaining work where the expenditures for such work are being used to satisfy the minimum expenditures for rehabilitation, including, but not limited to, alterations made to mechanical, plumbing and electrical systems.

(c) Minimum expenditures for rehabilitation. To be eligible for the special property tax assessment, the owner or the owner's estate must meet the minimum expenditures for rehabilitation:

- (1) The minimum investment shall be twenty percent (20%) of the fair market value of the building which is to be rehabilitated.
- (2) Fair market value means the appraised value as certified to the county by a real estate appraiser licensed by the State of South Carolina, the sales price as delineated in a bona fide contract of sale within twelve months of the time it is submitted, or the most recent appraised value published by the Richland County Tax Assessor.
- (d) Expenditures for rehabilitation means the actual cost of rehabilitation relating to one or more of the following:
 - (1) Improvements located on or within the historic building as designated.
 - (2) Improvements outside of but directly attached to the historic building which are necessary to make the building fully useable (such as vertical circulation) but shall not include rentable/habitable floor space attributable to new construction.
 - (3) Architectural and engineering services attributable to the design of the improvements.
 - (4) Costs necessary to maintain the historic character or integrity of the building.
- (e) Scope. The special tax assessment may apply to the following:
 - (1) Structure(s) rehabilitated;
 - (2) Real property on which the building is located.
- (f) Time limits. If the project is not complete after two (2) years, but the minimum expenditures for rehabilitation have been incurred, the property continues to receive the special assessment until the project is completed.

Sec. 28-26. Eligible rehabilitation for low and moderate income rental properties.

(a) Standards for rehabilitation. To be eligible for the special tax assessment, low and moderate income rental rehabilitations must be conducted according to the following standards:

- (1) All applicable code requirements, such as the International Building Code, the International Property Maintenance Code, et.al., must be met at the time of initial certification and compliance must be maintained throughout the special tax period.

(b) Work to be reviewed. The following work will be reviewed according to the standards set forth above:

- (1) Repairs to the exterior of the designated building.
- (2) Alterations to the exterior of the designated building.
- (3) New construction on the property on which the building is located, including site work.
- (4) Any remaining work where the expenditures for such work are being used to satisfy the minimum expenditures for rehabilitation, including, but not limited to, alterations made to mechanical, plumbing and electrical systems.

(c) Minimum expenditures for rehabilitation. To be eligible for the special property tax assessment, the owner or the owner's estate must meet the minimum expenditures for rehabilitation:

- (1) The minimum investment shall exceed the fair market value of the building which is to be rehabilitated.
- (2) Fair market value means the appraised value as certified to the county by a real estate appraiser licensed by the State of South Carolina, the sales price as delineated in a bona fide contract of sale within twelve months of the time it is submitted, or the most recent appraised value published by the Lancaster County Tax Assessor.
- (d) Expenditures for rehabilitation means the actual cost of rehabilitation relating to one or more of the following:
 - (1) Improvements located on or within the rental property as designated.
 - (2) Architectural and engineering services attributable to the design of the improvements.

(e) Scope. The special tax assessment may apply to the following:

(1) Structure(s) rehabilitated;

(2) Real property on which the building is located.

(f) Time limits. If the project is not complete after two (2) years, but the minimum expenditures for rehabilitation have been incurred, the property continues to receive the special assessment until the project is completed.

Sec. 28-27. Process.

(a) Fee required. There is a fee required for the review of rehabilitation work during the final certification process. Final certification of the property will not be given until the fee has been paid in full by the applicant. Fees shall be established in the Lancaster County Annual Budget document.

(b) Plan required. Owners of property seeking approval of rehabilitation work must submit a completed rehabilitation of property application with supporting documentation to the Building Official or his designee prior to beginning work. Rehabilitation work conducted prior to approval of the application is done so at the risk of the property owner and may disqualify the property from eligibility for the special tax assessment.

(c) Preliminary certification. Upon receipt of the completed application, the Building Official or his designee shall submit the plan to the reviewing authority for a recommendation as to whether the project is consistent with the standards for rehabilitation. Upon receipt of the reviewing authority's recommendation, the county administrator or his designee shall notify the owner in writing. Upon receipt of this determination, the property owner may:

(1) If the application is approved, begin rehabilitation;

(2) If the application is not approved, he/she may revise such application in accordance with comments provided by reviewing authority.

(d) Substantive changes. Once preliminary certification is granted to an application, substantive changes must be approved in writing by the county administrator or his designee. Any substantive changes made to the property during rehabilitation that are not approved by county administrator or his designee, upon review and recommendation of the reviewing authority, are conducted at the risk of the property owner and may disqualify the project from eligibility during the final certification process.

(e) Final certification. Upon completion of the project, the property must receive final certification in order to be eligible for the special assessment. The reviewing authority shall inspect completed projects to determine if the work is consistent with the approval recommended by the reviewing authority and granted by the county during preliminary certification. The review process for final certification shall be established by the reviewing authority and may include a physical inspection of the property. The reviewing authority shall notify the applicant in writing of its recommendation. If the applicant wishes to appeal the reviewing authority's recommendation, the appeal must follow the reviewing authority's appeals process. The county administrator or his designee may grant final certification only if the following conditions have been met:

(1) The completed work meets the standards for rehabilitation as established in this article;

(2) Verification is made that the minimum expenditures have been have been incurred in accordance with the provisions of this article; and

(3) Any fee(s) shall be paid in full.

Upon receiving final certification, the property will be assessed for the remainder of the special assessment period on the fair market value of the property at the time the preliminary certification was made or the final certification was made, whichever occurred earlier.

(f) Additional work. For the remainder of the special assessment period after final certification, the property owner shall notify the county administrator or his designee of any additional work,

other than ordinary maintenance, prior to the work beginning. The reviewing authority shall review the work and make a recommendation to the county administrator or his designee whether the overall project is consistent with the standards for rehabilitation. The county administrator or his designee shall notify the property owner in writing if the overall project is consistent with the standards for rehabilitation. If the additional work is found to be inconsistent by the reviewing authority, the county administrator or his designee shall notify the owner in writing within thirty (30) days of its decision to rescind approval. The property owner may withdraw his/her request and cancel or revise the proposed additional work to the satisfaction of the county administrator or his designee.

(g) Notification. Upon final certification of a rehabilitated historic property or low and moderate income rental property, the Lancaster County Assessor, Auditor, and Treasurer shall be notified by the county administrator or his designee that such property has been duly certified and is eligible for the special tax assessment.

(h) Application. Once the final certification has been granted, the owner of the property shall make application to the Lancaster County Auditor for the special assessment provided for herein. The special assessment shall remain in effect for the length of the special assessment period, unless the property shall become decertified under the provisions of this section.

(i) Date effective. If an application for preliminary or final certification is filed on or before May 1st or the preliminary or final certification is approved on or before August 1st, the special assessment authorized herein is effective for that year. Otherwise, it is effective beginning with the following year. The special assessment only begins in the current or future tax years as provided for in this section. The special assessment period shall not exceed twenty (20) years in length, and in no instance may the special assessment be applied retroactively.

(j) Previously certified properties. A property certified to receive the special property tax assessment under the existing law continues to receive the special assessment in effect at the time certification was made.

(k) Decertification. Once the property has received final certification and assessed as rehabilitated historic property, it remains so certified and must be granted the special assessment until the property becomes disqualified by any one of the following:

(1) Written notice from the owner to the Lancaster County Auditor requesting removal of the special assessment;

(2) Removal of the historic designation by the County Council based upon noncompliance of the criteria established in this Article; or

(3) Rescission of the approval of rehabilitation by the county, at the recommendation of the reviewing authority, because of alterations or renovation by the owner or the owner's estate which cause the property to no longer possess the qualities and features which made it eligible for final certification. Notification of any change affecting eligibility must be given immediately to the Lancaster County Assessor, Auditor, and Treasurer.

Secs. 28-28 to 28-40 - Reserved

Section 2. Severability.

If any section, subsection or clause of this ordinance is held to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected.

Section 3. Conflicting Provisions.

To the extent this ordinance contains provisions that conflict with provisions contained in the Lancaster County Code or other County ordinances, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

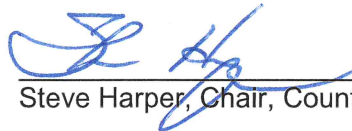
Section 4. Effective Date.

This ordinance is effective upon Third Reading.

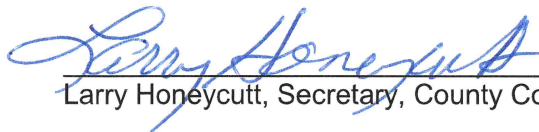
AND IT IS SO ORDAINED

Dated this 29th day of APRIL, 2019.

LANCASTER COUNTY, SOUTH CAROLINA

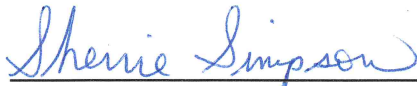


Steve Harper, Chair, County Council



Larry Honeycutt, Secretary, County Council

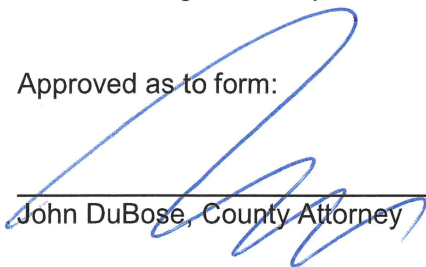
ATTEST:



Sherrie Simpson, Clerk to Council

First Reading: March 25, 2019
Second Reading: April 8, 2019
Public Hearing: April 8, 2019
Third Reading: April 29, 2019

Approved as to form:



John DuBose, County Attorney

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