



The Town of Hilton Head Island

Regular Town Council Meeting

May 3, 2016

4:00 P.M.

BENJAMIN M. RACUSIN COUNCIL CHAMBERS

AGENDA

**As a Courtesy to Others Please Turn Off/Silence All Mobile Devices During
the Town Council Meeting**

- 1) Call to Order**
- 2) Pledge to the Flag**
- 3) Invocation**
- 4) FOIA Compliance** – Public notification of this meeting has been published, posted and distributed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 5) Proclamations and Commendations**
 - a. Bike Month
 - b. Public Service Recognition Week
 - c. Mayor's Honored Islander Awards
 - a. Bill & Phyllis Neville
 - b. Ryan Wilkie
 - c. Reverend Ben Williams
- 6) Approval of Minutes**
 - a. Town Council Meeting, April 19, 2016
- 7) Report of the Town Manager**
 - a. Town Manager's Items of Interest
 - (1) Town News
 - (2) Noteworthy Events
- 8) Reports from Members of Council**
 - a. General Reports from Council
 - b. Report of the Intergovernmental Relations Committee – Bill Harkins, Chairman
 - c. Report of the Community Services Committee – Kim Likins, Chairman
 - d. Report of the Public Planning Committee – Tom Lennox, Chairman
 - e. Report of the Public Facilities Committee – Lee Edwards, Chairman
 - f. Report of the Public Safety Committee - Marc Grant, Chairman
 - g. Report of the Finance and Administrative Committee - John McCann, Chairman
 - h. Report of the Circle to Circle Committee - Tom Lennox, Town Council Liaison

9) Unfinished Business

a. Consideration of a Recommendation – HHICAN

Consideration of a Recommendation of the Arts & Cultural Strategic Planning Committee (ACSPC) recommends that Town Council create a Hilton Head Island Cultural & Arts Network (HHICAN) using the same model as the recently created Hilton Head Island Economic Development Corporation.

b. Consideration of a USCB/John Salazar /Clemson Analysis

Consideration of a USCB/Clemson proposed analysis/studies on 1) Residential Demand Assessment for the Hilton Head Island Arts and Cultural Activities and 2) Valuing Arts and Cultural Activities in Hilton Head Island.

10) New Business

a. First Reading of Proposed Ordinance 2016-09

First Reading of Proposed Ordinance 2016-09 to raise revenue and adopt a budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2017; to establish a property tax levy; to establish funds; to establish a policy for acquisition of rights of way and easements; and providing for severability and an effective date.

b. Consideration of Town Council Budget Initiatives for FY16-17

Consideration of Town Council Budget Initiatives for FY16-17 as submitted by chairpersons of Council Committees with amounts to be included in the fiscal year 2016-2017 budget.

c. First Reading of Proposed Ordinance 2016-10

First Reading of Proposed Ordinance 2016-10 to amend Title 16 of the Municipal Code of the Town of Hilton Head Island, South Carolina, the Land Management Ordinance (LMO) , Chapters 2, 3, 4, 5, 6 and 10 and Appendices A and D to revise various sections. These amendments, commonly referred to as *2016 LMO Amendments – First Set* as noticed in the Island Packet on February 14, 2016, include changes that provide for general amendments to a variety of sections in the LMO, and providing for severability and an effective date.

d. Consideration of a Resolution – 2016 Analysis of Impediments to Fair Housing Choice

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina to approve the 2016 Analysis of Impediments to Fair Housing Choice.

11) Appearance by Citizens

12) Executive Session

a. Land Acquisition

Discussion of negotiations incident to the acquisition of easements from several parcels necessary for the implementation of the improvements associated with the Coligny District Redevelopment Conceptual Plan.

b. Personnel Matters

Appointments to Boards and Commissions:

(1) potential appointment to the Parks and Recreation Commission.

13) Possible actions by Town Council concerning matters discussed in Executive Session.

a. Consideration of Appointment to the Parks and Recreation Commission

14) Adjournment

Proclamation

BY
THE TOWN OF HILTON HEAD ISLAND

WHEREAS, the dedicated employees of the Town of Hilton Head Island are an integral part of improving the quality of life in our community by being responsive to the needs of citizens and supporting Town initiatives, thus making Hilton Head Island a highly-valued community; and

WHEREAS, the effectiveness and efficiency of government depend in large measure on its employees, whose task is to provide service of the quality and quantity required and expected by the public on a daily basis; and

WHEREAS, the Hilton Head Island Town Council recognizes the dedication and talents of its employees, as well as the importance of the services they render at all levels of government; and

WHEREAS, the President and Congress have designated the first week in May as Public Service Recognition Week.

*NOW, THEREFORE, I, David Bennett, Mayor of the Town of Hilton Head Island, hereby proclaim that the week of **May 1 through May 7, 2016** shall be known as*

PUBLIC SERVICE RECOGNITION WEEK

on Hilton Head Island, and encourage all citizens to participate in an appropriate manner to recognize and express their appreciation for the vital contributions made daily by employees of The Town of Hilton Head Island.

*IN TESTIMONY WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this **Third day of May, in the Year of our Lord, Two Thousand and Sixteen.***

David Bennett, Mayor

Attest:

Victoria L. Pfannenschmidt, Town Clerk

Proclamation

BY

THE TOWN OF HILTON HEAD ISLAND

***WHEREAS**, for more than a century, the bicycle has been an important part of the lives of most Americans; and*

***WHEREAS**, today millions of Americans engage in bicycling because it is a viable and environmentally-sound form of transportation, an excellent form of fitness, and provides quality family recreation; and*

***WHEREAS**, the education of cyclists and motorists as to the proper and safe operation of bicycles is important to ensure safety and comfort of all users; and*

***WHEREAS**, the League of American Cyclists, the Palmetto Cycling Coalition, cycling advocates, and riders throughout our area are promoting greater public awareness of bicycle operation and safety; and*

***WHEREAS**, May 16-20, 2016 is National Bike to Work Week; and May 20, 2016 is National Bike to Work Day:*

***NOW, THEREFORE**, I, David Bennett, Mayor of the Town of Hilton Head Island, hereby proclaim May 2016 as*

BIKE MONTH

***IN TESTIMONY WHEREOF**, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this third day of May, in the year of our Lord, two thousand and sixteen.*

David Bennett, Mayor

Attest:

Victoria L. Pfannenschmidt, Town Clerk

Honored Islander Award

presented to

Bill & Phyllis Neville

*In recognition and appreciation for outstanding volunteer service and
personal commitment towards the betterment of our community.*

Presented this 3rd day of May, 2016

Mayor David Bennett

Honored Islander Award

presented to

Ryan Wilkie

*In recognition and appreciation for outstanding volunteer service and
personal commitment towards the betterment of our community.*

Presented this 3rd day of May, 2016

Mayor David Bennett

Honored Islander Award

presented to

Reverend Ben Williams

*In recognition and appreciation for outstanding volunteer service and
personal commitment towards the betterment of our community.*

Presented this 3rd day of May, 2016

Mayor David Bennett

THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING

Date: Tuesday, April 19, 2016

Time: 4:00 P.M.

Present from Town Council: David Bennett, *Mayor* Bill Harkins, *Mayor Pro Tem*; Lee Edwards, Marc Grant, Kim Likins, John McCann, *Council Members*

Absent from Town Council: Tom Lennox, *Council Member*

Present from Town Staff: Steve Riley, Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects & Facilities/Chief Engineer*; Mike Mayers, *Deputy Fire Chief-Operations*; Brian Hulbert, *Staff Attorney*; Susan Simmons, *Director of Finance*; Tom Fultz, *Director of Administrative Services*; John Troyer, *Deputy Finance Director*; Bob Klein, *Building Official*; Melissa Cope, *Systems Analyst*; Erica Madhere, *Finance Administrator*; Cindaia Ervin, *Finance Assistant*; Vicki Pfannenschmidt *Executive Assistant*;

Present from Media: Wade Livingston, Island Packet

1) CALL TO ORDER

Mayor Bennett called the meeting to order at 4:00 p.m.

2) PLEDGE TO THE FLAG

3) INVOCATION

4) FOIA Compliance – Public notification of this meeting has been published, posted and distributed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

5) Proclamations and Commendations

a. Building Safety Month

Bob Klein, Town of Hilton Head Island Building Official, was present to accept the proclamation.

6) Approval of Minutes

a. Town Council Meeting, April 5, 2016

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was approved by a vote of 5-0-1. (Mr. Grant abstained as he was not present at the meeting.)

7) Report of the Town Manager

a. Operation R & R Presentation

Mr. John Cully, Board Member and Dr. Grant Evans, Founder of Operation R& R were present to present Town Council with a flag given to them by a soldier that was chosen to participate in Operation R & R. They noted the program began with an idea by the Evans' to provide the use of their rental property for a week to military families after their return from deployment and many property owners, businesses and restaurants participate by donating also. They stated that over 1,700 military families to Hilton Head Island by the end of 2015. They explained they wanted to present the flag to the Town because the citizens and property owners, along with the businesses and

restaurants of Hilton Head Island are what make the program work. Mayor Bennett accepted the flag on behalf of Council.

b. USCB Quarterly Update

Mr. Riley referenced the updates in the packet and stated staff would gladly answer any questions Town Council members had regarding USCB. Dr. Salazar introduced Dr. Robert Carey of Clemson University. Dr. Carey reviewed the Report on the State of the State and Regional Economy in detail.

c. Town Manager's Items of Interest

Heather Rath, on behalf of Coligny Plaza updated Council regarding the parking at Coligny during the RBC Heritage, noting its success and stated they looked forward to working with Council in the future.

Mr. Riley reported on some items of interest listed below.

- (1) Town News
- (2) Noteworthy Events

8) Reports from Members of Council

a. General Reports from Council

Mrs. Likins stated that recently there was a medical emergency at the Boys and Girls Club and there was a call for assistance to Hilton Head Island Fire Rescue. She expressed her appreciation for the professionalism of the staff stating she was very impressed with their work and proud of the department. Mr. Grant echoed Mrs. Likins sentiments noting Fire Rescue assisted him recently with expedience and professionalism. He also expressed his appreciation.

Mr. Grant stated there would be a job fair held at Hilton Head Island High School on April 30 from 9:00 a.m. – 12:00 noon and asked everyone to encourage teens to attend.

Mayor Bennett distributed a listing of the individual Heritage Cultural Districts for the municipalities in Beaufort County. He stated the next step will be themes which are Native American, European Exploration, Antebellum, Gullah Geechee, Civil War and Reconstruction, Daufuskie Island and the Modern Era Post World War II. He said they will be organizing tours of the different sites for Committee members to get a better feel for what is offered at each site.

b. Report of the Intergovernmental Relations Committee – Bill Harkins, Chairman

Mr. Harkins reported that Senator Davis will be at the upcoming meeting with a focus on a complete legislative update.

c. Report of the Community Services Committee – Kim Likins, Chairman

Mr. Likins stated the Committee met earlier in the week to review upcoming vacancies on various committees/commissions and boards along with applications received to date and will be conducting interviews in the near future.

d. Report of the Public Planning Committee – Tom Lennox, Chairman

No report.

- e. Report of the Public Facilities Committee – Lee Edwards, Chairman

No report.

- f. Report of the Public Safety Committee - Marc Grant, Chairman

No report.

- g. Report of the Finance and Administrative Committee - John McCann, Chairman

Mr. McCann reported the Committee met earlier in the day and reviewed some of the affiliated agencies budget requests and would be meeting next week to review the remainder. He said the Committee intends to make recommendations to Council regarding the budgets in the near future. He added the Committee has collected the information regarding budgets for Town Council initiatives and a recommendation will be coming forward to Council regarding such.

- h. Report of the Circle to Circle Committee - Tom Lennox, Town Council Liaison

No report.

9) Unfinished Business

a. Second Reading of Proposed Ordinance 2016-06

Second Reading of Proposed Ordinance 2016-06 to amend Chapter 3 (Municipal Council) of Title 2 (General Government and Administration) of the Municipal Code of the Town of Hilton Head Island, South Carolina by amending Section 2-3-60 Compensation and Expenses; and provide for severability and an effective date.

Mr. Harkins moved to approve. Mrs. McCann seconded. The motion was approved by a vote of 6-0.

b. Second Reading of Proposed Ordinance 2016-07

Second Reading of Proposed Ordinance 2016-07 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2016; to provide for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was approved by a vote of 6-0.

- c. Possible amendments to the list of projects submitted by the Town for consideration by the Beaufort County Capital Projects Sales Tax Commission

Mr. Edwards expressed concern regarding the Arts, Entertainment and Cultural Campus request of \$9.5 million. He stated that after reflection he felt the request was premature since the Committee was just created to determine the feasibility of such a venue. Mr. Edwards said he was fine with the other requests listed. Mr. Harkins moved to modify Hilton Head Island's proposed request for funding of projects to the Capital Projects Sales Tax Commission as outlined in the April 19 memo from the Town Manager. Mr. McCann seconded. The motion was approved by a vote of 5-1. (Mr. Edwards was opposed.)

11) New Business

a. Consideration of a Recommendation – HHICAN

Consideration of a Recommendation of the Arts & Cultural Strategic Planning Committee (ACSPC) recommends that Town Council create a Hilton Head Island Cultural & Arts Network (HHICAN) using the same model as the recently created Hilton Head Island Economic Development Corporation.

Mrs. Likins moved to approve. Mr. McCann seconded for the purpose of discussion. Mr. McCann requested the item be postponed until the next Town Council meeting so Mr. Lennox can participate as he had something to add to the conversation. Mr. McCann then moved to defer the item to the next meeting of Council. Mr. Edwards seconded. Mr. Harkins noted that Mr. Lennox was present earlier and due to an emergency had to leave. He said Mr. Lennox was prepared to give substantive comment regarding the item and stated out of respect to the emergency situation, he would be inclined to deferring the item to the next meeting. Mrs. Likins, the maker of the motion, was in agreement to deferring the item. The motion to defer was approved by a vote of 5-1. (Mayor Bennett was opposed.)

b. Consideration of a Recommendation – Out-of-Cycle ATAC grants

Consideration of a Recommendation of the Accommodations Tax Advisory Committee regarding Out-of-Cycle ATAX grants.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was approved by a vote of 6-0.

c. Consideration of a Recommendation – Arts Center

Consideration of a Recommendation that Town Council authorize the Town Manager, in cooperation with the Arts Center of Coastal Carolina (Center), to undertake the necessary procurement of a facilities condition report of the Center.

Mr. Harkins moved to approve. Mr. McCann seconded. Mrs. Likins asked for clarification that the lighting system is included in the assessment. Mr. Riley confirmed it would be included. Mr. Harkins referenced a facility assessment done in the past and asked that it be shared with whomever is doing the work. Mr. Riley stated that all evaluations completed on the Arts Center will be shared with the consultant. Mr. Edwards suggested existing assessments be studied and utilized instead of incurring additional costs. Mr. Riley stated they will be shared with the consultant and they can look at the age of the studies and verify or update them. The motion was approved by a vote of 6-0.

d. Consideration of a Recommendation – BCSO Performance Review

Consideration of a Recommendation of the Finance and Administrative Committee that Town Council approve the issuance of a Request for Proposals for a performance review of the contract with the Beaufort County Sheriff's Office for police services.

Mr. Harkins moved to approve. Mr. McCann seconded. Mr. Harkins noted the focus of the effort will be review of the efficacy of the BCSO in light of the existing contract. Mr. Fultz explained the process for the RFP. Mr. Grant expressed concern about perception as the Town trying to run the BCSO. The motion was approved by a vote of 6-0.

e. Consideration of Recommendation – HHIEDC

Consideration of a Recommendation from the Hilton Head Island Economic Development Corporation to conduct a site analysis of Town-owned tract on Summit Drive for potential use as a commerce.

Mr. Harkins moved to approve. Mr. McCann seconded. Mr. Kirkman explained the request and the possibility of added costs to the analysis. After discussion, Mayor Bennett suggested capping the analysis at \$60,000. Mr. Harkins, the maker of the motion was in agreement. Mr. McCann withdrew his second. Mrs. Likins seconded the amended motion. The amended motion was approved by a vote of 5-1. (Mr. McCann was opposed.)

f. Consideration of a Recommendation – Lockout Units

Consideration of a Recommendation of the Public Safety Committee to Retain the Law Firm of Robinson McFadden as Outside Legal Counsel for the Purpose of Providing a Legal Opinion Related to the Issues Surrounding the use of Lock-out Units in the Town.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was approved by a vote of 6-0.

12) Appearance by Citizens

Skip Hoagland addressed Council regarding the Hilton Head Island-Bluffton Chamber of Commerce and the Town of Hilton Head Island.

14) Adjournment

Mr. Harkins moved to adjourn. Mr. McCann seconded. The motion was approved by a vote of 6-0 and the meeting was adjourned at 5:23 p.m.

Vicki L. Pfannenschmidt
Executive Assistant/Town Clerk

Approved:

David Bennett, Mayor



ITEMS OF INTEREST

MAY 3, 2016

Town News

Fire Rescue Line Captain Chris Blankenship successfully completed the process that awards him the professional designation of “Fire Officer” from the Commission on Professional Credentialing. The designation is awarded to individuals that meet criteria covering education, experience, professional development, technical competencies, contributions to the profession, and community involvement. There are currently only 317 Fire Officers designated worldwide. The Commission on Professional Credentialing is an entity of the Center for Public Safety Excellence, and uses a third-party peer review model to evaluation candidates seeking professional credentialing offered by the Center for Public Safety Excellence.

Contact: Brad Tadlock, Fire Chief, bradt@hiltonheadislandsc.gov or 843-682-5153

Noteworthy Events

Some of the upcoming meetings at Town Hall:

- Public Planning Committee – May 5, 2016, 3:00 p.m.
- Community Services Committee – May 9, 2016, 9:00 a.m.
- Town Council Budget Workshop – May 10, 2016, 4:00 p.m.
- Parks and Recreation Commission – May 12, 2016, 3:30 p.m.
- Intergovernmental Relations Committee – May 16, 2016, 10:00 a.m.
- Finance and Administrative Committee – May 17, 2016, 2:00 p.m.
- Town Council – May 17, 2016, 4:00 p.m.

(Additional meetings may be scheduled and all meetings are subject to change and/or cancellation. Please visit the Town of Hilton Head Island website at www.hiltonheadislandsc.gov for Committee meeting dates and agendas.

2016 Hilton Head Island Events

May 7, 2016 11:00am-5:00pm	Beer, Bacon and Music Festival	Shelter Cove Community Park
May 14, 2016 11:30am-3:30pm	Kiwanis Rib Burnoff	Honey Horn
May 15, 2016 10:00am-10:00pm	2016 Fiesta de Mayo	Shelter Cove Community Park

TOWN OF HILTON HEAD ISLAND

Community Development Department

TO:	Town Council; Stephen G. Riley, ICMA-CM
FROM:	Jane M. Joseph, Chairman, Art & Cultural Strategic Planning Committee
CC:	Jill Foster, Greg DeLoach
CC:	Committee members
DATE	April 7, 2016
SUBJECT:	HHICAN Formation Recommendations

Recommendation:

The Arts & Cultural Strategic Planning Committee (ACSPC) recommends that Town Council create a Hilton Head Island Cultural & Arts Network (HHICAN) using the same model as the recently created Hilton Head Island Economic Development Corporation. It would be led by an experienced civic cultural and arts developer and supported by a volunteer advisory committee. This organization model provides a close link to the Town while operating independently. The Town's Financial, Legal and Human Resources support of HHICAN recognizes the importance of the current arts, cultural and historical assets of the Island and the importance of identifying and developing potential arts and cultural opportunities.

The ACSPC stands ready to quickly begin several key activities to implement their recommendations:

1. Work with the Community Services Committee to set up the HHICAN organization and begin the search process for an Executive Director and support staff.
2. Initiate the application process for the SC Cultural District designation.
3. Begin creating the baseline data for measuring progress in advancing Hilton Head Island as an Arts & Cultural destination.

Summary:

Further research by the ACSPC investigated options for the organizational location and operation of the proposed HHICAN, including a proposed budget, employee benefits, operating expenses, and physical location opportunities.

The HHICAN has as its primary mission to develop, advocate and market our Island's rich and diverse arts, culture and history enterprises and establish this Island as a

premier arts & cultural destination. One example of development of an underutilized asset is the bike trail system on the island. Interpretive (history, botanical, scientific facts to name a few) trails are an enhancement available to all residents and visitors.

HHICAN will be led by a volunteer advisory Board of Directors, and work with a professional arts management leader to facilitate the creation of an arts, culture and history strategy that is integrated with the Town's vision. Numerous tourist destinations and retirement locations are vigorously emphasizing cultural opportunities because people are rewarding these efforts with their vacation dollars and their retirement location choices.

A key role of HHICAN would be to take steps to elevate the profile of our Island's arts, culture and history offerings to residents and visitors via a comprehensive marketing and communications program. High on the list of their actions should be their integration into Hilton Head Island's branding and marketing efforts including targeted marketing programs and facilitating a "one stop shop" hub for information about the arts, culture and history community, products and services geared to artists, residents and visitors. This will be achieved by working with the cultural and arts community and the Town to elevate and showcase these assets and be reflected by the addition of this requirement by the Town to the DMO's branding and marketing.

The HHICAN board would have 12-15 members, each serving a 3-year term so that one-third of the members would rotate off of the board each year. This number of members would serve several purposes:

- Provide the opportunity to have representation from the diverse communities within Hilton Head Island.
- Ensure that there are a broad set of skills and experience on the board to allow it to be successful. In addition to a strong interest and experience in Arts & Culture, this could include Finance, Marketing and PR, Social Media, Legal Skills, Technology and Project Management.

Options

Three options were considered for the structure of HHICAN. They included HHICAN professional manager on the Town staff (recommended), establishing a Community Foundation Fiscal Sponsorship Fund and, lastly, integrating the HHICAN into the staff of the Chamber of Commerce.

In all of the options the HHICAN would apply to the IRS for a 501(c)3 designation as a charitable nonprofit corporation to be funded by the Town of Hilton Head Island. The long term objective of all options would be to have the HHICAN be an independent 501(c)3.

The budget proposal for the HHICAN is based on best estimates from other similar positions and similar organizations and is minimally altered by the three organizational options. Two key elements of the budget, employee benefits for the Executive Director

(ED) and Lease/Furniture/Fixtures and Utilities can change significantly depending on market rates at the time of arrival of the ED. The ACSPC has received an offer from the Hilton Head Symphony Orchestra to provide an office space for the ED at no cost except for a fee to share administrative support. If available and the accommodations prove appropriate for the ED that we choose, this would reduce the funding required from the Town by just over \$20,000.

1. HHICAN Executive Director on the Town of Hilton Head Staff

The advantages of this organizational arrangement include a closer working relationship with the Town staff, access to Town employee benefits and administrative and financial support for the new 501(c) 3. It demonstrates a visible commitment on the part of the Town to support Arts, Culture and History in a new paradigm.

2. Community Foundation (CF) Fiscal Sponsorship Fund

This arrangement allows the Fiscal Agency (HHICAN) to begin the process of becoming a 501(c)3 with the Community Foundation providing a number of support services including Administrative, Human Resources, Financial and Donor Services support with the Executive Director on the CF staff with their employee benefits. The CF charges 2.5% service fee. Benefits of this arrangement include the association with a well respected community organizations experienced with working in partnership with the Town while the 501(c)3 is being formed. This option is not recommended because there is no compelling reason to work within the CF that is stronger than the benefit of a close organizational relationship with the Town staff.

3. HHICAN within the Chamber of Commerce

Bill Miles, President & CEO of the Chamber was receptive to the concept of bringing such a plan to the Chamber Board for discussion. Mr. Miles expressed support for any decision that the ACSPC makes on options but pointed out that regardless of where the organization resides, the Chamber and VCB is committed to work closely with the HHICAN to further the ACSPC's marketing and communication objectives. Discussions with the VCB regarding a stronger working relationship have already begun. Beyond this marketing partnership, there is little overlap between the scope of missions of these two organizations.

Background:

In 2014, Town Council adopted an Arts & Culture Mission Statement: "To support the advancement of Hilton Head Island as a rich and diverse arts and cultural destination that enriches the lives of our residents and guests." In May 2015, Council established the Arts & Cultural Strategic Planning Committee to help implement that mission. The Committee's goal was to "Determine the role, if any, of Town Government and other entities in supporting the Island's Arts and Cultural Organizations." The Committee's objectives addressed questions on Economic Impact, Collaboration, Future Arts

Community and Financing. Their Final Report was adopted by Town Council in January 2016.

Town Council requested that the Community Services Committee and the Arts & Cultural Strategic Planning Committee move forward in determining the organizational location, methods to support and fund the recommended Hilton Head Island Culture and Arts Network (HHICAN).

Attachment 1: Draft Budget for HHI Cultural & Arts Network

Personnel:

Description	FY16 Budget 1/2 year	FY17 Budget	
Salary	\$45,000	\$95,000	Based on position similar to EDC Exec Director Salary range between \$80,000-\$140,000
Social Media/PR Administrator (PT)	\$11,500	\$12,000	
Grant Writer*	\$6,400	\$9,600	
FICA	\$3,445	\$7,272	Social Media/PR (contractor)
Retirement-ICMA	\$8,550	\$9,025	\$15 x 15 hrs/wk= \$11,700
Medflex & Preventive	\$950	\$950	Grant Writer (contractor):
Medical & Life Insurance	\$11,878	\$11,878	\$40 x 80/grant x 3 grants=\$9600
Workers Compensation	\$195	\$195	
Dental & Disability	\$552	\$552	
Subtotal	\$88,470	\$146,472	

Operating:

Lease/Furniture Fixtures/Utilities*	\$24,900	\$31,800	Lease	\$27,000
Meetings & Conferences	\$3,000	\$5,000	Utilities	\$4,800
Travel	\$4,000	\$5,000	Furniture/fixtures	\$18,000
Professional Dues	\$1,000	\$1,000	Total	\$49,800
Printing & Publishing	\$4,000	\$7,500		
Books, Subscriptions, Dues	\$1,000	\$1,000		
Office Supplies	\$3,000	\$4,000		
Palmetto Pass	\$500	\$900		
Insurance	\$2,200	\$2,200		
Workshop training	\$2,000	\$2,000		
Consulting Services	\$7,000	\$11,000		
Website	\$5,000	\$5,000		
App	\$2,000	\$2,000		
Subtotal	\$59,600	\$78,400		

Total **\$148,070** **\$224,872**

*these funds might not be required

MEMORANDUM

TO: Town Council

FROM: Finance and Administrative Committee

Re: USCB – John Salazar – Clemson Analysis

DATE: April 20, 2016

The Finance and Administrative Committee met on April 19, 2016 and received a presentation regarding analysis of 1) Residential Demand Assessment for the Hilton Head Island Arts and Cultural Activities and 2) Valuing Arts and Cultural Activities in Hilton Head Island. The Committee voted to forward the proposals on to Town Council.

Residential Demand Assessment for the Hilton Head Island Arts and Cultural Activities

The University of South Carolina Beaufort (USCB) Lowcountry and Resort Islands Tourism Institute (LRITI) is pleased to respond to the research needs of the Town of Hilton Head Island.

Dr. John Salazar (LRITI Director) at USCB proposes to conduct the 2016 Residential Demand for the Hilton Head Island Performing Arts. The project results will identify the estimated annual demand and future demand for performing arts activities. More specifically, we will examine the current and future demand for the following activities such as: stage plays, jazz concerts, ballet performances, musical theatre performances, visits to art museums/galleries, classical music concerts, opera performances, speaker series, vocal performances, and other performances. The survey results will identify the annual frequency of current residential use and estimate potential future demand based on a hypothetical improvement of the existing performing arts portfolio. The results will be utilized as the foundation to the Clemson University Strom Thurmond Institute hedonic analysis that will estimate the current impact of the performing arts on residential property values on Hilton Head Island.

Research Methods

The quantitative survey will be designed utilizing the Dillman design survey method. This method is designed to maximize response rates in mail surveys. The basic steps include:

- Send a personalized advance-notice letter,
- Approximately one week later, send the complete survey package with a cover letter, instructions, and the questionnaire and include a return envelope with postage,
- Approximately one week later, send a follow-up postcard,
- Two weeks later, send a new cover letter, questionnaire, and return postcard to those who have not responded, and
- Send a final contact to request completion of the survey.

The Kinneckell Group will collaborate with USCB researchers in the execution of the mailing process.

The Beaufort County population to be surveyed will be the registered voters listed with the South Carolina Elections Commission. Currently there is an estimated 82,000 registered voters within the County. Five thousand of the total registered voters will be randomly selected and sent the advance notice and survey package. An incentive valued at \$300 will be in place to encourage survey respondents. The sampling goal needed to achieve a + or -5% error rate is 500, while the goal to achieve a + or - 3% error rate is 880. On average LRITI sampling goals for previous surveys are between 600-1500 responses.

Surveying the Beaufort County population and coding the survey respondents according to municipality will provide insight on the current demand for the performing arts by specific community residents as well as annual expenditures on arts related activities. Additionally, USCB researchers have GIS data revealing the year each Beaufort County residential property was purchased. Consequently we can filter addresses by purchases within the last 10 years whereas survey questions can explore if a municipality's arts offerings and activities had any perceived influence on the voter's/resident's decision to purchase that specific property within the community. These results will be used as the basis for the hedonic model to be conducted by

Clemson researchers. Utilizing the data from the remainder of the county will allow the model to incorporate the impact that demand from non-residents of Hilton Head Island has on the town's property values.

The survey will be built in collaboration with the Town of Hilton Head Island and specifically the Arts and Strategic Planning Committee. However, portions of the survey might be modeled from previously published and scientifically designed business surveys such as those conducted by the Census Bureau for the National Endowment for the Arts. The survey results data will be subjected to statistical testing beyond the traditional descriptive approach (average score reporting). This is often necessary because descriptive tests might not identify patterns of relationship between and among the variables measured. The additional tests may include correlation analysis, factor/cluster analysis, regression modeling, t-tests, and analysis of variance. The work will commence as soon as LRITI is notified to proceed with the study. Barring unforeseen circumstances, the project will be completed by August 15, 2016.

Research Objectives

The objectives of our proposed survey are to:

- (1) Develop a survey that assesses current and future demand for performing arts activities and facilities,
- (2) Receive surveys and data entry,
- (3) Analyze and interpret the survey results, and
- (4) Collaborate with Clemson University's Strom Thurmond Institute in conducting
- (5) Present findings to the Town of Hilton Head Island and affiliated committees

Results and Costs

Results will be presented in both report format as well as presentations to the staff. Presentations can also be made to additional committees if needed. The project can be broken down to four project components. The table below depicts the cost for each project component.

Project Line Item	Project Cost
Dillman Method Mailing Process	\$13,650
Beaufort County Voter Registration List	\$500.00
Research Assistant	\$5,000
Quantitative Survey Database Management and Data Analysis	\$7,000
Survey Incentive	\$300
Total Cost	\$26,450

Researchers

The research will be coordinated and conducted by Dr. John Salazar with the help of LRITI Research Assistants and other affiliated research staff. Dr. Salazar has conducted various tourism surveys for local, state, regional, and federal agencies. Included below is a short list of past survey research projects conducted by LRITI.

Hilton Head Island-Bluffton Chamber of Commerce Member Satisfaction Survey
Hilton Head Island Visitor Profile Survey
Economic Impact Survey of Second Homeowners on Hilton Head Island

Bluffton Community Branding Survey
Beaufort County Land Development Survey: A Residential Perspective
Sun City Tomorrow Survey: Measuring Resident Needs
Hilton Head Island Residential Quality of Life Survey

Contact Information

John Salazar, Ph.D., CHE

Professor of Hospitality Management &
Director, Lowcountry and Resort Islands Tourism Institute
University of South Carolina - Beaufort

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Valuing Arts and Cultural Activities in Hilton Head Island

The portion of the analysis conducted by the Regional Economic Analysis Laboratory at the Strom Thurmond Institute, Clemson University, will consist of three components: a hedonic analysis, an economic impact analysis of the arts and cultural activities on the Town as it currently exists, and an economic impact analysis of an improved performing arts presence in the region. Each component is elaborated upon in the following.

1. The hedonic analysis will estimate the current impact of the performing arts on residential property values on the Island, holding constant for other factors, including housing attributes (square footage, age of structure, etc.) and neighborhood attributes (distance from golf course, distance from water, etc., measured using GIS analysis). The data on frequency of attendance at arts and cultural activities will be tied to sale price for most recent transaction for the associated property in order to gauge the effect that access to performing arts has on residential property values, holding other factors constant. Data on the estimates of “value” from these models can provide a baseline measure of a “wealth effect” generated from arts and cultural events.
2. However, one of the limitations of this analysis is that it is based upon historic sales data. As such, hedonic modeling informs our understanding of the relationship between home value and the performing arts community as it exists currently or has existed in the past. However, due to the nature of the survey data proposed above, a hypothetical change in frequency of attendance of performing arts activities due to additional offerings can be used to estimate any additional impact on property values. Utilizing the data from the remainder of the county will allow the model to incorporate the impact that demand from non-residents of Hilton Head Island has on the town’s property values.
3. An economic impact analysis will be carried out utilizing data gathered through survey of Island residents and the REMI PI⁺ model as well as data on operational spending by local arts and cultural organizations. This model will indicate the impact that the currently-existing arts and cultural community on the local economy in terms of jobs created, income, and economic output.

While the REMI model is configured to return impact estimates for the county level, adjustments can be made to the input to and outputs from the model to estimate the impact at the town level. Given this, analysts will provide Hilton Head Island with estimates of the localized impact from the currently existing performing arts community across the county.

4. Survey data can also be used to project the impact of future demand for arts and cultural activities; this projected demand can be input to the REMI model, along with assumed operational spending to project the economic impact that future arts and cultural activities would have on the region. As in the previous step, these estimates can be adjusted to provide an estimate of the localized impact of future performing arts activities on the Island.

Proposed Budget:

Personnel	Purpose	Cost
Dr. Lori Dickes	Hedonic modeling	\$7,500
Grad Student	Data processing	\$2,400
Dr. David White	GIS	\$4,500
Dr. Rob Carey	REMI & fiscal modeling	\$7,500
Total		\$21,900



MEMORANDUM

TO: Town Council

FROM: Susan M. Simmons, CPA, Director of Finance

VIA: Stephen G. Riley, ICMA-CM, Town Manager

DATE: April 20, 2016

RE: **First Reading of Proposed Ordinance No. 2016-09**

Recommendation:

Staff recommends Council approve first reading of Proposed Ordinance No. 2016-09 by title only. The ordinance establishes the fiscal year 2017 General, Capital Projects, Debt Service and Stormwater Funds' budgets.

Summary:

The proposed budget book and the attached budget ordinance currently propose no change in millage; the proposed budget does not yet include the budget for Town Council Initiatives. The chairpersons of each Town Council Committee provided requests to staff through the Finance & Administrative Committee; Council will consider and approve its initiatives at its May 3, 2016 meeting. Staff will document Council-directed changes to the budget throughout the budget hearings and maintain a running tally of the net changes in amounts.

The Town Manager believes the budgets for each fund are balanced; some with planned and reasonable amounts of prior year funds (beginning fund balance).

Background:

The Town formally establishes a budget for four of its funds; it also presents information on the remaining funds as they are a primary source of funding for the formally budgeted funds. Council's first action is to approve the budget ordinance by title only at its May 3, 2016 meeting. The budget books will be presented to Council and the Town Manager will provide a brief PowerPoint overview.

On May 10, 2016, the Town will hold a budget workshop. Staff will present more details on the proposed budget; affiliated agencies are encouraged to have their spokesperson(s) in attendance to respond to Council's questions but will not prepare presentations. Council members are encouraged to submit questions via the Town Manager prior to the meeting allowing staff and affiliates time to prepare a response.

On June 7, 2016, Council holds its regular meeting, conducts a 6 p.m. public hearing on the budget, and votes on the revised first reading. The second and final reading is scheduled for Council's regular meeting on June 17, 2016.

ORDINANCE NO. _____

PROPOSED ORDINANCE NO. 2016-09

AN ORDINANCE TO RAISE REVENUE AND ADOPT A BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2017; TO ESTABLISH A PROPERTY TAX LEVY; TO ESTABLISH FUNDS; TO ESTABLISH A POLICY FOR ACQUISITION OF RIGHTS OF WAY AND EASEMENTS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Section 5-7-260(3) of the Code of Laws for South Carolina 1976, as amended, and Section 2-7-20 of the Municipal Code of the Town of Hilton Head Island, South Carolina, require that the Town Council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, Town Council also desires to set aside funds for an Operating Reserve to provide for emergency-related expenditures and to offset fiscal year tax revenue income stream deficiency; and

WHEREAS, Town Council finds that it would be more economical and efficient to authorize the Town Manager to move forward with construction contract modifications, change orders, contract price adjustments, and execution of contracts for supplies, services, and construction where the contract amount involved does not exceed the budget line item or project budget as approved by Town Council in the Consolidated Municipal Budget.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS HEREBY ORDAINED BY THE AUTHORITY OF THE SAID COUNCIL:

NOTE: Underlined and bold-face typed portions indicate additions to the Ordinance. ~~Stricken~~ Portions indicate deletions to the Ordinance.

Section 1. Adoption of the Budget. The prepared budget of estimated revenues and expenses, a copy of which is attached hereto and incorporated herein, is hereby adopted as the budget for the Town of Hilton Head Island for the fiscal year ending June 30, 2017.

Section 2. Establishment of Property Tax Levy. A tax to cover the period from July 1, 2016 through June 30, 2017, inclusive, for the sums and in the manner hereinafter mentioned, is and shall be, levied, collected and paid into the treasury of the Town of Hilton Head Island for its uses at a rate of mills on assessed value of real estate and personal property of every description owned in the Town of Hilton Head Island, except such property as is exempt from taxation under the Constitution and laws of the State of South Carolina. Said tax levy shall be paid into the Town Treasury for the credit of the Town of Hilton Head Island for its corporate purposes, for the purpose of paying current operational expenses of the said municipality 15.20 mills, Debt Service 6.14 mills, and Capital Projects Fund .84 mills making the total levy of 22.18 mills.

Section 3. Establishment of Funds. To facilitate operations, there shall be established and maintained a General Fund, a Capital Projects Fund, a Debt Service Fund, a Stormwater Fund and other appropriate funds in such amounts as are provided for in the aforesaid Budget, as hereby adopted or as hereafter modified pursuant to law.

Section 4. Acquisition of Rights of Way and Easements. The Town Manager is charged with the duty of executing all necessary documents to obtain rights of way, easements, and other property interests necessary to complete duly authorized Capital Improvement Projects. Capital Improvement Projects based on the ownership and life expectancy of the assets or improvements or based on the funding source authorized may be budgeted in the General, Capital Projects or Stormwater Funds. If expenditures are expressly authorized for an approved Capital Improvement Project in any of the budgeted funds, then the Town Manager is hereby authorized to execute all necessary documents and to expend such funds as are approved pursuant to the Capital Improvement budgets. Provided, however, in the event that the costs of an acquisition of such real property interests materially exceeds the amount budgeted in the approved Capital Improvement Project and the Town Manager is unable to shift additional funds from other authorized sources, the Town Manager shall be required to obtain the approval of Town Council for such additional expenditures. Nothing herein shall obviate the requirement that no condemnations shall be commenced without the appropriate approval of the Town Council for the Town of Hilton Head Island.

Section 5 Severability. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 6. Effective Date. This Ordinance shall be effective upon its enactment by the Town Council for the Town of Hilton Head Island.

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2016.**

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Town Clerk

First Reading: _____

Public Hearing: _____

Revised First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____



MEMORANDUM

TO: Town Council

FROM: Susan M. Simmons, CPA, Director of Finance

VIA: Stephen G. Riley, ICMA-CM, Town Manager

DATE: April 20, 2016

RE: **TOWN COUNCIL BUDGET INITIATIVES FOR FY16-17**

Recommendation:

Staff recommends that Council review the list of proposed initiatives submitted by chairpersons of Council Committees and authorize the projects and amounts to be included in the fiscal year 2017 budget.

Summary:

The Finance & Administrative Committee chair requested each Council Committee chair to submit Town Council Initiative requests for fiscal year 2017 by April 19, 2016 for discussion at the May 3, 2017 meeting. The attached spreadsheet represents staff's understanding of the current status of these requests. Based on the current requests and the estimated amounts available to roll forward, the amount requested is \$1,124,872 of which \$447,002 will be the new amount needed for fiscal year 2017. These amounts are subject to change as Council considers the list at this meeting.

The proposed budget book and the attached budget ordinance currently propose no change in millage; the allowable millage was held in reserve for changes that might occur during the budget hearings. The .56 mil brought forward from last year still has another year before it is lost under State law.

Staff will document Council-directed changes to the budget throughout the budget hearings and maintain a running tally of the net changes in amounts.

Background:

In fiscal year 2016, Council adopted a budget of \$850,000 for its various initiatives. Council adopted a list of initiatives without specific budget amounts for each. These initiatives are in varying stage of completion; much of the funding and projects will carry forward to fiscal year 2017. Staff estimates that \$677,870 will be available for new requests, the primary new request being the new phase of the Visioning Process.

TOWN OF HILTON HEAD ISLAND
TOWN COUNCIL INITIATIVES
FY2017 BUDGET REQUEST with FY16 ESTIMATED RESULTS

	FISCAL YEAR 2016					FY 2017
	ORIGINAL BUDGET	REVISED BUDGET	FYE ESTIMATED ACTUAL EXPEND- ITURES	FYE ESTIMATED ENCUM- BRANCES TO ROLL TO FY17	BALANCE UNPLANNED - AVAILABLE FOR FY17	FY17 NEW FUNDS REQUESTED
TOWN COUNCIL INITIATIVES - ESTABLISHED FOR FY16						
	No new funds requested; recommendations will result in future year's programs or CIP projects					
CIRCLE TO CIRCLE						
URBAN PLANNER	\$ -	\$ 99,480	\$ 75,000	\$ 24,480	\$ -	\$ -
SUPPORT COSTS	\$ -	\$ 2,500	\$ 378	\$ 2,122	\$ -	\$ -
SUBTOTAL: CIRCLE TO CIRCLE	\$ -	\$ 101,980	\$ 75,378	\$ 26,602	\$ -	\$ -
VISIONING PROCESS						
CONSULTANT - INITIAL PLANNING PHASE	\$ -	\$ 7,650	\$ 7,650	\$ -	\$ -	\$ -
CONSULTANT(S)/ON-SITE PROJECT COORDINATOR/VISION TEAM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
SUPPORT COSTS	\$ -	\$ 2,500	\$ 622	\$ 1,878	\$ -	\$ -
SUBTOTAL: VISIONING PROCESS	\$ -	\$ 10,150	\$ 8,272	\$ 1,878	\$ -	\$ 400,000
ARTS COLLABORATIVE STUDY						
HHICAN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224,872
VENUE COMMITTEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000 *
SUBTOTAL: ARTS COLLABORATIVE STUDY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 424,872
HERITAGE TOURISM / MITCHELVILLE						
COSTS T.B.D.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUPPORT COSTS T.B.D.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL: HERITAGE TOURISM/MITCH.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CORDILLO COURTS						
PARKING LOT IMPROVEMENTS	\$ -	\$ 25,000	\$ 12,500	\$ 12,500	\$ -	\$ -
REPLACE TENNIS COURTS, ADD LIGHTING & BATHROOM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
SUPPORT COSTS	\$ -	\$ 2,500	\$ 250	\$ 2,250	\$ -	\$ -
SUBTOTAL: CORDILLO COURTS	\$ -	\$ 27,500	\$ 12,750	\$ 14,750	\$ -	\$ 200,000
PUBLIC COMMUNICATIONS						
CONSULTANT	\$ -	\$ 87,500	\$ 20,000	\$ -	\$ 67,500	\$ 89,250 *
MAYORAL SPEECH WRITING	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ 10,000
SUPPORT COSTS	\$ -	\$ 2,500	\$ 1,679	\$ 821	\$ -	\$ 750
SUBTOTAL: PUBLIC COMMUNICATIONS	\$ -	\$ 100,000	\$ 31,679	\$ 821	\$ 67,500	\$ 100,000
	TOTAL REQUESTS FOR FY17					\$ 1,124,872
BUDGETED FUNDS ABOVE AVAILABLE FOR NEW YEAR						\$ 67,500
*UNALLOCATED BUDGET - FY2016	\$ 850,000	\$ 610,370	\$ -	\$ -	\$ 610,370	\$ (67,500)
						\$ (610,370)
TOTAL TOWN COUNCIL INITIATIVES - FY16	\$ 850,000	\$ 850,000	\$ 128,079	\$ 44,051	\$ 677,870	
NEW FUNDS NEEDED FOR FY17	FUNDING RECOMMENDATION: USE PORTION OF MILLAGE INCREASE AVAILABLE					\$ 447,002

OTHER LINE ITEMS IN THE TOWNWIDE BUDGET

ECONOMIC ANALYSIS - RECURRING?		\$ 25,000	\$ 15,000	\$ 5,000	\$ 5,000	??
ECONOMIC ANALYSIS - IMPACT OF ARTS ON PROPERTY VALUES		PROPOSAL AMT	\$ 48,350	???		
	\$ 25,000	\$ 25,000	\$ 15,000	\$ 5,000	\$ 5,000	\$ 25,000
\$5k FY16 bal + \$25K FY17 budget = \$30k available to cover arts/prop value study or next yr recurring						
PERFORMANCE AUDIT - BCSO PLANNED	\$ 30,000	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 30,000

NEW FY2017 TOWN COUNCIL INITIATIVES
NO NEW CATEGORIES OF INITIATIVES

* New year communications request includes specific request of \$50k for arts venue. Two venue requests would be repaid from Capital Sales Tax if venue makes list and tax is adopted.



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*
VIA: Jill Foster, AICP, *Deputy Director of Community Development*
CC: Charles Cousins, AICP, *Director of Community Development*
FROM: Teri B. Lewis, AICP, *LMO Official*
DATE: April 19, 2016
SUBJECT: Proposed 2016 LMO Amendments – First Set

Recommendation: The Public Planning Committee met on April 7, 2016 and voted unanimously to forward the attached amendments to Town Council with a recommendation of approval.

The Planning Commission met on March 16, 2016 to review the proposed 2016 LMO Amendments – First Set. The Commission recommended forwarding the proposed amendments to Town Council with a recommendation for approval.

The LMO Committee met on March 7, 2016 to review the proposed 2016 LMO Amendments – First Set. The Committee recommended forwarding the amendments to the Planning Commission with a recommendation for approval with the changes as discussed by the Committee.

Staff recommends that Town Council adopt the proposed amendments.

Summary: The LMO Committee met on October 28, 2015 and November 13, 2015 to develop a list of proposed LMO Amendments. The attached document represents the amendments as reviewed by Planning Commission.

Background: Staff has identified a number of proposed amendments to the Town's Land Management Ordinance (LMO). The reason for each proposed amendment is listed above the amendment. Newly added language is illustrated with double underline and deleted language is illustrated with ~~strike through~~.

Please contact me at (843) 341-4698 or at teril@hiltonheadislandsc.gov if you have any questions.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2016-#

PROPOSED ORDINANCE NO. 2016-10

AN ORDINANCE TO AMEND TITLE 16 OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, THE LAND MANAGEMENT ORDINANCE (LMO) , CHAPTERS 2, 3, 4, 5, 6 AND 10 AND APPENDICES A AND D TO REVISE VARIOUS SECTIONS. THESE AMENDMENTS, COMMONLY REFERRED TO AS *2016 LMO AMENDMENTS – FIRST SET* AS NOTICED IN THE ISLAND PACKET ON FEBRUARY 14, 2016, INCLUDE CHANGES THAT PROVIDE FOR GENERAL AMENDMENTS TO A VARIETY OF SECTIONS IN THE LMO, AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, on October 7, 2014, the Town Council did adopt a new Land Management Ordinance (LMO); and

WHEREAS, from time to time it is necessary to amend the LMO; and

WHEREAS, the LMO Committee met on October 28, 2015 and November 13, 2015 to develop a list of proposed LMO Amendments; and

WHEREAS, the LMO Committee held a public meeting on March 7, 2016 at which time a presentation was made by staff and an opportunity was given for the public to comment on the proposed amendments; and

WHEREAS, the LMO Committee recommended that the proposed amendments be forwarded to Planning Commission with a recommendation of approval with the changes as discussed by staff and the Committee; and

WHEREAS, the Planning Commission held a public hearing on March 16, 2016 at which time a presentation was made by staff and an opportunity was given for the public to comment on the proposed LMO amendments; and

WHEREAS, the Planning Commission, after consideration of the staff presentation and public comments, voted 7-0-0 to recommend that Town Council approve the proposed amendments; and

WHEREAS, the Public Planning Committee held a public meeting on April 7, 2016 at which time a presentation was made by staff and an opportunity was given for the public to comment on the proposed LMO amendments; and

WHEREAS, the Public Planning Committee, after consideration of the staff presentation and public comments, voted 3-0 to recommend that Town Council approve the proposed amendments; and

WHEREAS, after due consideration of said LMO amendments and the recommendation of the Planning Commission, the Town Council, upon further review, finds it is in the public interest to approve the proposed amendments.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID COUNCIL:

Section 1. Amendment. That the *2016 LMO Amendments – First Set* are adopted as indicated on the attached pages (Exhibit A). Newly added language is illustrated with double underline and deleted language is illustrated with ~~striketrough~~.

Section 2. Severability. If any section, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. Effective Date. This Ordinance shall be effective upon its adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2016.

THE TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Town Clerk

Public Hearing: March 16, 2016
First Reading:
Second Reading:

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

EXHIBIT A

DRAFT 2016 LMO AMENDMENTS

CHAPTER 16-2: ADMINISTRATION

Staff Explanation: The current language allows any landowner in the Town (in addition to the Town Manager and Planning Commission) to submit a text amendment. This change would allow only the Town Manager and Planning Commission to propose changes to the LMO. Any citizen is welcome to ask the Planning Commission to consider a change to the LMO.

Section 16-2-103. Application Specific Review Procedures

- A. No Changes
- B. Text Amendment
 - 1. No Changes
 - 2. Text Amendment Procedure

a. Application Submittal

An *application* to amend the text of this *Ordinance* may be filed by the persons identified in Section 16-2-402.C.1, the *Planning Commission* or the Town Manager, and any *application* shall comply with the requirements of Section 16-2-102.C.

Staff Explanation: Currently the language in this section is written in a way that does not require that DRB take an action on conceptual development. This is in conflict with the current process, a process that works well for the DRB and the applicant. The change, which is in keeping with the way the motions are currently made, will require that DRB take action and approve or approve with conditions any conceptual development.

- C. – H. No Changes
- I. Corridor Review (Minor and Major)
 - 1. – 3. No Changes
 - 4. Major Corridor Review Process
 - a. Conceptual Review
 - i. No Change
 - ii. Staff Review and Action

On receiving an *application*, the *Official* shall review the *application* and prepare a staff report with a recommendation for ~~comments~~ action on the *application* in accordance with Sec. 16-2-102.D. The

Official's recommendation shall be based on the standards in Sec. 16-2-103.I.5, Corridor Review (Minor and Major) Standards.

iii. Decision-Making Body Review and Decision

The *Design Review Board* shall review the *application* and staff report at a public meeting, ~~and make a decision on the *application* provide the *applicant* preliminary comments on the *application* and request such additional information or materials as may be required for final review of the *application*. If the *Design Review Board* requests additional information or materials, the *applicant* shall provide them to the Board within thirty days.~~ The Board's *decision* comments and requests shall be based on the *application's* compliance with the standards in Sec. 16-2-103.I.5, Corridor Review (Minor and Major) Standards, and shall be one of the following:

01. Approve the *application*; or

02. Approve the *application* subject to conditions.

The Board's decision shall be in writing.

Staff Explanation: Although the policy has been to require a natural resources permit for any work in wetlands, wetland buffers and dunes, the current language in this section only applies to trees. The amended language will fix this error.

J. No Changes

K. Natural Resources Permit

1. No Changes

2. Applicability

Except as exempted in Sec. 16-6-104.B.2, Exemptions, no *person* shall cut, destroy, cause to be destroyed, move or remove, transplant, prune, or limb any *tree* ~~in the Town, or trim or remove dune vegetation, or undertake any work authorized through Municipal Code Section 8-1-413 or undertake any work in a wetland or wetland buffer~~ without first receiving approval of a Natural Resources Permit in accordance with the procedures and standards of this subsection—provided that no separate Natural Resources Permit shall be required where the proposed ~~tree removal or alteration work~~ is reviewed and authorized in accordance with an approved Subdivision Review (Minor or Major) (see Sec. 16-2-103.F), Development Plan Review (Minor or Major) (see Sec. 16-2-103.G), Small Residential Development Review (see Sec. 16-2-103.H) or Public Project Review (see Sec. 16-2-103.Q).

3. Natural Resources Permit Review Procedure

a. Application Submittal

An *application* for a Natural Resources Permit may be submitted by *persons* identified in Sec. 16-2-102.C.1, and shall be submitted in accordance with Sec. 16-2-102.C. On receiving an *application*, the *Official* shall conduct an inspection of the site to assess the accuracy of the *tree survey* or other related materials, ~~check the condition of *trees* to be preserved, and inspect the site for any unusual features or *specimen trees*.~~ Following the inspection, the *Official* shall advise the *applicant* of any recommended changes that should be made to the *application* to ensure compliance with the standards of this subsection.

b. – c. No Changes

4. Natural Resources Permit Review Standards

A Natural Resources Permit shall be approved on a finding the *applicant* demonstrates the proposed ~~tree removal~~ work complies with the standards in Sec. 16-6-102, Wetland Protection, Sec. 16-2-103, Beach and Dune Protection and Sec. 16-6-104, Tree Protection.

Staff Explanation: The current LMO language makes it unclear whether or not a Certificate of Compliance is required if a Certificate of Occupancy is not required. A Certificate of Compliance should be required regardless; this change fixes the issue.

L. – O. No Changes

P. Certificate of Compliance

1. No Changes

2. Applicability

All *development*, or an approved phase thereof, that has received approval of a Subdivision Plan, Development Plan, or Small Residential Development—or any other *development* that has received a permit or *development* approval under this *Ordinance*— shall obtain approval of a Certificate of Compliance prior to a receipt of a Certificate of Occupancy and occupancy of a *building* or *structure* or actual occupancy or use of the *site* or *structure* or portion thereof if no Certificate of Occupancy is required.

CHAPTER 16-3: ZONING DISTRICTS

Staff Explanation: The LMO currently prohibits RVs from being inhabited unless they are located within an RV Park; however, this prohibition is located in the Definitions chapter. This change relocates the prohibition to the Use-Specific Condition section of the LMO in keeping with other prohibitions/conditions.

Section 16-3-105. Mixed-Use and Business Districts

- A. – C. No Changes
- D. Light Commercial (LC) District
 - 1. No Changes

2. Allowable Principal Uses				
		USE SPECIFIC CONDITIONS	MINIMUM NUMBER OF OFF STREET PARKING SPACES	
Residential Uses				
Group Living	P		1 per 3 rooms	
Mixed-Use	PC	Sec. 16-4- 102.B.1.a	Residential	1.5 per du
			Nonresidential	1 per 500 GFA
Multifamily	P		1 bedroom	1.4 per du
			2 bedroom	1.7 per du
			3 or more bedrooms	2 per du
Recreational Vehicle (RV) Park	PC	<u>Sec. 16-4- 102.B.1.c</u>	1 per 300 GFA of office and clubhouse	
Industrial Uses				
Light Industrial, Manufacturing, and Warehouse Uses	PC	Sec. 16-4- 102.B.9.a	1 per 1,300 GFA of indoor storage or manufacturing area + 1 per 350 GFA of office and administrative area	
Self-Service Storage	PC	Sec. 16-4- 102.B.9.c	1 per 15,000 GFA of storage and office area	
Waste Treatment Plants	SE		See Sec. 16-5-107.D.2	
Wholesale Sales	PC	Sec. 16-4- 102.B.9.d	1 per 1,000 GFA	

Staff Explanation: The condition related to Wholesale Sales in the IL (Light Industrial) zoning district no longer applies because retail sales are a permitted use in this district.

E. Light Industrial (IL) District

1. No Changes

Uses			
<i>Light Industrial, Manufacturing, and Warehouse Uses</i>	P		1 per 1,300 GFA of indoor storage or manufacturing area + 1 per 350 GFA of office or administrative area
<i>Self-Service Storage</i>	PC	Sec. 16-4-102.B.9.c	1 per 15,000 GFA of storage and office area
<i>Waste-Related Uses</i> Other than <i>Waste Treatment Plants</i>	P		1 per 2,500 GFA
<i>Wholesale Sales</i>	PC	Sec. 16-4-102.B.9.d	1 per 1,000 GFA

Staff Explanation: The maximum height in the RD (Resort Development) zoning district is 75'. As part of the LMO Rewrite, some primarily single-family areas that were previously zoned RM-8 with a maximum height of 45' were rezoned to RD. As some of the areas have started to develop, surrounding residents have expressed concern that new single-family houses can be so much taller than what already exists in the area and that the height isn't in keeping with a single-family area. This change would reduce the height requirement for single-family houses in the RD zoning district from 75' to 45'.

- F. – K. No Changes
 L. Resort Development (RD) District
 1-2. No Changes

3. Development Form and Parameters			
MAX. DENSITY (PER NET ACRE)		LOT COVERAGE	
Residential	16 du	Max. <i>Impervious Cover</i>	50%
<i>Hotel</i>	35 rooms	Min. <i>Open Space</i> for Major Residential <i>Subdivisions</i>	16%
Nonresidential	8,000 GFA		
MAX. BUILDING HEIGHT			
<u>Non Single-Family Development</u> on property landward of South Forest Beach Drive	60 ft		
All Other <u>Non Single-Family Development</u>	75 ft		
<u>Single-Family Development</u>	45 ft		
USE AND OTHER DEVELOPMENT STANDARDS			
See Chapter 16-4: Use Standards, Chapter 16-5: Development and Design Standards, and Chapter 16-6: Natural Resource Protection.			
TABLE NOTES: P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = <i>dwelling units</i> ; sf = square feet; GFA = <i>gross floor area</i> in square feet; ft = feet; n/a = not applicable			

Staff Explanation: The map of parcels that make up the Forest Beach Neighborhood Character Overlay District was inadvertently left out of the LMO. This change will also re-number a section.

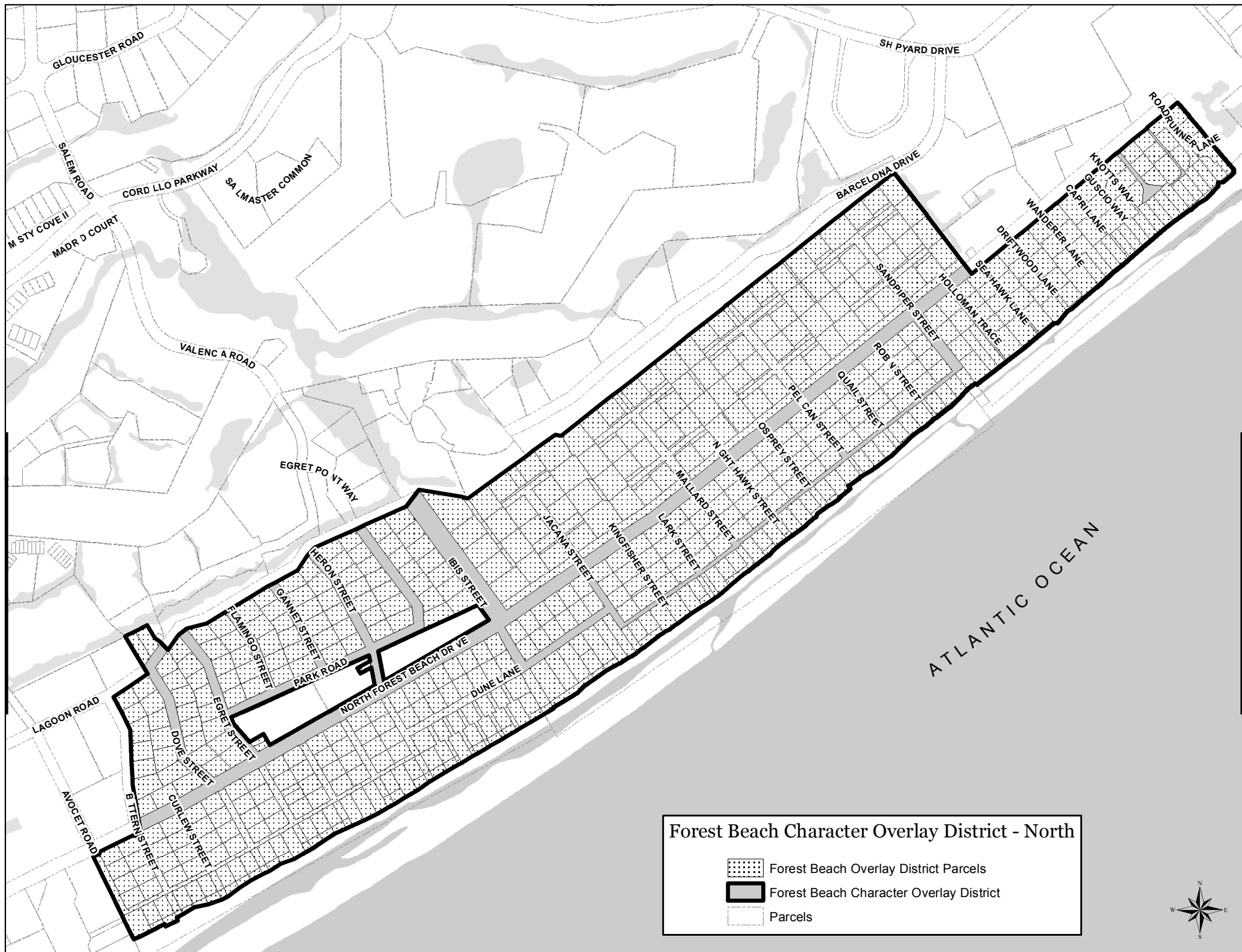
Section 16-3-106. Overlay Zoning Districts

- A– G. No Changes
 H. Forest Beach Neighborhood Character Overlay (FB-NC-O) District
 1-2. No Changes

3. Delineation of District

The Forest Beach Neighborhood Character Overlay (FB-NC-O) District includes all *parcels* shown as hatched in Figure 16-3-106.H.3 below.

3 4. District Regulations





CHAPTER 16-4: USE STANDARDS

Staff Explanation: Two changes are made in conjunction with similar changes made in Chapter 3. RV Parks are now a conditional use (the condition that Recreation Vehicles can only be lived in when located in an RV Park is being relocated from the definitions section to the Specific Use Conditions) and since retail sales are now permitted in the IL zoning district, the condition limiting retail sales associated with wholesale sales is being eliminated.

Section 16-4-102. Principal Uses

A. Principal Use Table

1. – 5. No Changes

6. Principal Use Table

Table 16-4-102.A.6: Principal Use Table

TABLE 16 4 102.A.6: PRINCIPAL USE TABLE																						
P Permitted by Right PC Permitted Subject to Use Specific Conditions SE Allowed as a Special Exception Blank Cell = Prohibited																						
USE CLASSIFICATION/ USE TYPE	SPECIAL DISTRICTS		RESIDENTIAL DISTRICTS						MIXED USE AND BUSINESS DISTRICTS											USE SPECIFIC CONDITIONS		
	CON	PR	RSF 3	RSF 5	RSF 6	RM 4	RM 8	RM 12	CR	SPC	CC	MS	WMU	S	MF	MV	NC	LC	RD		MED	IL
RESIDENTIAL USES																						
Recreation Vehicle (RV) Parks																		PC				Sec. 16-4-102.B.1.c
INDUSTRIAL USES																						
Wholesale Sales																		PC			PC	Sec. 16-4-102.B.9.d

Staff Explanation: The changes to specific use conditions do the following: establishes conditions that dwelling units, hotel rooms and bed and breakfast rooms can be located on the first floor within the CR zoning district if the proposed development is located behind a commercial services use; relocates the condition related to living in a recreational vehicle from definitions; and eliminates the condition limiting retail services associated with wholesale sales.

B. Use-Specific Conditions for Principal Uses

1. Residential Uses

a. Mixed-Use

i. No Change

ii. In the CR District, there shall be no *dwelling units* located on the first floor of any *mixed-use development* unless there are *commercial services uses* located between the street and the proposed *dwelling units*.

b. Multifamily

In the CR District, there shall be no *dwelling units* located on the first floor of any *multifamily development* unless there are *commercial services uses* located between the street and the proposed *dwelling units*.

c. Recreation Vehicle (RV) Parks

Use of a recreational vehicle for residential or accommodation purposes is prohibited except in a *Recreational Vehicle (RV) Park*.

2. – 3. No Changes

4. Resort Accommodations

a. Bed and Breakfasts

i. No Change

ii. In the CR District, there shall be no guest rooms located on the first floor of any *bed and breakfast* unless there are *commercial services uses* located between the street and the proposed *bed and breakfast* rooms.

b. Hotels

i. *Hotels* located in the CR District shall have guest rooms with *gross floor area* no smaller than 100 square feet. Such rooms shall not be located on the first floor of any *hotel* unless there are *commercial services uses* located between the street and the proposed *hotel* rooms.

5. – 8. No Changes

9. Industrial Uses

a. – c. No Changes

~~d. Wholesale Sales~~

~~Accessory retail operations associated with a wholesale business are permitted if they use no more than 15 percent of the *gross floor area* of the *building*.~~

CHAPTER 16-5: DEVELOPMENT AND DESIGN STANDARDS

Staff Explanation: This change eliminates the need for properties that are behind the gates in a master planned area but still within the Corridor Overlay District to meet setback requirements.

Section 16-5-102. Setback Standards

- A. No Changes
- B. Applicability
 - 1. No Changes
 - 2. Exceptions
 - a. No Changes

b. For **development** within a PD-1 District, adjacent street and use setback standards shall apply only along those **lot** lines and **street rights-of-way** located ~~within a Corridor Overlay District~~, located outside any **gates** restricting **access** by the general public to areas within the PUD, or constituting the boundaries of the district.

Staff Explanation: This change will allow bike racks and the like within the adjacent use and street setbacks.

- C.-D. No Changes
- E. Allowable Setback Encroachments

Table 16-5-102.E: Allowable Setback Encroachments

Feature	Extent and Limitations
Bike racks and other site furnishings	Allowed in adjacent use and adjacent street setbacks

Staff Explanation: This change eliminates the need for properties that are behind the gates in a master planned area but still within the Corridor Overlay District to meet buffer requirements.

Section 16-5-103. Buffer Standards

- A. No Changes
- B. Applicability
 - 1. No Changes
 - 2. Exceptions

a. For **development** within a PD-1 District, adjacent street and use buffer standards shall apply only along those **lot** lines and **street rights-of-way** ~~located within a Corridor Overlay District~~, located outside any **gates**

restricting **access** by the general public to areas within the PUD, or constituting the boundaries of the district.

Staff Explanation: The policy is that any work being done in buffers must be reviewed and approved by the Town’s Environmental Planner, this change codifies that policy.

C. – G. No Changes

H. Existing Vegetation

1. If a buffer area has existing **trees** that are protected under this **Ordinance**, they shall be preserved and be used as part of the buffer to comply with the buffer standards of this **Ordinance**. Where groupings of native shrubs are present, their preservation with minimum disturbance is strongly encouraged. Any clearing or other work in buffers must have the prior approval of the **Official**.

2. No Changes

Staff Explanation: This clarifies that if an invasive species is removed from a buffer, then the area needs to be replanted so that it fulfills its function as a buffer.

3. The removal of invasive species shall be allowed with an approved replanting plan, if needed.

Staff Explanation: This change will clear up any confusion caused by conflict between Town and SCDOT standards.

Section 16-5-105. Mobility, Street, and Pathway Standards

A. Mobility

1.-4. No Changes

5. Accessway Layout and Design

a. – d. No Changes

e. Driveway Layout and Design

i. Driveway Entrances

Driveway entrances from **streets** shall comply with standards in the current edition of SCDOT's **Access and Roadside Management Standards** manual—including, but not limited to, standards for **driveway** spacing, angle of intersection, entry width, radius, offset, approach grade and side slope, throat length, and islands and medians. In instances where the Town’s access spacing standard as outlined in 16-5-105.I is greater than the SCDOT standard, the Town’s standard shall be applicable.

Staff Explanation: This section doesn't fit in 16-5-105 since it deals entirely with internal site design. It is being moved to Section 16-5-107, Parking and Loading Standards. The two sections below are being re-numbered.

~~f. Vehicle Stacking Distance for Drive-Through and Related Uses~~
~~g f. Bikeway Layout and Design~~
~~h. g Walkway Layout and Design~~

Staff Explanation: This change clarifies the standards that should be used for pathways internal to a site.

B. – N. No Changes
O. Multi-Purpose Pathways

Multi-purpose pathways to accommodate both pedestrian and bicycle traffic may be provided independent of the street system. The pathway standards in this section apply only to pathways constructed generally parallel to streets within a private or public right-of-way. The following standards shall apply to multi-purpose pathways:

1. Pathways shall be designed and provided in accordance with the latest edition of AASHTO's *Guide for the Development of Bicycle Facilities*. Dimensions and **construction** specifications of multi-purpose paths shall be determined by the number and type of users and the location and purpose of the path.
2. A minimum eight-foot paved width shall be provided for two-way traffic and a five-foot width for one-way traffic. A five-foot sidewalk on each side of the roadway is an acceptable alternative to providing a single separated two-way pathway facility.

Staff Explanation: The deletion is made to provide more flexibility during site design. The addition is made to ensure that in larger parking spaces that the EV space is available to those who need it.

Section 16-5-107. Parking and Loading Standards

A. – C. No Changes
D. Parking Space Requirements
1. – 9. No Changes

10. Use of Parking Spaces as Electric Vehicle (EV) Charging Station

All **multifamily** and nonresidential **development** shall provide one **electric vehicle (EV) charging station** per **site**. ~~The electric vehicle charging station shall be located within 100 feet of the primary entrance. If the development requires over 100 parking spaces, the electric vehicle (EV) charging station shall have a sign that states that only electric vehicles being charged can park in that particular parking space.~~

Staff Explanation: This change will allow for a safe turning radii under buildings.

E. Parking Space and Aisle Dimensions

1. No Changes

2. a. – d. No Changes

e. Parking spaces under buildings, where it is not feasible to provide a landscaped median on the end of a parking bay, shall be separated from adjoining parallel **drive aisles** by a painted area that is a minimum of four feet in width.

Staff Explanation: The changes to this section are being made to increase flexibility with site design.

F. - G. No Changes

H. 1-6. No Changes

7. Bicycle Parking

a. All **multifamily** and nonresidential **development** shall provide bike racks sufficient to accommodate the parking of at least four bicycles for every ten vehicle parking spaces required, or major fraction thereof except that once twenty bicycle parking spaces are provided, any required bicycle parking after that shall be required at a ratio of at two bicycle parking spaces for every ten vehicle parking spaces, or major fraction, thereof. An **applicant** may use developer submitted data to demonstrate fewer bicycle parking spaces should be required. If a lower number of bicycle parking spaces is accepted, the applicant shall submit a **site plan** that includes a reserve parking plan identifying the amount of bicycle parking spaces being deferred and the location of the area to be reserved for future bicycle parking, if future bicycle parking is needed. If the proposed project does not reasonably connect to a Town multi-purpose pathway, then the required bicycle parking spaces can be reduced.

b. The bike racks shall be located in visible, well-lit areas ~~within 50 feet of a primary entrance to the building they serve~~ and shall be in an area maintained with an all weather surface. They shall be located where they do not interfere with pedestrian traffic and are protected from conflicts with vehicular traffic.

c. The required minimum number of vehicular parking spaces shall be reduced by one space for every ten bicycle parking spaces provided.

Staff Explanation: The changes relocates this section from Mobility, Street and Pathway Standards to the Parking and Loading Standards section since it deals entirely with internal site design

I. Vehicle Stacking Distance for Drive-Through and Related Uses

1. Required Stacking Distance

Driveways on which vehicles queue up to access a drive-through facility or similar service facility, or a drop-off or pick-up zone, shall provide at least the minimum stacking distance behind the facility or zone in accordance with Table 16-5-107.I.1, Minimum Stacking Distance for Drive-Through and Related Uses.

TABLE 16-5-107.I.1: MAXIMUM STACKING DISTANCE FOR DRIVE-THROUGH AND RELATED USES

<u>USE OR ACTIVITY¹</u>	<u>MINIMUM STACKING DISTANCE</u>	<u>MEASURED FROM</u>
<u>Automated teller machine (ATM)</u>	<u>60 ft</u>	<u>Center of the teller machine</u>
<u>Bank or financial Institution, with drive-through service</u>	<u>60 ft per lane</u>	<u>Center of the teller window</u>
<u>Car wash and auto detailing, automatic</u>	<u>40 ft per bay</u>	<u>Bay entrance</u>
<u>Car wash and auto detailing, self-service</u>	<u>20 ft per bay</u>	<u>Bay entrance</u>
<u>Drug store or pharmacy, with drive-through service</u>	<u>60 ft per lane</u>	<u>Center of the window</u>
<u>Dry cleaning or laundry drop-off establishment with drive-through service</u>	<u>60 ft per lane</u>	<u>Center of the window</u>
<u>Gas sales</u>	<u>20 ft</u>	<u>Each end of the outermost gas pump island</u>
<u>Gated driveway/entrance</u>	<u>40 ft</u>	<u>Gate</u>
<u>Nursing home</u>	<u>60 ft</u>	<u>Back end of the designated drop-off/pick-up zone</u>
<u>Oil change/lubrication shop</u>	<u>40 ft per bay</u>	<u>Bay entrance</u>
<u>Restaurant, with drive-through service²</u>	<u>80 ft</u>	<u>Center of the order box</u>
<u>School, elementary or middle</u>	<u>200 ft</u>	<u>Back end of the designated drop-off/pick-up zone</u>
<u>Other</u>	<u>Uses not specifically listed are determined by the Official based on standards for comparable uses, or alternatively based on a parking demand study</u>	

NOTES: ft = feet

1. See Chapter 16-4: Use Standards.

2. Restaurants with *drive-through* service shall provide at least 80 feet of stacking distance between the center

of the order box and the center of the pick-up window closest to the order box—see Figure 16-5-107.I.1: Stacking Distance for a Drive-Through Restaurant.

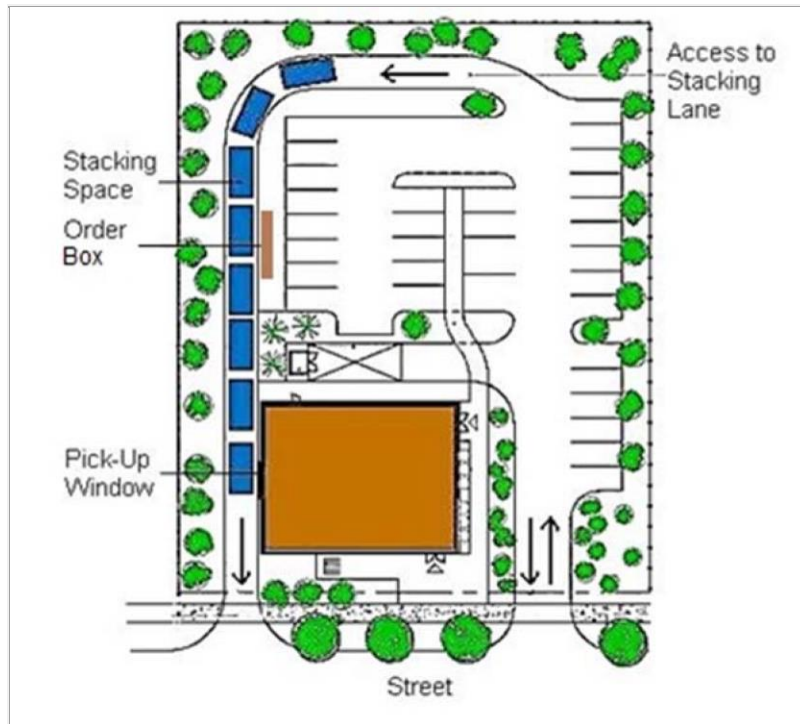


Figure 16-5-107.I.1: Stacking Distance for a Drive-Through Restaurant

2. Layout and Design

- a.** The minimum clear width for any *drive-through* aisle shall be ten feet.
- b.** Driveways providing required stacking distance shall be designed so as not to impede onsite or offsite vehicular traffic movements into or out of off-street parking spaces, or onsite or offsite bicycle or pedestrian traffic movements.
- c.** Driveways providing required stacking distance may be required to be separated from other internal driveways if deemed necessary for traffic movement and safety by the *Official*.

CHAPTER 16-6: NATURAL RESOURCE PROTECTION

Staff Explanation: This clarifies that any work in a wetland or wetland buffer requires a natural resources permit.

Section 16-6-102. Wetland Protection

A. No Changes

B. Applicability

1. – 2. No Changes

3. No person shall undertake any work in a wetland or wetland buffer without first receiving approval of a Natural Resources Permit in accordance with the procedures and standards of Sec. 16-2-103.K, Natural Resources Permit, and the standards in this section.

Staff Explanation: When reviewing the allowed activities in a wetland buffer, it seemed to make sense that pervious walkways should be allowed. This change does that.

D. Wetland Buffer Standards

1. – 2. No Changes

3. Development Within Wetland Buffers

a. No Changes

b. Allowed Development Activities

i. 01. – 02. No Changes

03. Construction and *maintenance* of pedestrian walkways, including minor associated *structures* such as benches and signage, that provide public *access* to *adjacent* wetlands for wildlife management and viewing, fishing, and recreational purposes, or that provide *access* to approved water-dependent *development* activities—provided the walkway is not more than four feet wide and is pervious, ~~is not paved, and is not boarded;~~

Staff Explanation: This change eliminates the need for the reestablishment of a wetland buffer when the provided bulkhead is impervious. This is because if the bulkhead is impervious there can be no interplay between the wetland buffer and the adjacent wetland.

04. Construction and *maintenance* of pervious bulkheads or revetments, including associated backfill in tidal *wetland buffers*—provided:

(A) A *wetland buffer* in accordance with the standards in this section is re-established; and

(B) The *Official* approves the replanting plan and any tree removal;

05. Construction and maintenance of impervious bulkheads or revetments;

~~05.~~ 06.

~~06.~~ 07.

~~07.~~ 08.
~~08.~~ 09.

Staff Explanation: This clarifies that any work in a dune or dune system requires a natural resources permit.

Section 16-6-103. Beach and Dune Protection

A. No Changes

B. Applicability

1. – 3. No Changes

4. No person shall undertake any work in a dune or dune system without first receiving approval of a Natural Resources Permit in accordance with the procedures and standards of Sec. 16-2-103.K, Natural Resources Permit, and the standards in this section.

Staff Explanation: Boardwalks over the dunes should be low profile, changing the language so that the bottom of the boardwalk is measured from grade rather than vegetation will allow this.

F. Development on Dunes

1. No Changes

2. Dune Boardwalks

a. – b. No Changes

c. *Dune boardwalks* constructed across existing or proposed native *beach* and *dune* vegetation shall be post-supported and elevated a minimum of two feet above the ~~vegetation~~ grade to allow for sand build-up and clearance above the vegetation.

Staff Explanation: During the rewrite, the Committee opted to protect pine trees at 12” instead of 8” (in the old LMO, all Category III trees were protected at 8”). Cedar trees are also in Category III – it has been suggested that since the Committee only opted to change the size that pine trees were protected at that cedar trees should still be protected at 8”. It is particularly important to protect the cedar trees here on the Island because many grow adjacent to salt water and never grow larger than about 10”.

Section 16-6-104. Tree Protection

A. – B. No Changes

C. Minimum Tree Coverage Standard

1. No Change

2. Tree Survey

a. i. **No Change** The *tree survey* shall be in the form of a map or a *site plan* prepared and sealed by a registered *land* surveyor within two years of the date of *application*. The *tree survey* shall be at the same scale as the required *site development* plan and shall include the following information:

- i. The location of all Category I, II and IV *trees* with a *DBH* of 6 inches or greater, ~~and Category III *trees* (other than cedar and palmetto *trees*) with a *DBH* of 12 inches or greater and cedar and palmetto *trees* with a *DBH* of 8 inches or greater~~ within the areas to be developed and within areas 25 feet beyond such area in each direction, or extending to the property line, whichever is less;
- ii. The location of any *trees* with a *DBH* less than 6 inches (Category I, II and IV), ~~less than 8 inches (cedar and palmetto *trees*) and less than 12 inches (Category III other than cedar and palmetto *trees*)~~ that the *applicant* wishes to count toward the minimum standard of *tree* coverage on the *site*; and

Staff Explanation: The current language inadvertently states that if a tree exceeds the DBH listed in Table 16-6-104.F.1 then it is a specimen tree; the change corrects it to equal or greater than.

D. – E. No Changes

F. Specimen Tree Preservation

1. Specimen Tree Defined

For purposes of this section, a *specimen tree* is any *tree* of a species designated by the *State* or federal government as an endangered, threatened, or rare species, or any *tree* of a type and with a *DBH* ~~exceeding~~ equal or greater than that indicated in Table 16-6-104.F.1, Specimen Trees, for the *tree* type.

Staff Explanation: The change clarifies that specimen trees are not protected on single-family lots.

2. General Requirements

- a. No *specimen tree* may be removed except in accordance with paragraph b below. In addition, all *specimen trees* shall have the following protections, whether located on public or private *land* with the exception of *specimen trees* located on *single-family lots*.

CHAPTER 16-10: DEFINITIONS, INTERPRETATION, AND MEASUREMENT

Staff Explanation: This change clarifies that density is not rounded up.

Section 16-10-102. Rules of Measurement

A. No Changes

B. Density

1. Density

A measurement of intensity of the *development* of a *parcel* of *land*, calculated by dividing total number of *dwelling units* by the *net acreage* of the *parcel* for residential *development*; by dividing the total number of guest rooms by the net acreage of the *parcel* for *hotel development*; and by dividing the total number of square feet of *gross floor area* by the *net acreage* of the parcel for other nonresidential *development*. In *mixed-use* developments, acreage allocated to residential *use* shall not be used to calculate nonresidential *density*, and acreage allocated for nonresidential *uses* shall not be used to calculate residential *density*; and acreage allocated to *hotel use* shall not be used to calculate other nonresidential *density*, and acreage used for other nonresidential *uses* shall not be used to calculate *hotel density*. Where residential and nonresidential *uses* are combined in a single *building*, the *density* of each *use* within the *building* shall be calculated separately. When computation of the *density* results in a fraction, the result shall not be rounded up to the nearest whole number.

APPENDIX A – ADVISORY AND DECISION MAKING BODIES AND PERSONS

Staff Explanation: This change adds back in the review of Traffic Impact Analysis Plans which is listed in the Rules of Procedure for the Planning Commission.

A-1. No Changes

A-2. Planning Commission

A. 1 – 2. No Changes

A.3. Review and make decisions on applications for:

a. – b. No Changes

c. Traffic Impact Analysis Plans (Section 16-2-103.I.5.b.ii).

APPENDIX D – APPLICATION SUBMITTAL REQUIREMENTS

Staff Explanation: This change adds two requirements (that are already listed in the Airport Overlay District) to the plat stamping section.

D-5. – D. 19. No Changes

D-20. Plat Stamping

A. No Changes

1. – 22. No Changes

23. If a property is located in the Airport Overlay (A-O) District a note shall be added to the plat per Section 16-3-106.E.3.b.i.

24. If a property is located in the Outer Hazard Zone of the Airport Overlay (A-O) District a note shall be added to the plat per Section 16-3-106.E.3.b.ii.



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA-CM, *Town Manager*
VIA: Shawn Colin, *Deputy Director of Community Development*
FROM: Marcy Benson, *Senior Grants Administrator*
CC: Charles Cousins, *Director of Community Development*
DATE: April 12, 2016
SUBJECT: 2016 Analysis of Impediments to Fair Housing Choice

Recommendation:

Staff requests approval by resolution of the attached 2016 Analysis of Impediments to Fair Housing Choice prepared by the Lowcountry Council of Governments on behalf of the Town of Hilton Head Island as required by the U.S. Department of Housing and Urban Development (HUD) for participation in the Community Development Block Grant (CDBG) Entitlement Program.

Summary:

As a recipient of CDBG entitlement funding from HUD the Town of Hilton Head Island is required to prepare an Analysis of Impediments to Fair Housing Choice (AI). The AI is a review of public and private policies and practices to promote fair housing choice and to address any impediments to fair housing discovered through this review. Based on HUD's recommendation to have a third party entity conduct the AI, The Lowcountry Council of Governments was procured to prepare the attached AI.

Background:

Under the Fair Housing Act, HUD is required to administer its programs in such a way as to affirmatively further fair housing. This requirement extends to grantees of HUD programs. The AI is a review of impediments or barriers that affect the rights of fair housing choice. It covers public and private policies practices, and procedures affecting housing choice. Impediments to fair housing choice are defined as actions, omissions or decisions taken which restrict housing opportunities for individuals or families from all segments of the population because of race, color, religion, sex, disability, familial status, or national origin. The purpose of the AI is to identify any impediments or barriers to fair housing choice throughout the Town and identify strategies to overcome these impediments.

The obligation to affirmatively further fair housing requires the Town to pursue the following broad objectives:

- Analyze and eliminate housing discrimination;
- Promote fair housing choice for all persons;

- Recommend opportunities for racially and ethnically inclusive patterns of housing occupancy;
- Encourage housing that is physically accessible to and usable by all persons, particularly persons with disabilities; and
- Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

More specifically, the obligation to affirmatively further fair housing requires the Town to:

- Conduct an AI to identify impediments to fair housing choice; and
- Take appropriate actions to overcome the effects of any impediments identified through the AI; and
- Maintain records reflecting the analysis and actions in this regard.

At the April 11, 2016 Community Services Committee meeting the Committee unanimously approved a recommendation to Town Council to approve by resolution the attached 2016 Analysis of Impediments to Fair Housing Choice as required by the U.S. Department of Housing and Urban Development (HUD) for participation in the Community Development Block Grant (CDBG) Entitlement Program.

Approval of the AI at the May 3, 2016 Town Council meeting will allow the AI to be submitted by the May 31, 2016 HUD submittal deadline.

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA TO APPROVE THE 2016 ANALYSIS OF
IMPEDIMENTS TO FAIR HOUSING CHOICE**

WHEREAS, the Town of Hilton Head Island is designated by the U.S. Department of Housing and Urban Development (HUD) as an “entitlement” community and receives annual Community Development Block Grant (CDBG) funds; and

WHEREAS, as a condition of receiving this funding the Town of Hilton Head Island is required to periodically conduct an Analysis of Impediments to Fair Housing Choice to identify impediments and opportunities to affirmatively further fair housing as required by the Federal Fair Housing Act; and

WHEREAS, this Analysis of Impediments to Fair Housing Choice has been prepared by the Lowcountry Council of Governments for the Town of Hilton Head Island; and

WHEREAS, the Town Manager is authorized to submit this 2016 Analysis of Impediments to Fair Housing Choice to HUD for their review and acceptance;

NOW, THEREFORE BE IT, AND IT HEREBY IS RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, THAT The 2016 Analysis of Impediments to Fair Housing Choice, as submitted in the attachment to this resolution be approved and submitted to the U.S. Department of Housing and Urban Development.

MOVED, APPROVED, AND ADOPTED ON THIS ____ DAY OF _____, 2016.

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Town Clerk

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

An Assessment of Conditions, both Public and Private,
Affecting Fair Housing Choice for All Protected
Classes in the Town of Hilton Head Island

DRAFT

2016



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An Assessment of Conditions, both Public and Private, Affecting Fair Housing Choice for All Protected Classes.

1 PURPOSE

The Purpose of this study is to complete a comprehensive review of the Town of Hilton Head Island's laws and regulations, and administrative policies, procedures, and practices affecting the location, availability, and accessibility of housing, as well as an assessment of conditions, both public and private, affecting fair housing choice.

2 INTRODUCTION

It is important to review the topographic features and historical precedents that make the Island distinctive to help understand the complex nature of the subject of affordable and fair housing on Hilton Head Island.

Environment and Topography

Hilton Head Island has 12 miles of grassy dune-lined beach frontage along the Atlantic Ocean. The topography is near sea level and mostly flat, with gentle slopes into tidal marshes. Maritime forests are scattered on the upland with development settled in-between. The climate is warm with mild winters. Historically, tropical storms and hurricanes have affected the Island and pose a risk for developed areas in the future. FEMA rates a substantial portion of the Island in flood plains. All of these environmental factors have an impact on the affordability of housing.

Early History

Settlement on the Island can be traced back thousands of years with Native Americans. Europeans explored the area in the 16th century, and Captain William Hilton's voyage came to the Port Royal Sound, where he named the Island after himself in 1663. During the Civil War, the Union Army occupied Hilton Head Island, which was strategically important to the blockade of the Southern ports. During that time, freed slaves came to buy land, particularly on the north end of Hilton Head Island in an area now called Mitchelville.

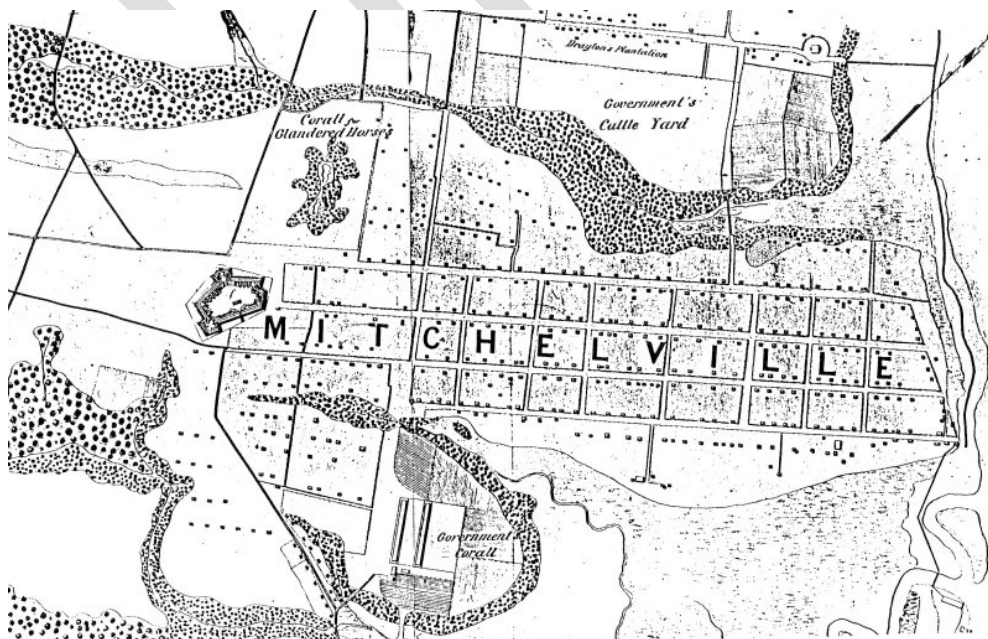


Figure 1: Image - Historic Mitchelville

Significant portions of this land are owned by the descendants of the freed slaves, who are referred to as Native Islanders or Geechee People. “Heirs” is a common term used that describes the ownership of the decedents’ land, which can be a highly complex issue. For many, there is no clear title and multiple heirs can be located across the country. At one point, heirs retained more than 3000 acres on Hilton Head Island, where land ownership and agriculture, hunting, and fishing were the main sources of economic strength. The Geechee culture has continued for many generations and today there is an ongoing effort to preserve the traditions on the Island.

Mid-Twentieth Century Changes

In 1949, before a bridge connected the mainland to the Island, Hilton Head Company purchased large sections of land on the southern end of the Island for the extraction of timber. The cost was \$60 an acre. For perspective, in today’s money that’s \$597. After working on the Island, and coming to know the people, the son of one of the company’s executive, Charles Frazier, began to develop a vision for the Island by the 1950s. At the same time, golf had become popular in the United States. His vision was to incorporate the natural beauty of the Island with a golf lifestyle setting. Esthetics and the manner in which the subdivisions were planned in concert with the delicate environment became paramount, as it was a way to attract potential buyers and visitors. By the 1960s, after the bridge was built, a full-fledged resort community was established at Sea Pines, a planned development on the south end of the island. The economic structure began to shift rapidly when Native Islanders began to work in the resort communities, and the agrarian and fishing occupations became less prevalent. As development increased, roads, water, sewer, and healthcare became more accessible to the Native Islanders; however, gaps in available services remained.

Hilton Head Island developers became national leaders in modern town planning. In fact, many of the veteran expert designers and developers spread the concepts throughout other resort-style communities in the United States and internationally. By 1983, the Town incorporated for the purpose of having more control over the way development occurred, as well as for the provision of services such as fire protection and community amenities. Given that new development on Hilton Head Island largely took the form of private, gated communities called “plantations”, many amenities remained private in those communities and available only to residents.

New residents were concerned with the appearance of the main highway corridors, and incorporation gave the new Town the ability to implement zoning, which would regulate the uses outside the planned communities. Meanwhile, new planned communities were zoned under “Planned Unit Development” (PUD) districts, which are agreements between the Town and developers that set criteria for mixed land uses while maintaining some flexibility. Areas outside PUDs were restricted by specific land use zoning regulations. The regulations had the effect of establishing exclusionary zoning for large portions of land throughout Hilton Head Island.

The 1980s and 1990s

The term affordable housing is not new to the Island, nor are the barriers to it. During the 1980s and 1990s, Native Islander and developer Tom Barnwell began to advocate for bridging the housing/income gap between the plantations and the residents of the rest of the Island. He actively worked to develop affordable housing. Mr. Barnwell began to use his land to develop affordable housing in the form of apartments, single-family homes and manufactured housing lots. He now notes that this was not the most profitable way of investment, given the work

required and the barriers, including easements, utilities, permitting and zoning. However, the experience gave him the ability to provide a road map for other Native Islanders. Some of the barriers included easements, utilities, permitting and zoning. Please see Appendix C “Heirs’ Roadmap” for a detailed guide of Mr. Barnwell’s suggested steps for heirs’ property development.

Present

Hilton Head Island remains a top tourist destination. Diversity among the permanent residents is increasing, and arts and cultural activities are plentiful. One of the Town’s special features is an extensive bicycle and pedestrian system, with pathways connecting nearly every corner of the Island, providing recreational and commuting opportunities for both residents and visitors.

Because much of Hilton Head Island’s commercial development was built 30 to 40 years ago, redevelopment and reuse of those facilities is currently a major issue. Results to date have included the multi-million dollar redevelopment of some of the original shopping centers.

Nonetheless, policy makers and citizens alike are anxious to find ways to alleviate the effects of a lopsided economy dependent on the tourism industry. Although the resort-type lifestyle is an integral component of the economy to protect, there is a need to provide solutions to diversify the economic structure. Most interview participants questioned the sustainability of the existing economic model, as the Lowcountry Region’s economic engine is shifting inland, at least, to some extent.

One common theme discussed is the possible long-term future development of the Jasper Ocean Terminal. The new port would be a significant economic contribution to the Region, and could provide jobs for Hilton Head Island’s labor force that now continues to work in service jobs. If the new port does get built, it will not be for a decade or more, but nearby Bluffton and Hardeeville continue to grow rapidly and are already attracting employees to commercial and residential areas of SC 170 and US 278.

Today, more than 50,000 cars a day, on average, across the William Hilton Bridge on US 278, with traffic increasing over the last few years. Workers commute from two and three counties over. For some it can take hours to get on the Island, consuming valuable time and money. Many folks work in the tourism industry. However, others are firefighters, police officers, teacher, and nurses, in addition to other public servants who simply cannot afford to live on the Island. As more jobs become available closer to where people live, the consensus seems to be that there will be less of a desire to commute on-and-off the Island.

Native Islanders still call Hilton Head Island home. Many own lands that has been passed down for five or six generations, although the number of acres of heirs’ property has decreased as land has been purchased by developers. With many factors working against Native Islanders in their pursuit of affordable, safe, decent housing on their land, it can be desirable to sell and move on. These factors, among others, make it important to study the role of fair and affordable housing on the Island. This report will consider the dynamics in more detail in the following pages.

3 METHODOLOGY

To identify impediments to fair housing choices in the Town of Hilton Head Island, and gain the greatest perspective possible, personal interviews were conducted with directors of public agencies and other organizations that serve low-income and moderate-income clients. Community leaders, developers, and bankers were also contacted for interviews. They were selected because an element of housing is included in the services provided by each organization, as direct providers, referral agencies or sources of housing education and financing. Others were selected for the role that they play in the discussion or the development of fair and affordable housing. As such they represent a large number and a wide variety of groups (see list on the following page).

The interviews focused on the following areas:

- Description of community and clients served, including volume and unique needs as identified by the agency's focus.
- Affordable housing inventory available to clients
- Identification of greatest impediments for acquiring low-income housing
- Trends in clients' housing needs
- Identification of any discrimination

Appendix A is a table that lists each organization interviewed and the main barriers reported by each respondent.

Several impediments for housing were common as the interviews proceeded. They are listed below from the most frequently stated to the least. It is important to note that the impediments do not stand alone; they are interrelated and often inseparable.

- a. Housing affordability – Low wages
- b. Inventory – Insufficient stock for low- and moderate-income population
- c. Transportation – Limited access
- d. Lack of employment opportunities
- e. Financial illiteracy - Prevalent
- f. Qualifying clients – Tighter requirements
- g. Construction and land costs – Escalating Shelters – Limited facilities
- h. Shelters – Limited facilities
- i. Language Barriers

After identifying the impediments through interviews, the most recent data available was then assembled and assessed for each subject to ensure that the opinions expressed are based on actual and quantitative conditions. Data sources include the US Census, the Regional Impediments to Fair Housing study, the Consolidated Plan for Hilton Head Island, and the Lowcountry Council of Governments (LCOG).

We also looked at both federal and local legislation that affects fair housing in the Town of Hilton Head.

4 INTERVIEW PROCEDURE

Dozens of contacts have been designated as providers or in some capacity involved with housing to identify the multiple impediments to fair housing choices in the Town of Hilton Head Island, however some were not available. Personal interviews were conducted with the administrator or executive director in charge of the agencies and organizations, which serve an array of clients, including low-income clients, moderate-income clients and some having special housing needs. Many of the agencies have the provision of housing as a major focus; others refer their clients to agencies that directly assist with housing. Information was gathered from the following categories of providers of housing or providers of services related to housing:

Government Agencies:

- Town of Hilton Head
- Alliance for Human Services
- Beaufort Housing Authority

Regional Agencies:

- Lowcountry Council on Aging
- Lowcountry Workforce Investment
- Lowcountry Community and Economic Development (HOME)

State Agencies:

- SC Human Affairs Commission- no contact -left multiple messages

Non-profit Organizations:

- Access Network
- Family Promise of Beaufort County
- Habitat for Humanity, Hilton Head
- Neighborhood Outreach Connection (NOC)
- PASOs

Community Leaders:

- David Bennett, Mayor
- Alex Brown, Chairman, Town Planning Commission
- Dot Law, President, Chaplin, Marshland, Gardner Property Owners Association (Bridge Builders)

Private Developers

- David Ames (Also Bridge Builders)
- Tom Barnwell (Also Bridge Builders)

Mortgage Lenders:

- Atlantic Community Bank

Categories of Interviewees

Interview groups were categorized by:

- Those that had housing inventory for clients.
 - a. Questions included:
The volume of clients compared to the number of available units, waiting time for clients, interaction with governments and funding sources.
 - b. Number contacted: 2
- Those that did not have inventory but were able to refer clients to housing facilities in the area.
 - c. Questions included:
Availability of housing, client trends, interaction with local government
- Mortgage lenders who finance first time homebuyers.
 - d. Questions included:
How sub-prime lenders and client qualifying will be affected by the current real estate market.
 - e. Number contacted: 1

5 HILTON HEAD ISLAND SOCIO-ECONOMIC ENVIRONMENT

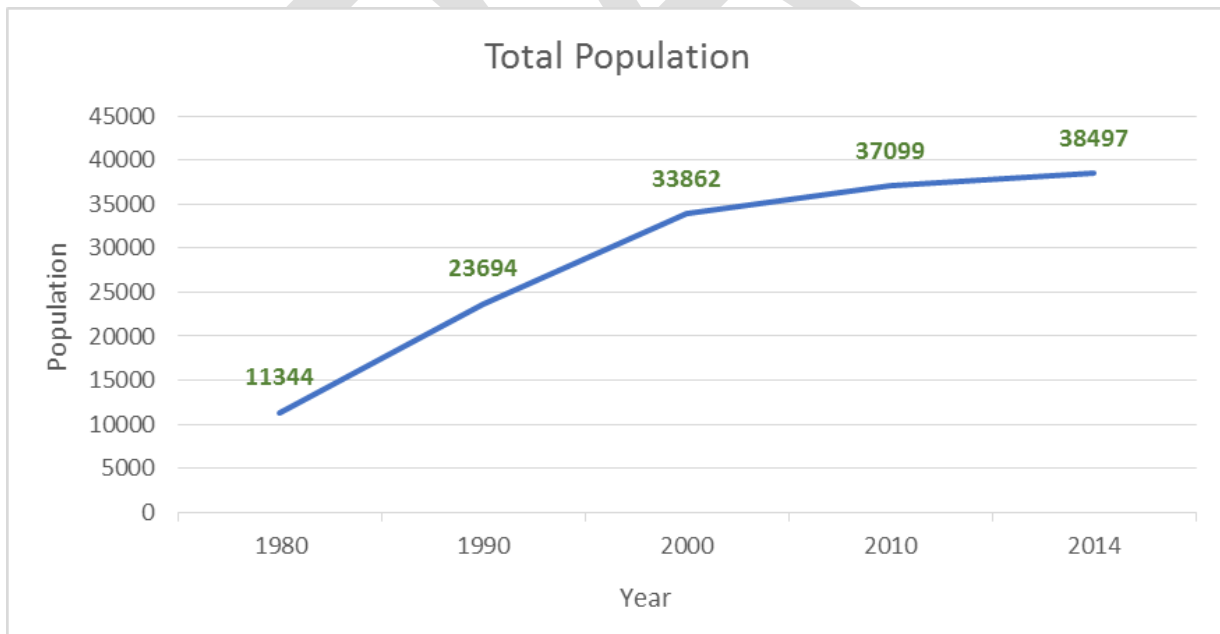
Because most of the impediments to fair housing in the Town of Hilton Head Island revolve around economic issues, the socio-economic structure of the area in itself serves as a major impediment to the rent or purchase of affordable housing by households with low or moderate incomes. This section assesses the various components of the regional economy within the context of fair housing.

Population Growth

Beaufort County had the fastest growth rate in the state (and one of the fastest on the Southeast coast) between 1990 and 2000. Growth continued at a fast rate between 2000 and 2010 while Jasper County ranked fifth in South Carolina.

Hilton Head Island's population has grown significantly since its incorporation in 1983. According to data from the US Census Bureau, the Town's population has grown more than 70 percent between 1980 and 2014. The population growth has led to increased property values and construction costs. Due to the limitations, as Hilton Head Island grows, available and environmentally constraint-free land has become scarcer.

Figure 2: Chart - Hilton Head Island Population 1980-2014



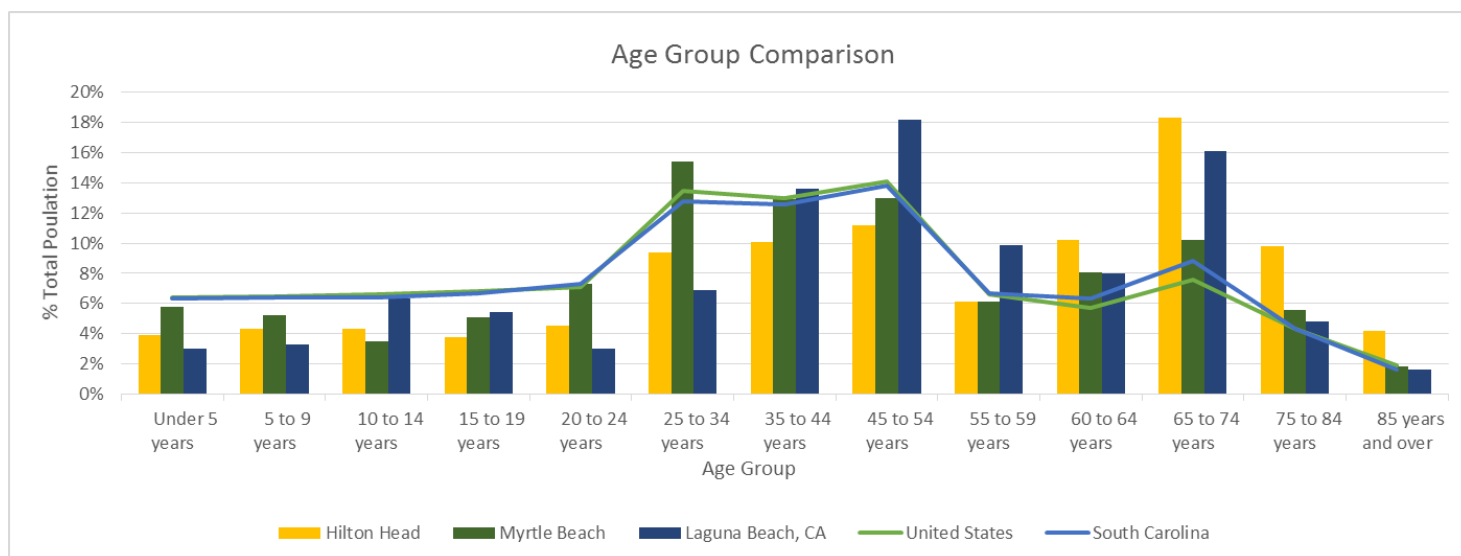


Figure 3: Age Groups Comparison

Hilton Head Island Age Structure: 2014

The Town of Hilton Head Island's population does not mirror the state or the nation regarding age structure. It is similar to the comparison cities of Myrtle Beach and Laguna Beach. The population has unequal distribution with higher percentages for groups 60 and over.

Older residents are at risk due to:

- Limited and fixed resources, i.e. pensions, social security, retirement funds
- Limited availability of smaller apartments at affordable rates, for single persons
- Very low income for surviving/widowed spouses
- Waiting lists for subsidized or public housing
- Healthcare costs

Through interviews for this study, a recurring comment was that young adults on the Island face difficulties in finding meaningful well-paying jobs and affordable housing. There are few opportunities offered to high school and returning college graduates; in the 2014 American Community Survey (ACS) Census data, their numbers are smaller compared to their senior counterparts as well as state and national averages(see Figure 3 above). Policy-makers interviewed concurred and are actively exploring ways to diversify the economic structure on the Island to provide more economic and employment opportunities.

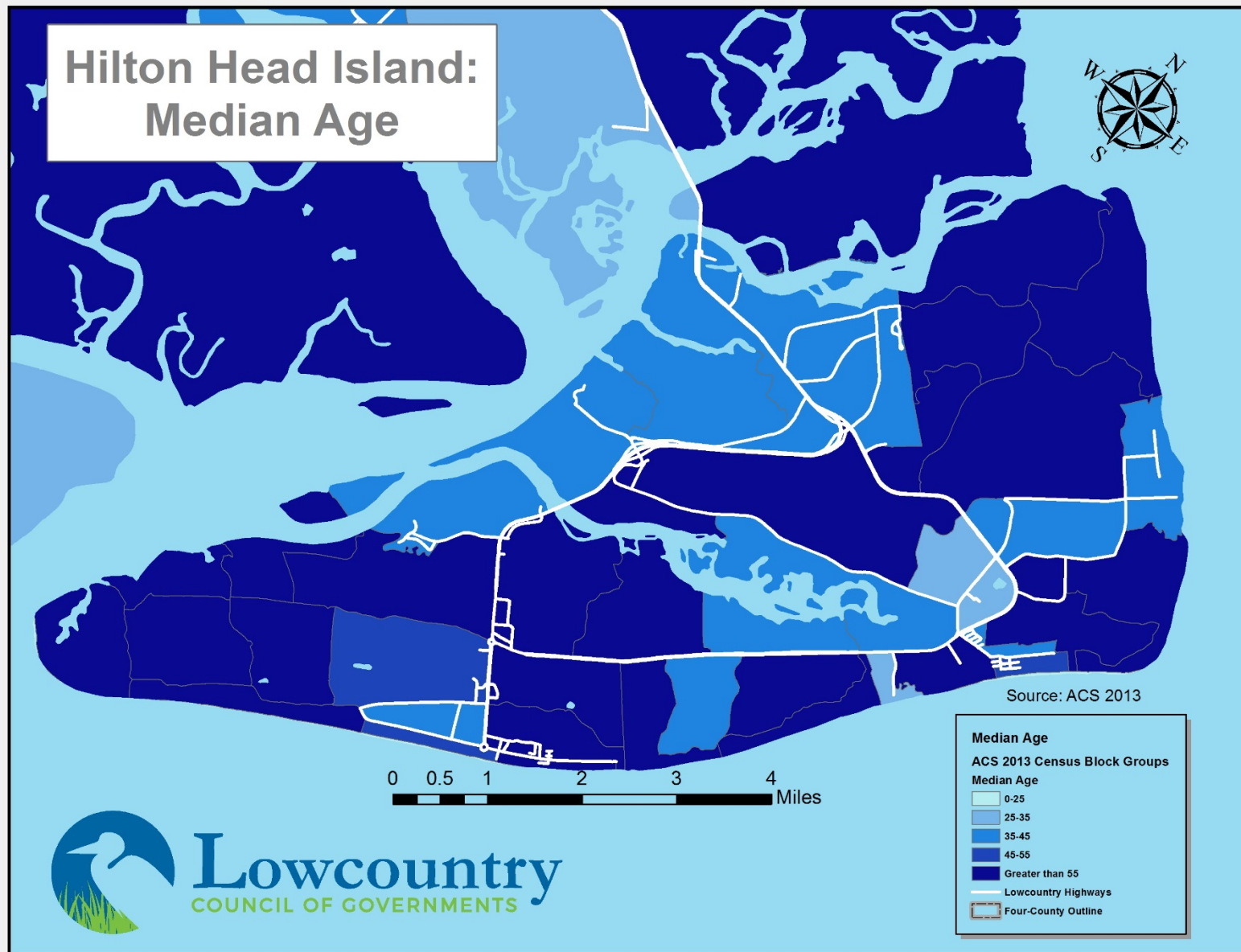


Figure 4: Map - Median Age

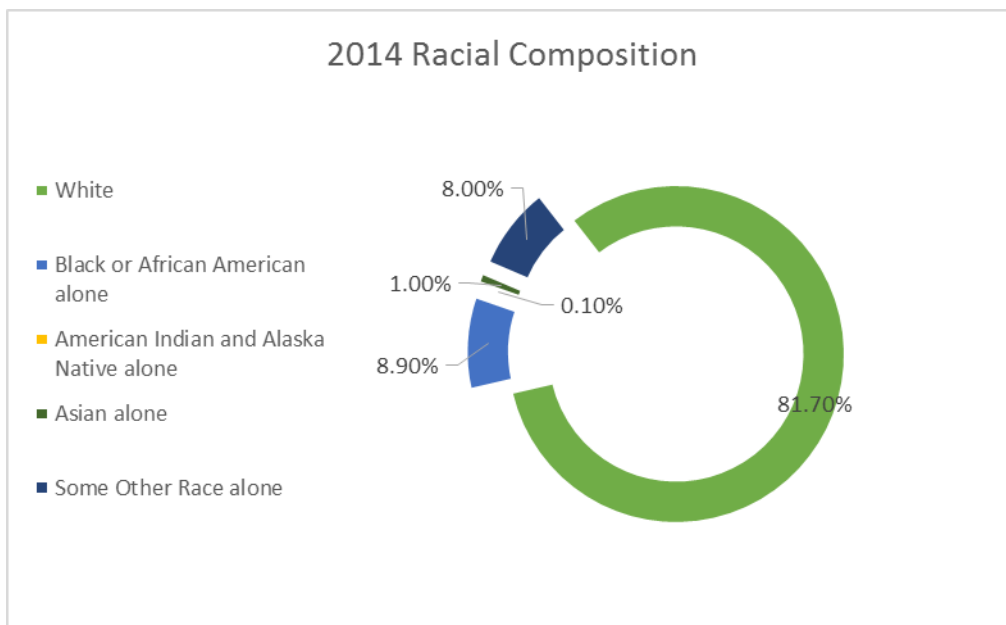


Figure 5: Chart - Racial Composition

Racial and Ethnic Diversity

Along with growth, especially in Southern Beaufort and Jasper counties, has come an equally significant change in the composition of the Town's population. Formerly, and for much more than a century, the area population was almost entirely comprised of African-American and white residents, although there have been small Asian, Hispanic and Native American population segments living in the area for some years. The combination of rapid growth and low unemployment in the Region attracted people to the Hilton Head Island area during the 1990s and into the first years of the twenty-first century. As the 2000 and 2010 Censuses show, a relatively large number of persons of Hispanic/Latin origin have moved onto the Island, but also into Beaufort and Jasper Counties. Although hard data is not available, anecdotal evidence points to low-paying jobs for a large portion of the Hispanic population here. Source: US Census Bureau

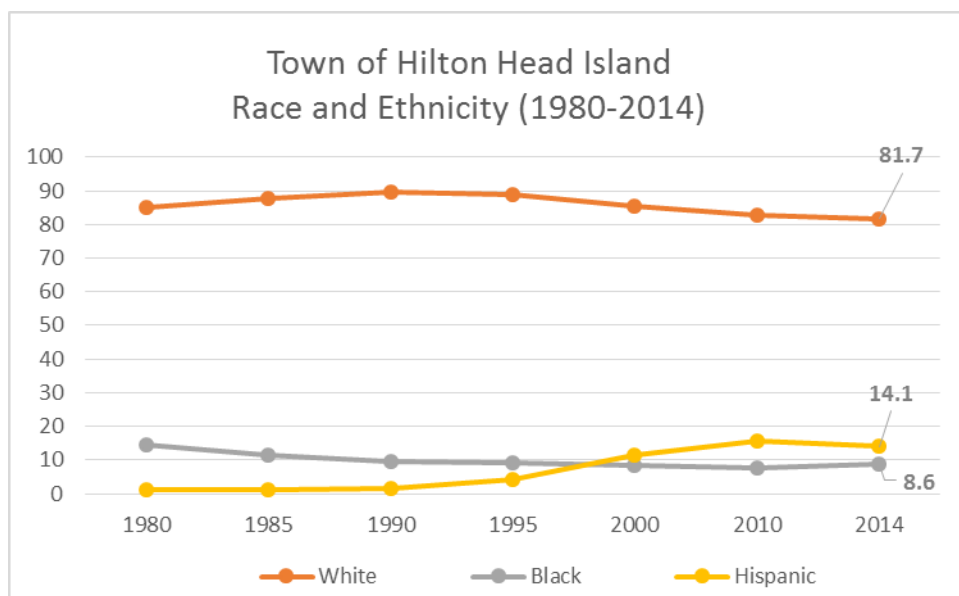


Figure 6: Chart - Race and Ethnicity over Time

To further the analysis by making comparisons, Myrtle Beach, SC and Laguna Beach, CA were identified to provide comparative insights. These places face similar pressures in terms of predominantly service industry employment for popular tourist destinations. When comparing Hilton Head Island to these places, the share of minority populations in town show diversity roughly the same as Myrtle Beach, but more so than Laguna Beach, CA. Minorities have historically faced barriers regarding affordable housing, educational attainment, and economic mobility disproportionately to their white counterparts. Nevertheless, all races and ethnicities face barriers to affordable housing.

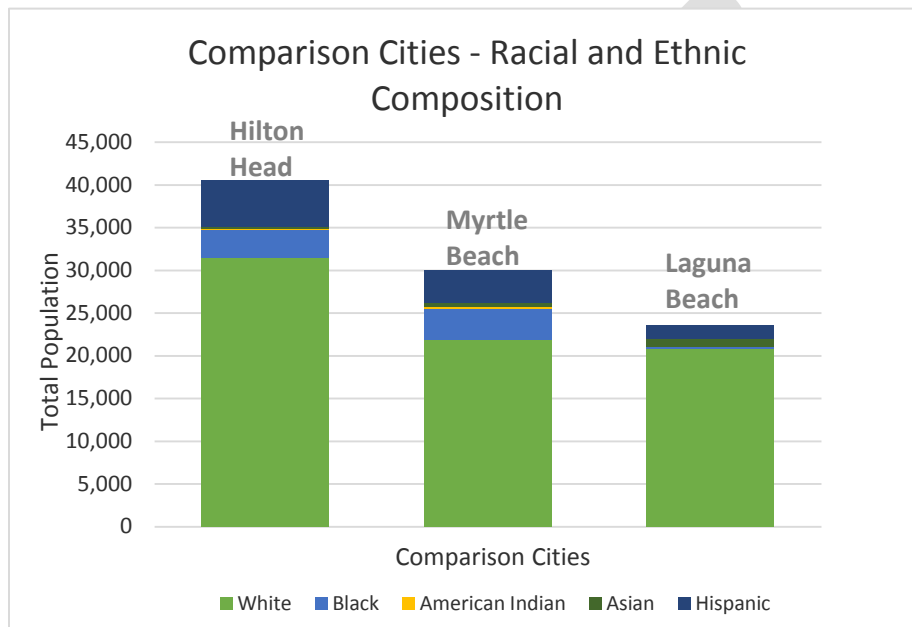


Figure 7: Chart Comparing Racial and Ethnic Composition

Minority Concentrations

To provide information on the concentration of minorities on Hilton Head Island, a GIS analysis was conducted using 2010 Census block data to determine areas that are spatially different in demographics compared to other areas of Town. The dissimilarity index for African Americans on the Island is 65 percent. In other words, to distribute the population equally regarding racial composition, 65 percent of the current minority population would have to move.

The following map shows the concentration of Hispanic and African American populations on the Island. The two groups appear to mix in concentrated areas outside planned unit developments (PUDs) and historic neighborhoods. Community facilities and common destinations were to show proximity to where people live.

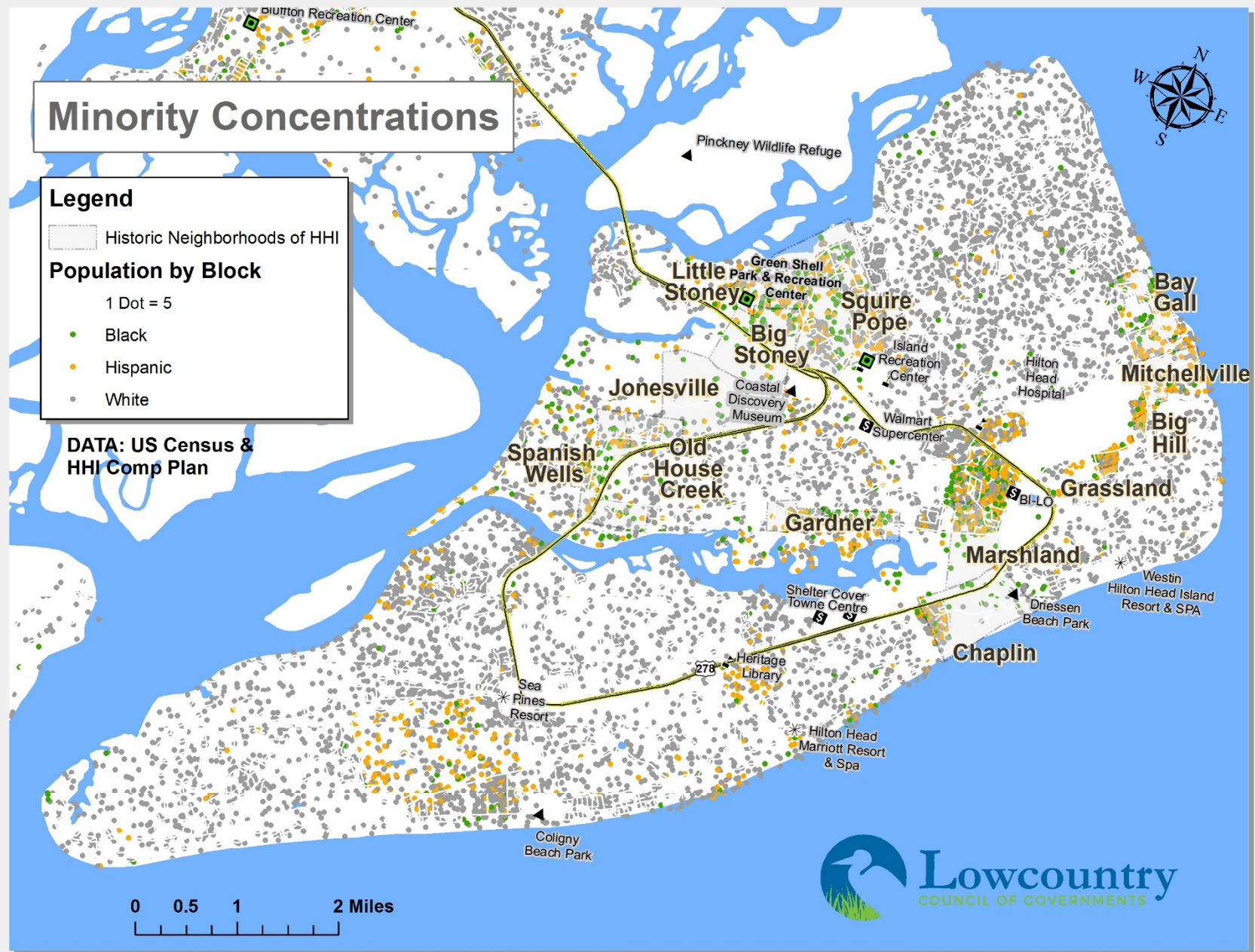


Figure 8: Map Racial and Ethnic Concentrations

Incomes and Poverty

Incomes are higher on Hilton Head Island than South Carolina and National averages. Beaufort County as a whole also had incomes higher than the state average. However, the number of wealthy households with investments and substantial retirement savings distorts median household income for the Island. A closer look at the distribution of wages by occupation is considered in the following sections.

The table below depicts incomes since the 1980s. While adjusting for inflation, incomes increased through the 1980s and 1990s but since the Great Recession, incomes have declined. Overall, incomes in the state and county increased modestly between 1980 and 2014. However, there was a decrease during the Great Recession. The differences here are likely due to growth that is occurring off the Island, and major economic development in other parts of the state.

	Income Type	1980	1990	2000	2010	2014	Percent Change 1980-2014
Hilton Head Island	Median Household Income	\$23,854	\$42,999	\$60,438	\$67,995	\$68,437	186.90%
	Adjusted	\$68,532	\$77,884	\$83,089	\$73,819	\$68,437	-0.14%
Beaufort County	Median Household Income	\$15,490	\$30,450	\$46,992	\$55,286	\$57,275	269.75%
	Adjusted	\$44,502	\$55,153	\$64,603	\$60,022	\$57,275	28.70%
State Average	Median Household Income	\$14,711	\$26,256	\$37,082	\$43,939	\$45,003	205.91%
	Adjusted	\$42,264	\$47,557	\$50,979	\$47,703	\$45,003	6.48%

Figure 9: Table - Median Household Income

To examine the household income across demographic groups, especially those that are considered minority, racial and ethnic incomes are shown here. The data indicates that incomes are considerably less for minority populations, other than Native Americans, on Hilton Head Island.

Race or Ethnicity	Median Household Income (2014)	Difference Between Town Median HH Income
White	\$73,559	7%
Hispanic	\$41,534	-39%
Black	\$27,669	-60%
Asian	\$31,615	-54%
Native American	\$87,188	27%

Figure 10: Median Household Income by Race and Ethnicity

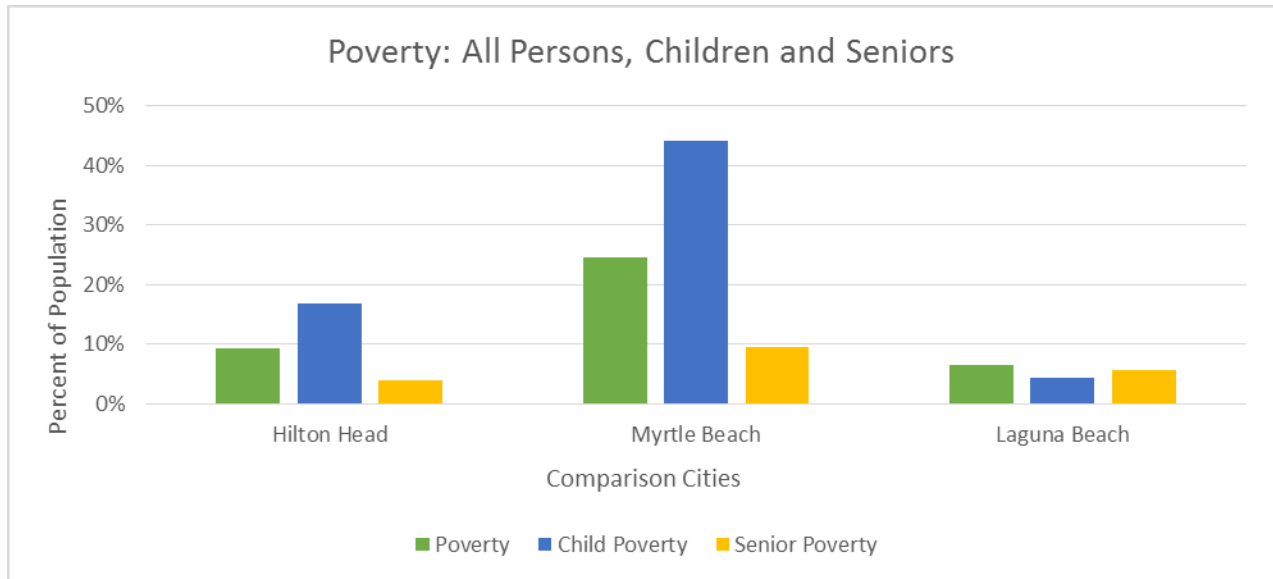
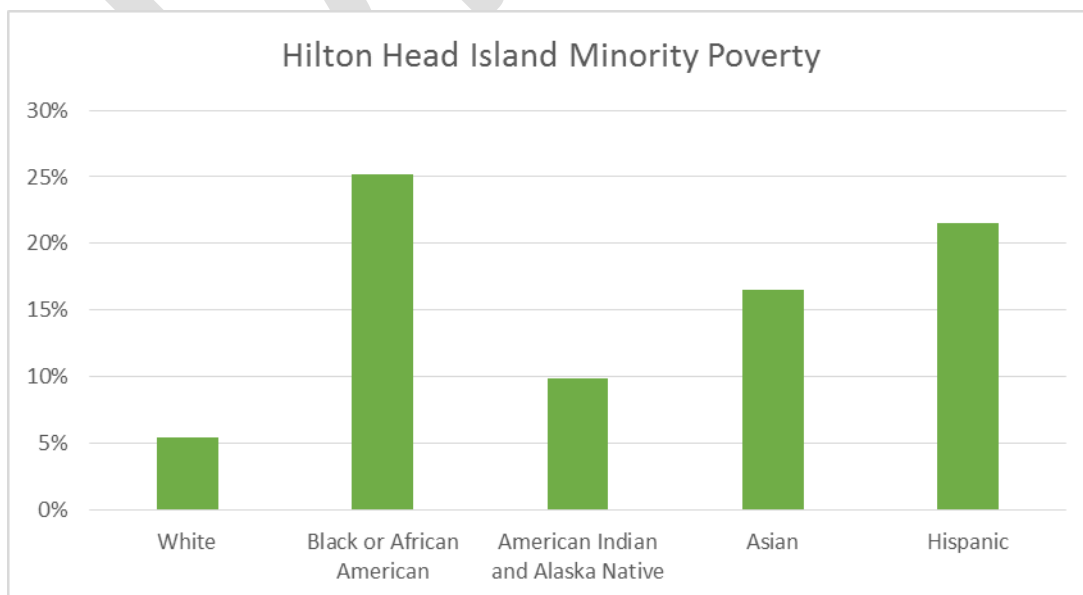


Figure 11: Chart - Comparing Poverty

Poverty

According to data from the US Census Bureau’s 2009-2014 American Community Survey, overall poverty rates, for all persons on Hilton Head Island are lower than state and national averages. However, poverty for minority groups is much higher. African-American poverty levels are at 25 percent and Hispanic poverty stands at 21 percent. Poverty on the Island disproportionately affects minority groups, including Asians (16.5 Percent) and those under the category of “some other race: (27.1 percent). Senior poverty rates are lower than the overall average, yet child poverty is higher than the average for all persons. These data points suggested that minorities and families would struggle more in obtaining affordable housing on the Island. Those families and persons who live in poverty are susceptible to living in substandard living conditions and children are vulnerable to lead and other substances. Substandard living conditions are more likely to have mold present, which can lead to exacerbated health conditions like asthma.



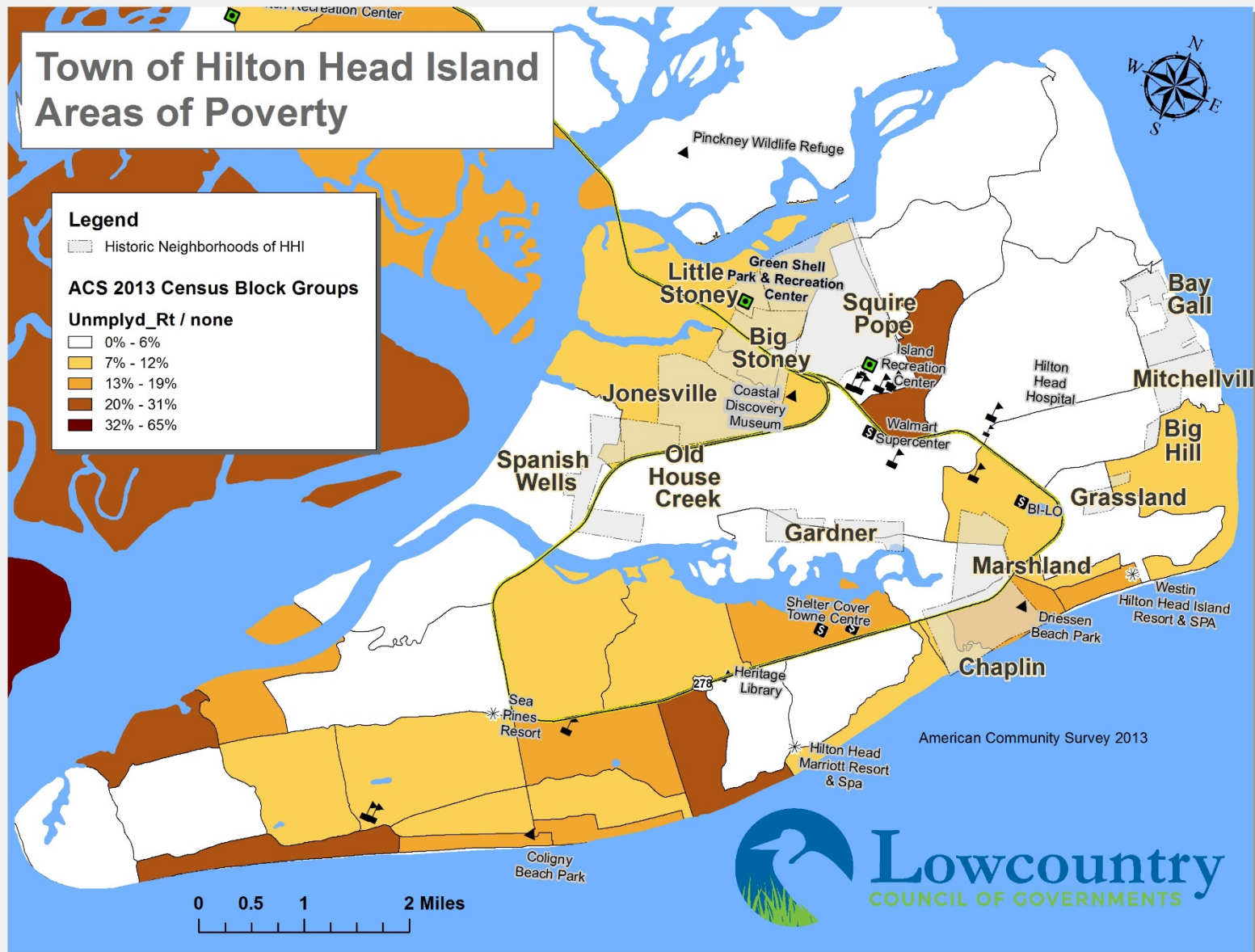


Figure 13: Map - Poverty

Employment and Wages

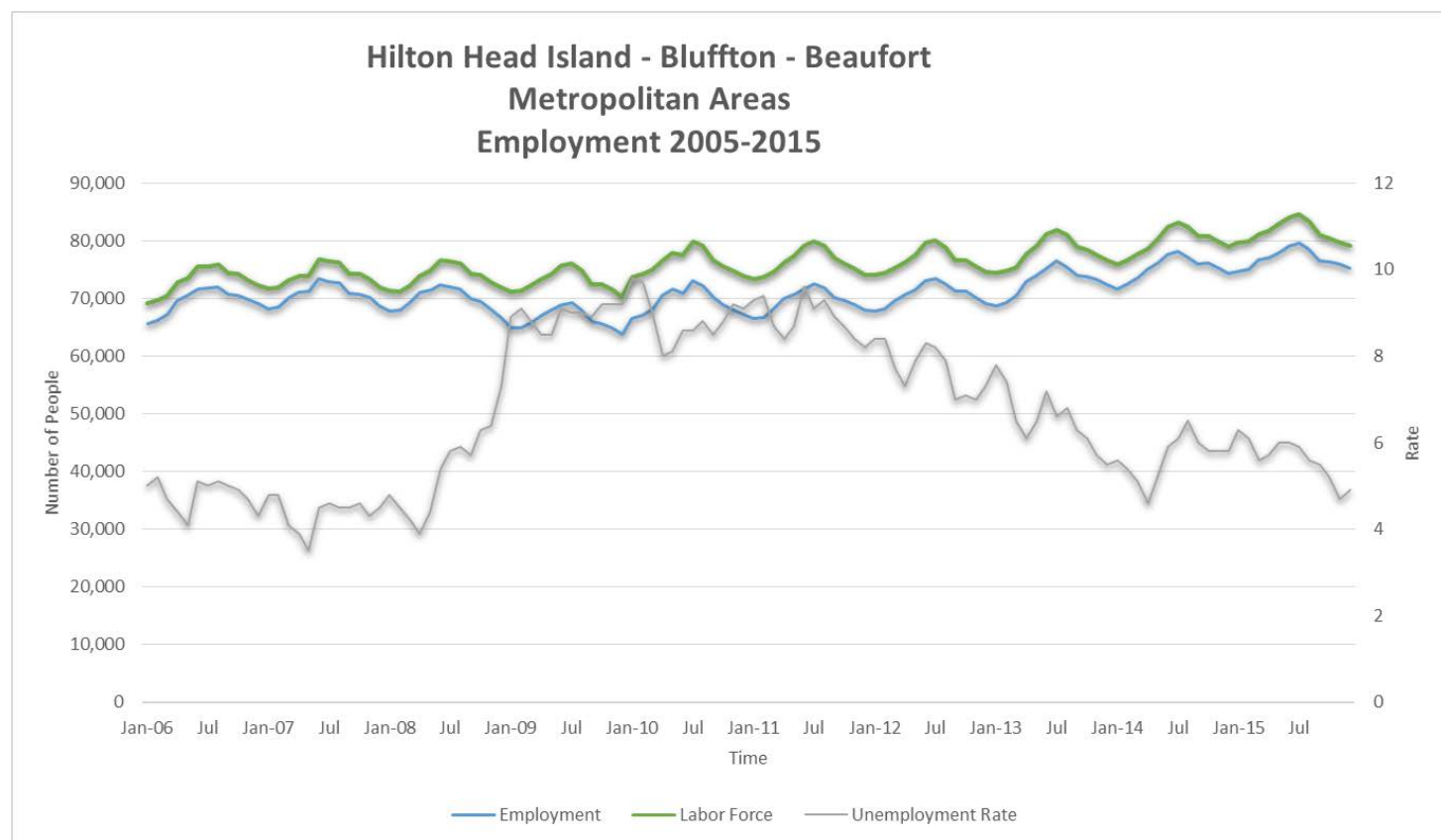


Figure 14: Chart - Employment

Employment and Unemployment

Beaufort County consistently has among the lowest unemployment rates in the state. However, there are a different set of fluctuations in the employment and labor force numbers in the above chart. The visual highlights the nature of the seasonal labor force in the tourism industry in the Region. The labor undercurrents have effects on the ability to secure fair housing as some jobs and hours paid slow during the off-season. The chart also highlights that the gap between employment and available labor force increased during the Great Recession and had not decreased to the same levels as were previously established.

Even when unemployment is relatively low, as in Beaufort County, wages do not meet the state average because of the concentration of jobs in the tourism and retail sectors of the economy.

The following table (Figure 15) illustrates occupations for the Lowcountry Region. There are relatively few, high-skilled and high-paying jobs, comparatively for the Region. There is an imbalanced proportion of sales, office, and food service work available to the workforce in the Region, which adds to the difficulty in obtaining affordable housing on the Island.

Figure 15: Table - Occupation by Number of and Wages

Occupation	Employment	Median Hourly Wage	Annual Average Wage
Office and Administrative Support Occupations	16,930	\$14.74	\$30,660
Food Preparation and Serving Related Occupations	15,870	\$10.29	\$21,410
Sales and Related Occupations	14,100	\$14.68	\$30,540
Building and Grounds Cleaning and Maintenance Occupations	7,230	\$12.34	\$25,670
Education, Training, and Library Occupations	6,940	\$19.07	\$39,660
Healthcare Practitioners and Technical Occupations	6,660	\$32.49	\$67,570
Transportation and Material Moving Occupations	5,910	\$13.77	\$28,650
Installation, Maintenance, and Repair Occupations	5,150	\$19.37	\$40,300
Management Occupations	4,520	\$41.12	\$85,530
Construction and Extraction Occupations	4,460	\$17.57	\$36,550
Production Occupations	4,300	\$16.29	\$33,880
Personal Care and Service Occupations	3,940	\$11.63	\$24,190
Protective Service Occupations	3,550	\$17.98	\$37,410
Healthcare Support Occupations	3,410	\$12.63	\$26,270
Business and Financial Operations Occupations	3,290	\$28.91	\$60,130
Community and Social Service Occupations	1,260	\$19.15	\$39,830
Computer and Mathematical Occupations	900	\$30.49	\$63,430
Legal Occupations	880	\$28.66	\$59,620
Architecture and Engineering Occupations	780	\$28.69	\$59,680
Arts, Design, Entertainment, Sports, and Media Occupations	710	\$17.05	\$35,460
Farming, Fishing, and Forestry Occupations	700	\$17.93	\$37,300
Life, Physical, and Social Science Occupations	390	\$25.87	\$53,820

Source: Bureau of Labor Statistic (BLS) 2014

Economic Diversification

As the Lowcountry Region's economy has been primarily based on tourism and the local military installations, there have been passed efforts to diversify the economic base; to date, especially in Beaufort County; they have not been very successful.

The Town of Hilton Head Island is now taking the initiative for its economic diversification to provide year-round employment opportunities. Through the interviews, a few common themes for diversification came up, based on existing demographic and institutional advantages.

- Healthcare and Home Healthcare Services
- Information Services and Technology
- Higher Education
- Culinary and Restaurant Management, reinforced by degrees offered on Hilton Head Island
- Historical Roots: Local foods and Urban Agriculture

Hilton Head Island is aware of its environmental constraints and transportation deficiencies. Manufacturing and warehousing/logistics development are unlikely due to natural hazard vulnerability and lack of rail service and distance to interstates. Other industries may be viable, such as health care services. In fact, destination health care is a development trend in other areas of the country. Examples include Rochester, MN, and Cleveland, OH.

One barrier identified for economic development on the Island during the interviews was poor access to broadband bandwidth and mobile reception. Regulations on the Island constrain the development of the infrastructure. Buried communication lines also have a potential for damage by flooding. Information, healthcare, and educational industries depend on modern communication infrastructure, so this is a significant barrier to the type of economic development that could provide better jobs for island residents.

6 IMPEDIMENTS

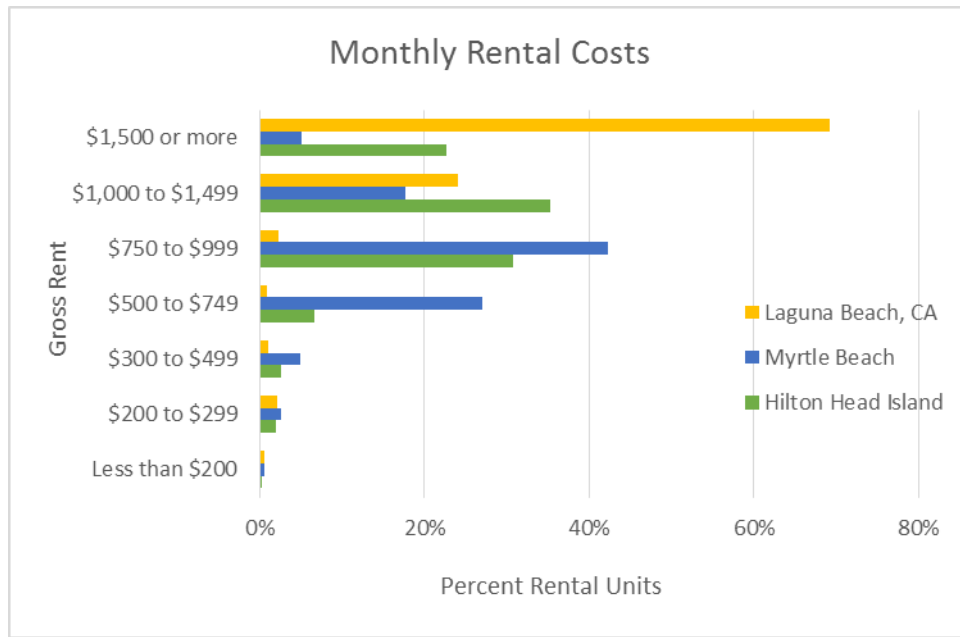
The significant impediments affecting fair housing for all protected classes in the Town of Hilton Head Island are discussed in the following section. A review of all the interviews indicated a pattern of prevalence impediments. A commonality surfaced. These variables are listed in order of most-to-least significance. It should be noted that the first three items were mentioned IN most of the interviews. The relationship of these three prominent items to each other is inseparable.

	Impediments	Mentions
1	Availability/Affordability	15
2	Low-Wage Jobs	11
3	Transportation	8
5	Language Barriers	6
6	Zoning	6
6	Heirs Property Title Complexities	6
7	Low Return on Investment for Developers	6
8	Cost of Land	5
9	Immigration Reform	5
10	Unit Size	5
12	Communication	4
13	Environmental Constraints	4
14	Poor Credit	4
15	Water and Sewer Availability	4
16	Gentrification	4
17	Lack of Opportunities	4
18	Lack of Knowledge of Fair Housing	4
19	NIMBYism	4
20	Exclusionary Zoning	4
21	Roads	3
22	Cost of Apartments	3
23	Political Will	3
24	Lack of Low-Interest Loans	3
25	Fees	3
26	Cost of Professional Services	3
27	Development Skillsets	3
28	Application Process	3
29	Lack of Incentives (Tax Breaks)	3
30	Crime	3
31	Insurance	2
32	Out-of-site-out-mind	2
33	Permitting Costs	1
34	Easements	1
35	High debt-to-income ratio	1

Housing Affordability

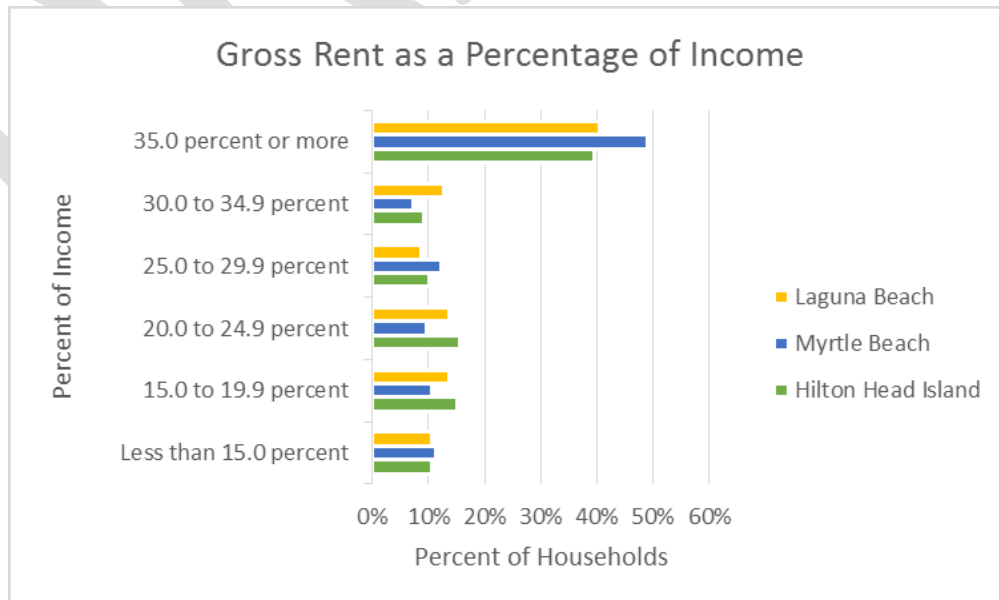
Several agency executives referred to “affordable housing” as a misnomer. Housing affordability was the first most common impediment identified by interviewees. Median rent on the Island is \$1,300/mo. That would require wages at approximately \$25/hr. More than 20 percent of the rentals cost more than \$1,500 on Hilton Head Island. See chart below.

**Figure 16:
Chart -
Gross Rent**



A review of the public policy suggests that a family should spend up to, or less than, 30 percent of income on housing. However, on Hilton Head Island, more than 40 percent of households pay more than 35 percent of income. See chart below.

**Figure 17: Chart -
Gross Rent by
Percent of Income**



Every year the National Low-Income Housing Coalition (NLIHC) assesses the affordability of rental housing for all of the counties in the United States and issues a summary report titled “Out of Reach.” NLIHC gathers and produces data on what wages it takes to afford apartments in Beaufort County (level available), which is likely lower than that of Hilton Head Island but still gives an indication of the costs. For a family, the costs are higher than for a single person or couple, as they need more room. All sizes of apartment’s costs are higher than state averages.

Housing Wage	South Carolina	Beaufort County
Zero - Bedroom	\$10.96	\$12.56
One - Bedroom	\$12.05	\$15.25
Two - Bedroom	\$14.57	\$18.08
Three - Bedroom	\$19.04	\$22.92
Four - Bedroom	\$23.28	\$27.69
Annual Income Needed to Afford		
Zero - Bedroom	\$22,798	\$26,120
One - Bedroom	\$25,068	\$31,720
Two - Bedroom	\$30,307	\$37,600
Three - Bedroom	\$39,611	\$47,680
Four - Bedroom	\$48,430	\$57,600

Figure 20: Table - Apartment Affordability

Their data demonstrates the affordability (or lack thereof) of housing in the Lowcountry for households with low and moderate incomes.

The NLIHC assumptions for South Carolina for 2015 are summarized as follow:

In South Carolina, the Fair Market Rent (FMR) for a two-bedroom apartment is \$699. To afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$2,330 monthly or \$27,959 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of \$13.44.

In South Carolina, a minimum wage worker earns an hourly wage of \$7.25. To afford the FMR for a two-bedroom apartment, a minimum wage earner must work 74 hours per week, 52 weeks per year. Or, a household must include 1.9 minimum wage earner(s) working 40 hours per week year-round to make the two-bedroom FMR affordable.

In South Carolina, the estimated mean (average) wage for a renter is \$10.64 an hour. To afford the FMR for a two-bedroom apartment at this wage, a renter must work 51 hours per week, 52 weeks per year. Or, a household must include 1.3 worker(s) , working 40 hours per week year-round, earning the mean renter wage to make the two-bedroom FMR affordable.

Monthly Supplemental Security Income (SSI) payments for an individual are \$674 in South Carolina. If SSI represents an individual's sole source of income, \$202 in monthly rent is affordable, while the FMR for a one-bedroom is \$614.

DRAFT

High Cost of Housing

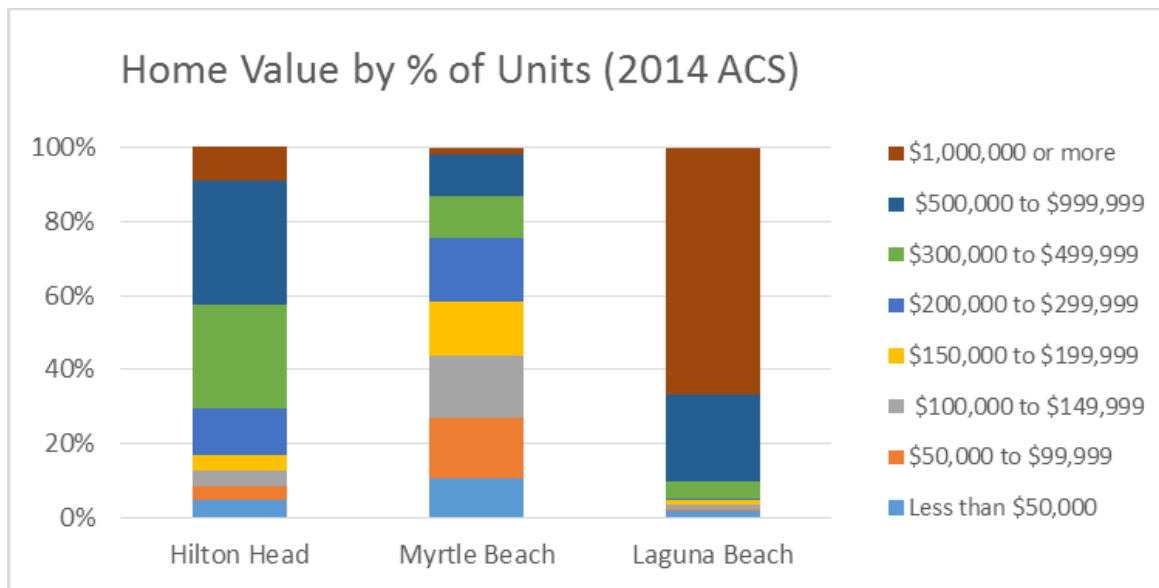


Figure 18: Chart - Housing Value Comparison

Rapidly accelerating costs of land and construction and the cost of compliance with local building codes drove up the price for housing beyond the affordable range for low-income and moderate-income households.

Some indicators show how expensive building new homes on the Island is:

- The Hilton Head Association of Realtors Multiple Listing Service (MLS) maintains data for a large number of listings and sales in Beaufort County.
- Building Permits. In 2014, the average cost of construction for a single family home on the island was \$576,675. Although lower than at the peak of the building boom in 2008, the costs are still well beyond the range of what low-income and moderate-income households can afford.

	2014	2013	2012	2011	2010	2009	2008
Single Family (#)	168	178	76	58	49	21	46
Average Value (\$)	\$96,881,348	\$81,479,372	\$42,752,741	\$42,481,323	\$27,170,953	\$13,743,715	\$33,157,287
Average (w/o Land)	\$576,675	\$457,749	\$562,536	\$732,437	\$554,509	\$654,463	\$720,811
Multi Family (#)	30	46	0	1	0	18	2
Average Value (\$)	\$2,274,481	\$8,117,692	0	\$4,591,379	0	\$2,531,734	\$2,873,986

Figure 19: Table - Building Permits

Inventory

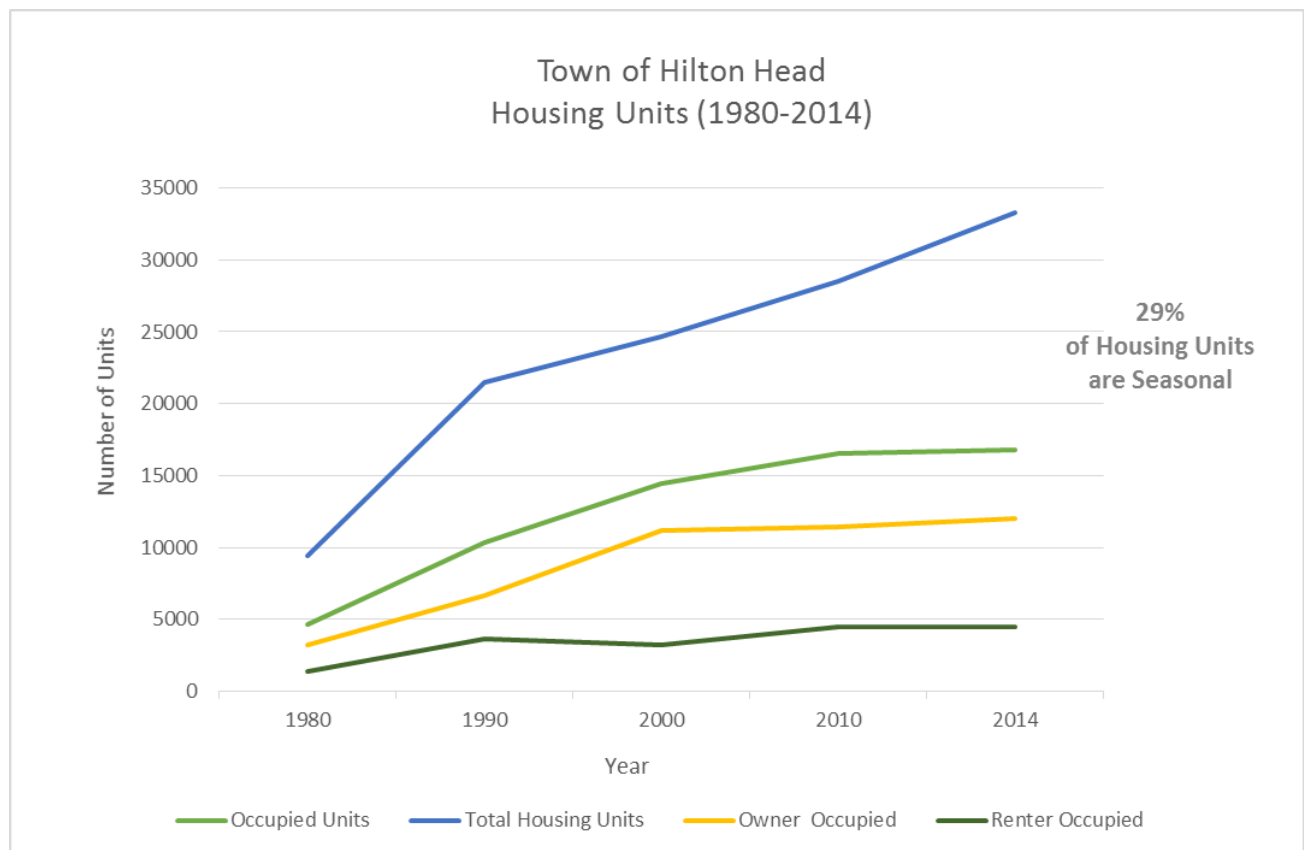


Figure 20: Chart - Housing Units Inventory

Lenders, social service agencies, and community leaders noted that there is a scarcity of low-income rental housing and affordable housing for purchase by moderate-income households in the Town of Hilton Head Island. ACS 2014 Data shows that a significant portion of the housing is seasonal (29 percent). Building permit data indicate that over the last few years, some multifamily units have been developed, but when comparing that to Census data it is likely those units are condominiums and timeshares for seasonal rentals.

Interviewees expressed concern that the supply of affordable rental units is becoming increasingly attractive for redevelopment, as some communities have experienced instances of gentrification. Because of the shortage of such rental housing, the waiting list of those in immediate need of housing far surpasses the number of units available. It is not uncommon for a client to be on the list for twelve months, or even longer.

One example mentioned several times is Bluffton House, as redeveloped into Avalon Shores, a higher end apartment community, thus reducing the available low-income housing in the area. There is anxiety that more of this is going to happen on the Island.

Transportation

The ideal situation would be to have adequate numbers of affordably priced housing units located within walking distance of Hilton Head Island’s major employers and employment centers, as well as medical, educational, retail centers and services. This type of development is not always economically possible because property values are higher nearer the places where jobs are most plentiful. Consequently, those persons in lower-paying jobs cannot afford to live near their places of work, school, shopping and health care. As a result, transportation—or the lack thereof—emerges as an impediment to fair housing in the Town of Hilton Head Island.

The chart below depicts the vehicles available for households on the Island. Note that there is a significant number of households (935) with no vehicle available, but one vehicle can also be problematic for families where two or more members of the household work or go to school.

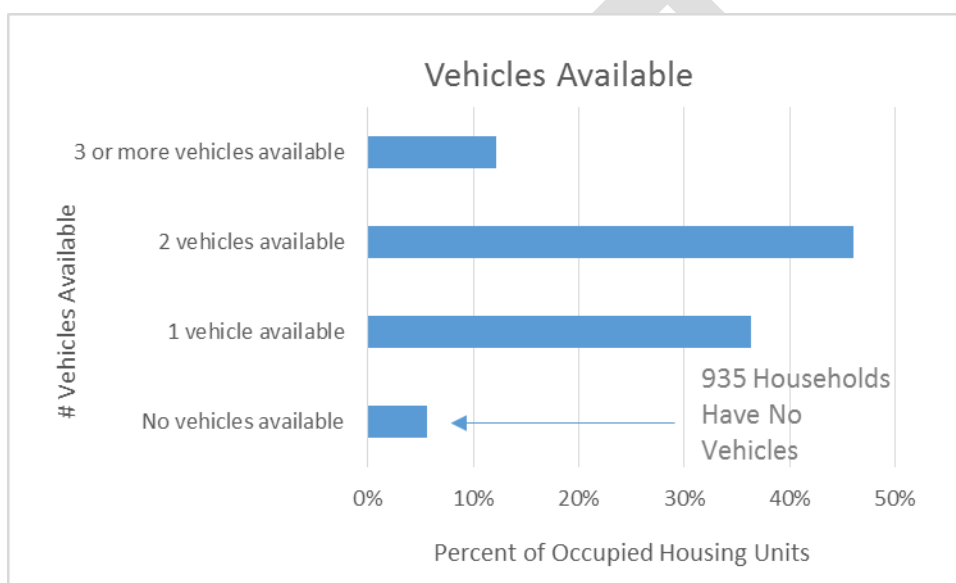


Figure 21: Chart - Vehicles Available

For more than 30 years, Hilton Head Island has been considered the “economic engine” of the region; now Bluffton and southern Jasper County have joined with the resort area to provide approximately 46,000 jobs for residents of all four counties, according to recent estimates. With Hampton and Colleton counties regularly having the highest unemployment rates in the Region, residents regularly travel from relatively inexpensive housing located as far away as Estill (in Hampton County) and Cottageville (in Colleton County) every day to and from jobs in southern Beaufort and Jasper counties (see map on next page). As a result, some people spend as much as four or five hours a day on buses or two to three hours in cars. Many interviewees discussed the traffic on-and-off the Island, especially during high commute times. They expressed the value of time and money spent on the extremely long commute made by some and the potential health effects.

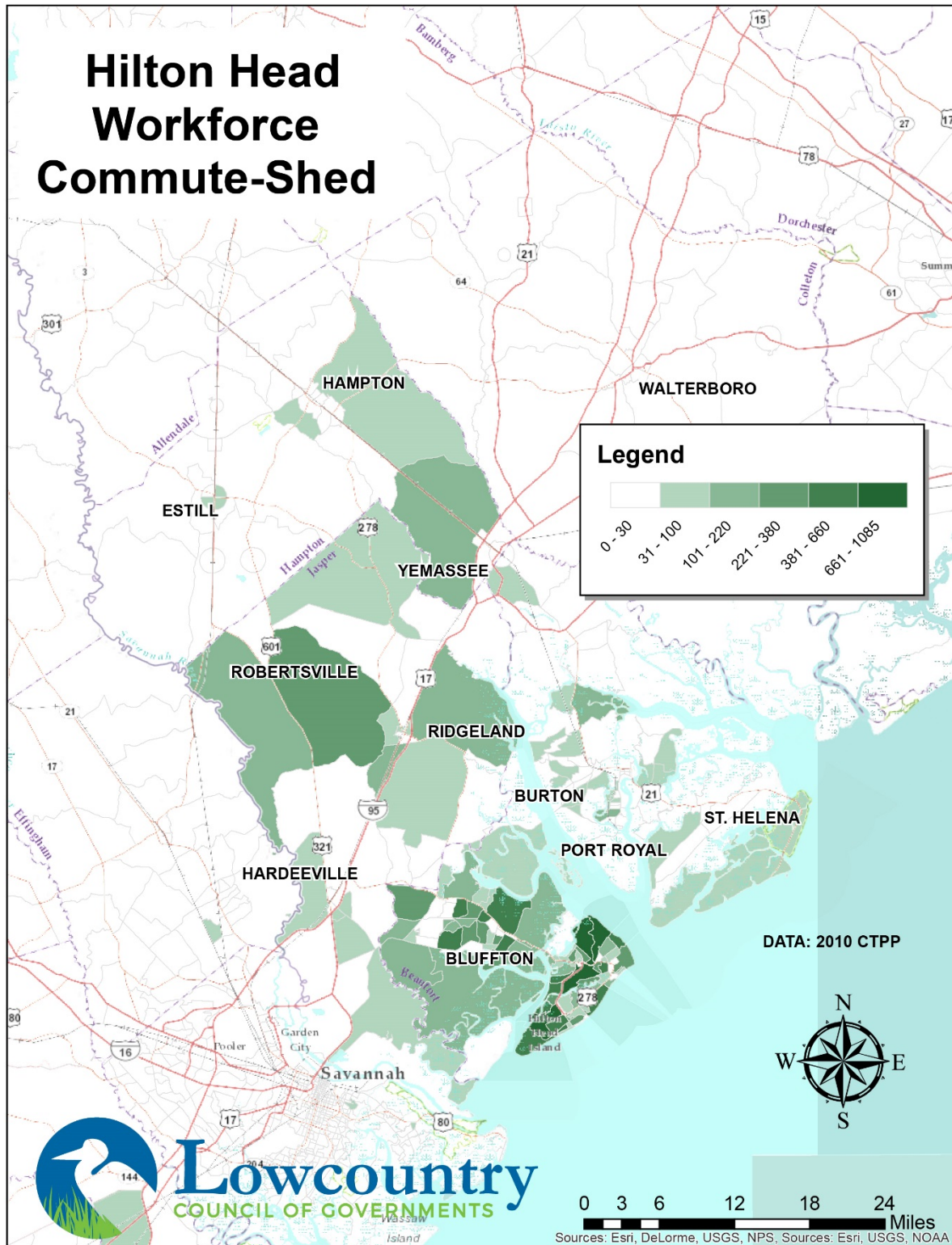


Figure 22: Map - Hilton Head Island Commute Shed

The following table, with data from the 2000 Census and the 2014 American Community Survey, provides an overview of commuting patterns in the Region. The average commuting time has become somewhat shorter.

	2000 Census			2014 American Community Survey		
	Percent Using Car Pools	Percent Using Public Transit	Mean Commuting Time (minutes)	Percent Using Car Pools	Percent Using Public Transit	Mean Commuting Time (minutes)
Hilton Head Island	14.0	1.5	16.0	11.9	0.4	18.0
Beaufort County	14.4	1.2	23.3	11.4	0.4	21.1
South Carolina	14.0	0.8	24.3	9.3	2.1	23.1

Figure 23: Means to Work and Commute Time

Palmetto Breeze, the operating name of the Lowcountry Regional Transportation Authority (LRTA) and its predecessor, the Beaufort-Jasper Regional Transportation Authority, have operated public transit service in the area since the 1970's. Most of Palmetto Breeze's service is centered on Beaufort County's most densely populated areas, the home of 60% of the Region's population, and the location of major tourism and employment facilities, as well as medical, institutional, educational and government services. Service to the other three counties is limited to the rush hour commuter service linking to Hilton Head Island.

Feedback from human service agencies, local officials, and businesses emphasized the important role that Palmetto Breeze plays in providing transportation to a number of the Region's residents to enable them to access employment, human and medical services, and shopping. However, the representatives indicated that there are many unmet transportation needs on Hilton Head Island because of the limited service and the predominant pattern of the service – one-way commuter service to southern Beaufort County. One person did indicate that the availability of transportation for disabled individuals is very limited.

Small Urban Area

In spite of these and other obstacles, LCOG and Palmetto Breeze are working together and with SCDOT to provide more public transportation options to residents of the Town of Hilton Head Island within the next few years. With rapid population increases in the Hilton Head Island Area, federal law required the creation of the Lowcountry Area Transportation Study (LATS) and Metropolitan Planning Organization. These changes mean that federal funds, with a local match, are allocated for transit activities and specifically set aside for Hilton Head Island and Bluffton's Small Urbanized Area (see map below). This program is referred to 5307 funding. Future route expansions and services are being planned as of this writing. New routes will better service densely populated and high traffic areas on Hilton Head Island. There may be opportunities to connect areas where there are known neighborhoods with high numbers of

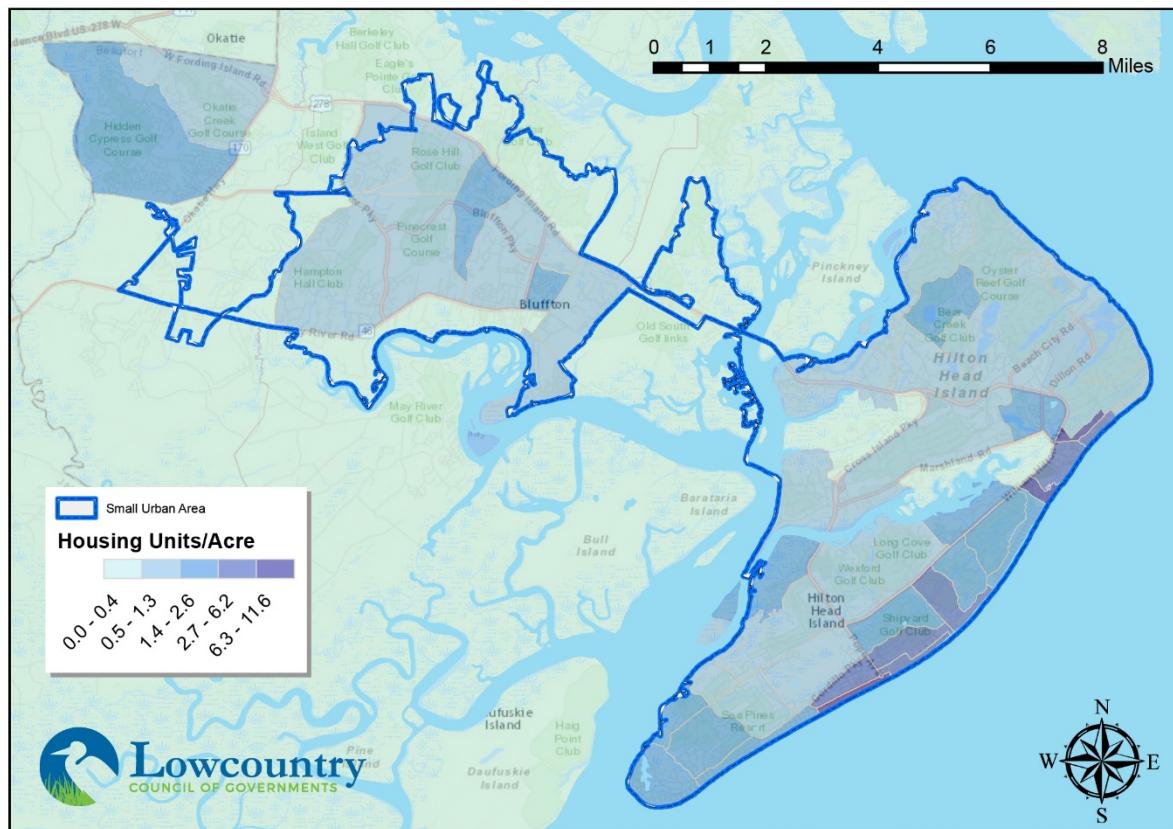


Figure 24: Map - Small Urban Area and Population Density
households without vehicles.

Shelters and Homelessness – Limited Facilities

Through an HUD sponsored census, the estimates show that 436 homeless people were in Beaufort County in 2012. Data that are more recent will be available in the coming year.

- 33 Street homeless
- 34 Living in an abandoned structure or vehicle
- 115 Were facing imminent eviction, with no place to go
- 16 Housed in the domestic violence shelter
- 23 Sheltered
- 215 Students received McKinney-Vento Act assistance. (displaced children)

Figure 25: List -Homelessness Census - 2012

Source: United Way/Beaufort County Alliance

Homelessness and the resulting need for shelters continue to receive little attention from the public in the Beaufort County. This has been a persistent problem, especially where there has been a movement over the years to provide a homeless shelter; however, the topic continues to be quite controversial.

A few years ago, Family Promise of Beaufort County was started. This is a faith-based organization that serves only homeless families. It does not provide a permanent shelter, but rather partners with religious organizations to provide places to sleep (in church facilities, which provide accommodations on a weekly rotating basis), meals, transportation to employment if the adult is employed, job readiness assistance, financial literacy classes and parenting classes. The data below show the number of people assisted by the organization over the last few years.

Family Promise	2013	2014	2015
Assisted – Beaufort County	220	269	140 (preliminary)

While Family Promise serves the community well, still, however, there is no actual homeless shelter in Beaufort County. This limitation severely impedes any stability the homeless might hope to achieve, even on a temporary basis. Several agencies stated they occasionally provide a bus ticket for a homeless person who has a destination but cannot get beyond the community where he/she is wandering. Some agencies also provide bus tickets to Savannah, where there is access to shelters.

According to the South Carolina Council on Homelessness:

“Most providers would include people who temporarily are living with other people in the definition of homelessness. Often referred to as the “doubled up” population, this includes people who, lacking their permanent housing, stay with friends or family for short periods of time. They may or may not contribute to the household materially or in-kind. National and local studies suggest that the experience of “doubling up” is closely associated with other forms of homelessness. Because “doubling up” is a coping strategy frequently adopted by families and used in rural areas that lack housing programs, it is important to consider this type of homelessness in the state’s plan to end homelessness.”

Interviews revealed that doubling-up is an issue on the Island as rental costs exceed the ability of one family to afford the cost of an apartment. Doubling up may exceed a safe capacity of the housing unit and threat to all occupants of the building. There is also the phenomenon known as “couch surfing,” where homeless clients stay with family or friends, in effect doubling up and tripling up, for a period, and then moving on to another friend or relative once they have exhausted their welcome. Creative clients find shelter in wooded areas, shopping centers and wherever they perceive to be a warm, secluded and safe shelter. Temporary can turn into weeks, and is particularly pernicious if children are involved. This instability affects issues concerning employment for adults, as well as educational opportunities for children.

Agencies, which provide housing for physically or mentally challenged persons, are limited by strict SC regulations concerning capacity, the ratio of clients to supervisors, mandatory live-in counselors, and proximity of agency to housing. The continuation of state funding cuts and acceptance in the community affect the size and placement of housing in the community. The placement of clients is sometimes determined in Columbia, SC and typically, that placement is not sensitive to the nearness of family members. There is a waiting list statewide, and when a spot opens locally, the state, with some limited input from the local director, determines who will fill the vacancy. The population has not changed appreciably over the last 5-10 years, and for the most part, according to one local director, usually the only time space opens is when someone passes away. For senior service agencies that do not have an inventory of housing units, it is especially challenging to provide referrals to properties, which are affordable and provide ADD modifications. Several agencies, including Deep Well, the Salvation Army, and the local United Way will provide a band-aid approach for clients in fear of losing their housing. They will provide the client with one or two nights housing at a cooperating motel, or can assist with rental dollars one time to get over a crisis.

Financial Illiteracy

Because of lack of knowledge concerning financing—especially of home purchases—low-income persons may not be aware of all of the potential resources available, they may not be aware of all of the implications involved in complicated subprime financing, or they may become victims of predatory lenders. They may pay premium rates and be subject to unreasonable penalties. This can cause low-income clients to have poor or no credit, which ultimately negatively affects qualifying for rental housing or purchasing a home. Several agencies and organizations require or make easily available classes for educating their clients concerning budgeting, borrowing, responsible loan repayments, record keeping and saving. Literature and instructions are offered in Spanish when necessary.

Educational outreach as conducted by Lowcountry Habitat for Humanity and Habitat for Humanity, Hilton Head Island are examples of some organizations that require clients to take homebuyers' education class. These classes, provided in conjunction with areas banks cover the following subjects:

- Defining needs and developing personal goals
- Advantages and disadvantages of homeownership
- Taking charge of your finances
- Learning to walk away if you can't afford it
- Predatory lending/subprime mortgages
- Tax advantages of homeownership
- Preparing and balancing a budget/types of expenses/Debt warning signs
- Cleaning up credit problems/Disputing errors/Credit "repair" clinics
- Consumer credit laws
- Foreclosure prevention
- Fair housing laws.

Without such education, low-income and moderate-income clients may not be aware of key issues that affect their short-term and long-term ability to purchase, or even rent, adequate housing. These include such matters as the need for developing and keeping to household budgets, maintaining a good credit rating, and the need to establish a regular (preferably payroll) savings plan, etc.

As well, without being aware of the realities of the financial world, low-income clients can fall prey to scams and predatory lenders. Predatory lenders most often seek out clients with low credit scores, minority purchasers, elderly persons and clients with little or no financial literacy. While these lenders continue to multiply, when clients receive financial literacy information and take homebuyers courses, they have a better awareness of the pitfalls of predatory lending.

Several of the interviewees indicated that financial education was provided and often mandatory when housing assistance was provided. Included were Beaufort Housing Authority, Hilton Head Island Habitat, Deep Well, Workforce Investment, and Family Promise. Those organizations who do not provide this type of education themselves often partner with other organizations and with banking institutions and require or strongly encourage their clients to take these courses.

Discrimination

SC Human Affairs Commission:

“The Commission’s key strategic goals are (a) to increase the number of discrimination complaint resolutions attained, while reducing the average processing time and maintaining the qualitative standards which have consistently ensured the agency’s actions withstand review by other relevant authorities, thereby providing our customers with timely, effective customer service.”

Most of the individuals interviewed indicated that they were not aware of overt discrimination in issues of housing, in the race, gender or age categories. However, most of the individuals interviewed said they were not aware of discriminatory (racial) practices. A few said that they knew of subtle forms of discrimination but that it was not one of the top barriers. They offered no examples, simply to say that sometimes there were subtle general and vague comments.

When interviewing the director of the HIV/AIDS nonprofit that serves Beaufort County, it was noted that discrimination against that population has declined in the last 5-10 years. This is believed to be due to the concerted effort to educate the public about the increase in successfully managing the illnesses. The director said she also is diligent in educating her clients about fair housing laws and their rights.

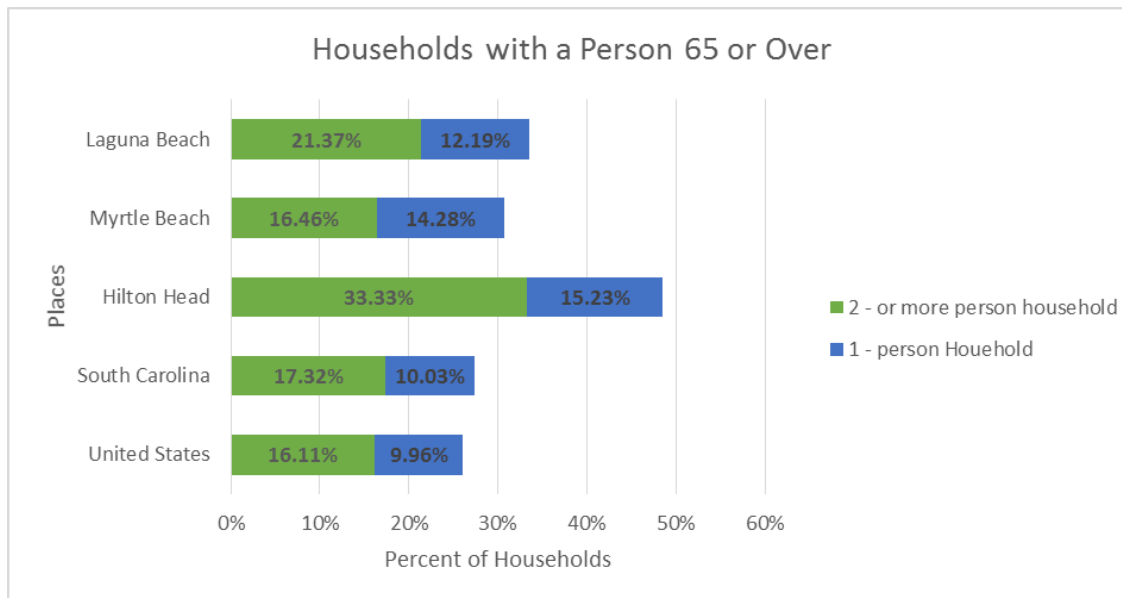
This director did note an interesting trend. The organization has expanded its mission to include helping their clients, as well as other low-income families and individuals to find affordable housing. As this has occurred, some of the clients that come to her have criminal records. In some cases, this has proved problematic in securing housing. The most difficult of these clients are sexual offenders, who by law, must register as such. When landlords check with the Registry (CRC) and a prospective tenant’s name shows up, often they are not willing to rent to that individual.

Other Impediments

Here are several impediments to housing which are not unique to Hilton Head Island but nonetheless impact the clients served by regional agencies. Interviewees alluded to one or more of the following impediments as typical of what their clients encounter:

- Budgeting skills of the client are limited. Low-income clients juggle payment of expenses, pool wages and go from one payday to the next. The urgency of obtaining affordable housing is vital for the survival of the family, followed closely by expenses for food, medical, transportation and childcare. The lack of budgeting skills results in poor credit ratings and the ability to have the required money to secure a lease and requisite deposits.
- Illiteracy to complete necessary documents is typical of the increasing Hispanic population in the region. Several agencies do provide bilingual forms and Spanish-speaking staff. However, this is the exception and not the norm.
- Childcare costs are not easily affordable based on the low wages typical of the area for unskilled labor. Parents frequently rely on family to provide childcare, which is more like babysitting rather than professional childcare. Limited public transportation from home to childcare to work further compounds the problem.
- Waiting lists for occupancy are excessive in relation to inventory for rentals. Typically the list has a waiting time of a year or more.

7 SPECIAL CLIENT CATEGORIES



**Figure 26:
Chart
Households
65 and Over**

Older Population

The Town of Hilton Head Island's population aged 65 years and older grew significantly both in absolute numbers and as a percentage of the population between 2010 and 2014, as the table on the following page demonstrates. The rate of increase on Hilton Head Island during that period was especially noteworthy. There are long-term housing and social service implications related to the fact that large numbers of older persons are moving to the Hilton Head Island area, especially as the number of very elderly persons (85 + years old) is also growing, as the second line shows. Affordable housing needs of the elderly population may be ignored because that segment of the population moving to the area is well able to purchase more expensive housing. However, there are long-time residents who are in need.

	2000	Percent of Population	2010	Percent of Population	Percent Increase 2000-10	2014	Percent of Population	Percent Increase 2010-14
65 and over	8,150	24.10%	10,703	28.80%	31.33%	12,430	3.23%	16%
85 and over	753	2.20%	1,477	4	96.15%	1,623	4.20%	9.88%

Senior clients strive to keep and maintain their housing but are frequently faced with balloon payments and insufficient insurance policies that do not cover damages. Sale of the home is sometimes hampered by the "Heirs Property" situation, which clouds title to property and results in the home being not marketable. Low-income seniors rely mainly on social security income and under the worst condition may have to choose between affording the housing or paying for medical services. Other housing impediments seniors face is the lack of ADA modifications in available units, such as safety bars in bathrooms, raised counters and wide doorways to accommodate wheelchairs. A safe environment, proximity to family and church, a social network, shopping, and physicians are key elements for seniors' needs. Frequently the senior client is not open to or able to manage major changes, such as relocating away from their present

community. Beaufort County Housing Authority noted the lack of one-bedroom homes for single seniors on the Island.

Single-Parent Families

Single-parent family households are increasing on Hilton Head Island as the Figure 28 shows. There are special considerations for those families. Through the interviews, it was reported that some families double-up. The inflection point where this happens is when rent exceeds \$1000/mo. According to one interviewee. Others reported the supply of available apartments at affordable price limits the amount of privacy a family has.

Families:	2010	2014	Percent Change
Family Households	9,889	10,700	8.20%
Husband-Wife Family	8594	9,048	5.28%
Male householder, no wife present	n/a	532	n/a
Female householder, no husband present families	893	1,120	25.42%

Figure 27: Chart - Single Person Families on Hilton Head Island

In addition to financial burdens for housing, working parents are faced with providing childcare, having transportation for work and delivering the child to childcare, and living in a safe environment conducive to raising children.

Hispanic Residents

Hispanics are seeking housing face problems with a language barrier since few agencies have bilingual employees on staff. They are not familiar with housing agency procedures and have a basic fear of government and government agencies, particularly if they are illegal residents. Some interviews reported that some Hispanic families are living in substandard housing. Substandard housing is an effect of poverty and can exacerbate health issues such as asthma in children. These homes are more prone to fire and damage. The census indicates (see page 14) an increase in Hispanic residents.

Persons with Disabilities

According to Beaufort County Disabilities and Special Needs (DSN), there is a need for more housing that is handicap accessible on the first floor and fits the budget of the clients. At this time, housing is modified to meet the needs of people with disabilities. DSN serves eight (8) people on Hilton Head Island with intellectual disabilities and some with comorbidity.

8 QUALIFYING CLIENTS

Mortgage lenders reported that the key reasons for persons of low- and moderate-income not being qualified for traditional mortgage loans are:

- Inadequate incomes
- Poor credit ratings
- Lack of down-payments
- Inadequate Debt to Income Ratio

These are usually related to the income and financial literacy issues discussed in previous sections of this report.

9 POSITIVE STEPS TO REDUCE IMPEDIMENTS

Progress has been made in the region to positively affect the conditions, both private and public, for the provision of low-income housing. The Beaufort County Alliance for Human Services has brought together 22 agencies in Beaufort and surrounding counties to share housing initiatives, funding information and creative approaches to the low-income housing problems in the area.

The Town of Hilton Head Island

- In coordination with the Lowcountry Foundation, the Town has committed to \$3.5 million dollars of sewer improvements by 2010. These improvements will connect lower-income areas that currently rely on septic systems to wastewater treatment systems, extending service along Gumtree, Marshland, Squire Pope, Wild Horse, Jonesville, Fish Haul, Bay Gall and Chaplin roads.
- The Town plans to use HUD CDBG funds to pave dirt roads in several areas.

Road Name	Construction Date		Census Tract
Blazing Star Land	2015	2016	105
Rhiner Drive Paving	2016	2017	105
Wiley Road Paving	2017	2018	108
Murray Avenue Paving	2018	2019	105

Nonprofit organizations

Hilton Head Habitat for Humanity: Pat Worth, Executive Director of Hilton Head Habitat for Humanity advised that homes built by Habitat for Humanity are for long-term ownership, not rental. The organization requires homeowners to take classes to learn about responsibilities associated with home ownership, such as timely mortgage payments, maintenance of the home to protect investment, insurance, budgeting, and financial and credit counseling. Applicants for Habitat homes must agree to provide “sweat equity,” not only for their construction but also on future homes for others.

Habitat is building ten homes on Hilton Head Island where the Town donated the land. Many Town appointed and elected officials have participated in the development of the homes. Unfortunately, the demand was greater than the supply. There was a public informational meeting held where 379 individuals attended and 175 applications were received for the ten units.

Beaufort County Alliance for Human Services is a partnership of non-profit, public and private agencies, organizations and community members created in 2003. Members include local leaders representing a diverse range of human service organizations. Community agency members of the Alliance are developing new approaches to serve the homeless. Most recently, the Affordable Housing Coalition has formed, which includes community members with interests in specific housing issues as well as those from planning commissions and planning departments.

Beaufort Housing Authority (BHA), provides rental housing and Section 8 vouchers. Clients suffer loan denials due to inability to qualify for loans, financial illiteracy leading to poor credit, and a limited supply of affordable housing to meet the increasing volume of clients. The Authority inventory on Hilton Head Island (Sandalwood Terrace) consists of 80 public housing units and 11 Section 8 units, whose residents pay 30 percent of their income. There are no plans to increase the inventory. Waiting time can exceed a year.

The following impediments were identified by Angela Childers, Executive Director of BHA as the most prominent:

- The limited inventory of units (with no plans for increasing housing) compared to the waiting list. Clients may be on the list for more than a year. Affordable housing in the Hilton Head Island area exceeds the clients' ability to afford the available housing in the area.
- Financial literacy is typically beyond the comprehensive ability of clients. This results in an overpayment or high-interest rates for major purchases such as automobiles, furniture and checks cashing. Because of bad credit and budgeting skills, the clients may not have the money to pay utility deposits when a unit becomes available.
- Additionally, the comment was made that "affordable housing isn't affordable on Hilton Head Island." This condition continues, with the lack of jobs that pay an adequate wage.

Sandalwood Resident Demographics (2016)	
Elderly	25-30%
Disabled	20-25%
Working Poor	40%
White	35%
Black	65%
Hispanic	4%
Families	80
Children	93

Table 1: Sandalwood Demographics

10 LEGISLATION

In general, Federal legislation eliminates barriers to obtaining fair housing that is related to race, color, gender, national origin, disabilities, age and similar issues. The laws and executive orders have been progressive in that successive acts have dealt with additional conditions or barriers as they have been identified as barriers.

Some Interviewees discussed the lack of state legislation. It was suggested that a lobbying effort begins to encourage state legislators to enact tax credits utilized to cover the gap between the cost of construction and the ability to make profits on affordable housing development.

8.1 Federal Laws and Presidential Executive Orders

See the following page.

The Fair Housing Laws:

- **Fair Housing Act**
Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability). More on the Fair Housing Act
- **Title VI of the Civil Rights Act of 1964**
Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.
- **Section 504 of the Rehabilitation Act of 1973**
Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.
- **Section 109 of Title I of the Housing and Community Development Act of 1974**
Section 109 prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development and Block Grant Program.
- **Title II of the Americans with Disabilities Act of 1990**
Title II prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance and housing referrals.
- **Architectural Barriers Act of 1968**
The Architectural Barriers Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by handicapped persons.
- **Age Discrimination Act of 1975**
The Age Discrimination Act prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.
- **Title IX of the Education Amendments Act of 1972**
Title IX prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.

Fair Housing-Related Presidential Executive Orders:

- **Executive Order 11063**
Executive Order 11063 prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.
- **Executive Order 11246**
Executive Order 11246, as amended, bars discrimination in federal employment because of race, color, religion, sex, or national origin.
- **Executive Order 12892**
Executive Order 12892, as amended, requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be

responsible for coordinating the effort. The Order also establishes the President's Fair Housing Council, which will be chaired by the Secretary of HUD.

- **Executive Order 12898**

Executive Order 12898 requires that each federal agency conducts its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin.

- **Executive Order 13166**

Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally-assisted and federally conducted programs and activities.

- **Executive Order 13217**

Executive Order 13217 requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.

DRAFT

The Town of Hilton Head Island addresses affordable housing as a planning goal or objective in their Comprehensive Plan. Because the state of South Carolina's 1994 Enabling Legislation requires a "Housing" element in all Comprehensive Plans, a review of the document shows that most of them espouse planning policies that are supportive of the provision of affordable housing in the jurisdiction, although there are expressions of ambivalence in some. On the other hand, Zoning and Development Standards ordinances, as well as the ISO-required building codes in the southeastern coastal (i.e., hurricane-prone) areas of the Lowcountry, contain regulations of such stringency that the provision of affordable housing is constrained by the additional costs of building. In some jurisdictions, by means of goal setting and/or incentives, the provision of affordable housing is actively encouraged.

The Town of Hilton Head Island adopted an updated comprehensive plan in 2012. In it, the issue of affordable housing was prominently addressed. In the inventory and analysis section, the following statement exists:

The lack of affordable housing is an often-cited problem both within the Town and in Beaufort County. The dominance of the service industry has tended to keep wages lower for a large segment of the population. At the same time high land values have driven housing costs up significantly, particularly in comparison to the rest of South Carolina. The result has been erosion in the ability of many of the Island's workers to find affordable housing on or near the Island. The consequences include heavy rush hour traffic volumes, which necessitate the building of more transportation infrastructure, long commute times, and the possibility of economic losses as businesses move mainland because of a lack of labor, and degraded the quality of life for many area families.

As well as recognizing the need to collaborate region-wide on affordable housing issues, the Town of Hilton Head Island comprehensive plan states that production of affordable housing is critical:

Comprehensive Plan Language

The following information is directly from the Town of Hilton Head Island Comprehensive Plan:

- **Land Costs**
Land costs are a limiting factor in the construction of affordable or workforce housing units. The increasing cost of land is related to the high demand for development sites on Hilton Head Island. The fact that Hilton Head is an island means that there is no room to expand outward via annexation. As the availability of land decreases, costs for land increase, often creating larger scale developments that have the potential to deliver higher profits to offset the cost of land, ultimately decreasing the affordability of housing units.
- **Land Supply**
Land is a finite resource as the Town approaches build-out. There is less land available for housing and the land that is available is very expensive. The remaining vacant land on the Island is not only limited but often challenged with costs associated with providing utilities and access.
- **Construction Costs**
Increasing construction costs are also a factor that creates a barrier to the development of affordable housing. This includes the costs of materials and delivery of the materials to the Island, as well as increased labor costs. Building codes, flood plain requirements, and costs associated with building in an area susceptible to hurricanes can significantly impact the affordability of housing. Fees required by government agencies also increase the cost of affordable housing, such as impact fees, building permits, licensing fees, utility service fees and other outside agency approvals.
- **Long Term Sustainability**
The initial construction costs are a barrier to affordable housing as well as the increased living expenses associated with residing in the Town. Much of the housing in the Town and land available for housing is subject to floodplain insurance requirements as well as other insurance requirements, such as wind and hail. Many residential developments operate under organized home owner's associations, which also require payment of fees to cover costs associated with common open space, amenities and infrastructure.
- **Marketability and Potential**
Because of the challenges that developers already face with construction in a coastal area and all of the barriers listed here, the potential profit is always a factor for the private developer. Developers often strive for the 'highest and best use' which, given the barriers to affordable housing, does not typically result in the construction of housing units geared to the workforce population.
- **Attitudes towards Affordable Housing**
The "NIMBY" syndrome, "Not in My Backyard", is a common sentiment toward affordable housing on the Island. This is a typical response to affordable housing in some communities. Many people make assumptions that affordable housing increases crime and aesthetically unpleasing homes and buildings. This is not necessarily true; however, turning around the NIMBY syndrome is a challenge that developers of affordable housing face in this community.
- **Lack of Developer Incentives**
Developers strive for the highest profit margin, which is determined by various factors. The cost of developing housing in the Town is high based on many factors which have previously been discussed throughout this Plan. The lack of development incentives, such as increased density, decreased parking, increased height standards, etc. which allow the developer to build more than otherwise allowed by Town regulations and requirements do not exist in current codes and may, when coupled with the other barriers, also become a barrier in itself to the construction or availability of affordable housing.

Comprehensive Plan Goals

Housing Units and Tenure

- A. The goal is to encourage redevelopment of multi-family residential structures to meet market demands and new trends.
- B. The goal is to encourage occupancy of existing residential properties.
- C. The goal is to consider incentives that remove barriers to redevelopment and encourage redevelopment of properties that have multiple owners.
- D. The goal is to support programs aimed at increasing home ownership.
- E. The goal is to continue focusing on requiring high quality development to meet future housing needs.
- F. The goal is to monitor the availability of housing types and occupancy rates to meet housing demands.

Housing Opportunities

- A. The goal is to engage in projects that encourage affordable/workforce housing on the Island or within the region.
- B. The goal is to look at housing opportunities as a mechanism to maintain its essential workforce.
- C. The goal is to encourage housing options that provide opportunities for residents to age in place.
- D. The goal is to monitor changing demographics and trends in housing development to provide housing options that meet market demands.
- E. The goal is to consider residential overlay districts to maintain traditional single family character.

Barriers to Affordable Housing

- A. The goal is to address housing issues using a systemic approach that integrates other elements such as economic development, transportation and land use.
- B. The goal is to consider mechanisms that decrease or eliminate barriers to affordable housing.
- C. The goal is to address affordable housing considering Town and regional solutions.
- D. The goal is to include partnerships and the cooperation with the entire community.

Implementation Strategies

5.1 Housing Units and Tenure

- A. Consider providing flexibility in the LMO to allow for accessory dwelling units as a housing option.
- B. Consider providing flexibility in the LMO to provide options to the traditional housing or subdivision standards in the form of family compounds. Look to other communities, particularly Beaufort County for examples on how to allow for family compounds which may assist in removing the barrier to legal and title issues associated with heirs property.
- C. Educate owners of heirs property on methods to clear titles and to build houses on their land. Pursue partnerships with organizations such as the Penn Center, a credit counseling agency or legal aid agency to overcome title and credit issues preventing land owners from building homes.

D. Consider revising the LMO to include flexible zoning options and tools that allow a mix of uses for residential over commercial or other live work units. This may be a tool to foster both a commercial and housing option as well as a means to provide affordable housing and to reduce the amount of infrastructure necessary to travel from home to work or other basic services. Other LMO revisions may include regulations to facilitate the conversion and redevelopment of empty commercial or office space to residential units or allow for a mix of residential within the redevelopment.

E. Encourage owners of small properties to assemble land resources through density bonuses tied to increased property sizes.

F. Consider addressing ownership or heir's property issues with tools such as transfer of development rights or the purchase of development rights.

Housing Opportunities

A. Consider developing alternative approaches to the affordable housing such as viewing it as community infrastructure and establish a 'minimum level of service' with a focus on transportation and access issues and location related to the concentration of employment centers. The level of service concept could be based on a goal of insuring that a specified percentage of the total housing units in a neighborhood or development are affordable.

B. Consider developing a master plan for Town-owned properties that considers future development projects or land swaps for affordable housing sites.

C. Review inclusionary housing programs within the Town boundaries or the region that foster a mix of housing choices and forms.

D. Support employer assisted housing programs to encourage more employees of various professions (teachers, police officers, firemen) to live within the Town limits or within Beaufort County.

E. Consider developing housing programs and other educational workshops to the middle class and workforce housing markets.

F. Educate the public on the potential impact on their daily quality of life that is directly affected by the supply or lack thereof of workforce housing. Workshops and discussion groups should be considered as a means to brainstorm strategies to address housing issues and should involve all players in the community and throughout the region.

G. Review the land acquisition program to determine if an affordable housing component would be an appropriate modification.

H. Encourage redevelopment of individual units to maintain marketability and code compliance, especially in developments that have multiple owners.

I. Consider creating incentives for redevelopment that opt for a planned community approach with goals of diversity in housing cost and transportation modes.

J. Consider flexible ordinances for planned unit developments (PUD), cluster homes and other innovations in a housing development that meet workforce housing needs.

K. Consider regulations to require interconnection between developments, which promotes the establishment of neighborhoods and to provide safe and convenient access to neighborhood level of public facilities, particularly parks and schools.

Barriers to Affordable Housing

- A. Encourage property owners of unsafe or dilapidated structures to rehabilitate and convert the buildings to affordable housing should be researched as a means to provide both redevelopment and provide affordable housing.
- B. Facilitate the construction and redevelopment of housing opportunities through economic incentives, such as grants or other funding sources.
- C. Consider establishing a Redevelopment Agency or other similar agency to administer housing programs and continue research housing options, and serve as an educational resource.
- D. Monitor statutory issues and the implications they have on homeowners. This includes any proposed legislation that addresses taxation, property owner's association fees and taxes and the point of sale, or real estate transfer taxes.
- E. Consider creating development incentives to encourage diverse housing options that may include increased density, reduced parking requirements and increased height standards.

Relation to Land Management Ordinance

The interviews indicate that the Land Management Ordinance (LMO) is a major impediment to fair and affordable housing. Through an analysis of the LMO, a gap between what is set as policy in the Comprehensive Plan and the reality of the law in the LMO is evident. Before 2007, the language in the zoning included density bonuses. However, real estate that began as single-family affordable housing developed under special zoning density incentives was later sold at market rates, and policymakers began to question the effectiveness. Ultimately, Town Council repealed the zoning incentives. The incentive language is still in the Comprehensive Plan, even after an update in 2012, yet does not concur with the zoning ordinance.

Another aspect of the Land Management Ordinance that impedes affordable housing is the restrictions on density. Four units per acre, according to some interviewed, is not adequate for developing affordable housing. One suggestion includes that the Town undertake a study to determine appropriate areas for increased density under the LMO.

12 RECOMMENDATIONS

Town of Hilton Head Island--Summary of Affordable Housing Implementation Recommendations

Current Comprehensive Plan Recommendations	Suggested Policy Updates
<p>Address housing issues using a systemic approach that integrates other elements such as economic development, transportation, and land use.</p>	<p>Identify total benefits of implementing affordable/workforce housing as it relates to the total economic impact, the effect on transportation systems, and efficient coordination of growth management.</p>
<p>Consider creating development incentives to encourage diverse housing options that may include increased density, reduced parking requirements, and increased height standards.</p>	<p>Continue to monitor the effectiveness of the Land Management Ordinance and its impacts on affordable/workforce housing.</p>
<p>Monitor statutory issues and the implications they have on homeowners. This includes any proposed legislation that addresses taxation, property owner's association fees and taxes and the point of sale, or real estate transfer taxes.</p>	<p>Explore ways to lobby state representatives for an affordable housing tax credit. Identify potential funding mechanisms to raise funds for roads, water, sewer, and drainage connections to future affordable/workforce housing development.</p>














Current Comprehensive Plan Recommendations	Suggested Policy Updates
<p>Consider revising the LMO to include flexible zoning options and tools that allow a mix of uses for residential over commercial or other live work units. This may be a tool to foster both a commercial and housing option as well as a means to provide affordable housing and to reduce the amount of infrastructure necessary to travel from home to work or other basic services. Other LMO revisions may include regulations to facilitate the conversion and redevelopment of empty commercial or office space to residential units or allow for a mix of residential within the redevelopment.</p>	<p>Identify target areas where office space or other underutilized structures and land have the potential for redevelopment for residential or mixed use.</p>
<p>Review the land acquisition program to determine if an affordable housing component would be an appropriate modification.</p>	<p>Pinpoint areas where the development of affordable housing on Town owned land may be suitable.</p>
<p>Consider developing alternative approaches to the affordable housing such as viewing it as community infrastructure and establish a ‘minimum level of service’ with a focus on transportation and access issues and location related to the concentration of employment centers. The level of service concept could be based on a goal of insuring that a specified percentage of the total housing units in a neighborhood or development are affordable.</p>	<p>Maximize current transit system & funding sources to benefit the Hilton Head Island workforce. Ensure bike and pedestrian facilities connect low-to-moderate income areas.</p>

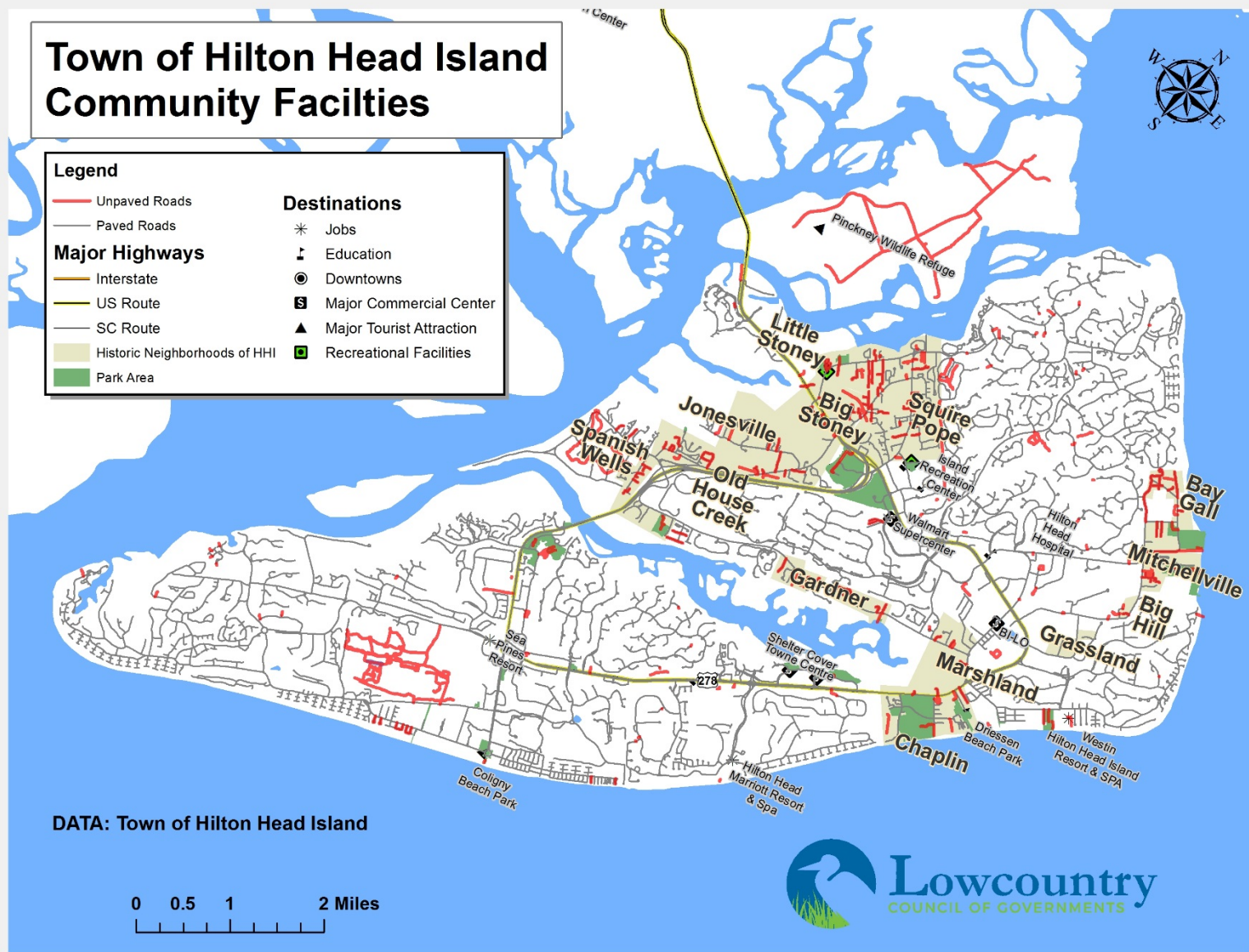
APPENDIX A: INTERVIEW LIST

Target Organization	Contact Person	Interview Yes/No
<u>Government Agencies</u>		
Alliance for Human Services	Fred Leyda	Yes
	Ben Boswell	Yes
Beaufort Housing Authority	Angela Childers	Yes
Town of Hilton Head Government	Marcy Benson	Yes
Lowcountry Workforce Development	Hank Amundson	Yes
Lowcountry and Disability Resource Center	Hank Amundson	Yes
SC Human Affairs Commission	Disability and Special Needs	No
Hilton Head Public Service District	Pete Nardi, General Manager	No
Disability and Special Needs	Wanda Mayes	Yes
Beaufort County HOME Program	Barbara Johnson	Yes
Elected Officials	Mayor David Bennett	Yes
Planning Commission	Alex Brown, Chair	Yes
<u>Non-Profit Agencies</u>		
Community Foundation of the Lowcountry	Denise Spencer	Yes
Family Promise of Beaufort County	Kate Orsic	Yes
Habitat for Humanity, Hilton Head	Patricia Carey Wirth	Yes
Deep Well	Betsy Doughtie	No
PASOs	Yajaira Benet Uzcategui	Yes
<u>Community</u>		
Bridge Builders	Tom Barnwell	Yes
Neighborhood Outreach Connection	Dr. Sharma	Yes
La Isla	Eric Esquivel	No
<u>Property Owners Associations</u>		
Baygall Property Owners Association	Louis Rivers, President	No
Chaplin, Marshland, Gardner	Dot Law, President	Yes
Spanish Wells-Jonesville Property Owners Association	Irvin Campbell, President	No

Squire Pope - Stoney Gumtree Rd Property Owners Association	Veronica Miller, President	No
Holy Family Catholic Chruch	Rev. Msgr. Joseph F. Hanley, Jr.	Yes
<u>Private Sector</u>		
Atlantic Community Bank	Bob McKinney	No
Developer Ames Co	David Ames	Yes

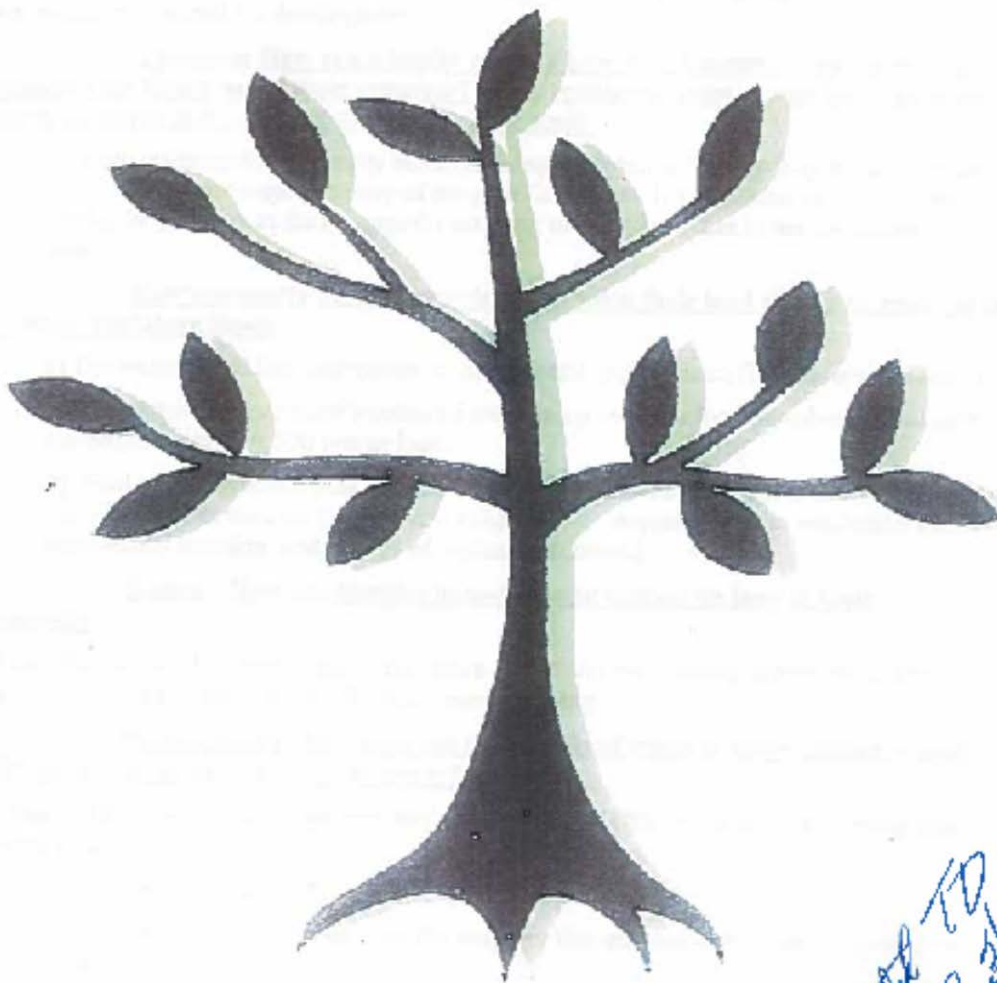
Town of Hilton Head Island Community Facilities

Legend	
	Unpaved Roads
	Paved Roads
Major Highways	
	Interstate
	US Route
	SC Route
	Historic Neighborhoods of HHI
	Park Area
Destinations	
	Jobs
	Education
	Downtowns
	Major Commercial Center
	Major Tourist Attraction
	Recreational Facilities



APPENDIX C: HEIRS' ROADMAP

Prepared by: **Thomas C. Barnwell, Jr.; Developer Hilton Head Island,
Barnwell Family Associates LLC, Managing Member**



Donated TO
LCDR *[Signature]* 3/4/2016

DRAFT

**HEIRS' PROPERTY LAND MANAGEMENT SERIES
DEVELOPING HEIRS' PROPERTY**

Presented by: Thomas C. Barnwell, Jr. Developer on Hilton Head Island, SC

❖ **How does planning, zoning and infrastructure impact heir's ability to develop property?**

Planning and zoning in many areas reflect the desires of the planners and the result of the town or county comprehensive plan, which is subject to change every five (5) years. During the planning meetings, the community can request that the original plan reflect their desired land use and other wishes. In many instances, water / sewer and road paving might not be available in the community planned for development.

A. Planning: How can a family identify how local planning departments have envisioned for future use of their property? What regulatory issue should heir's property owners be aware of if they plan to develop their land?

- 1) Each municipality or county has a planning department. Community residents must go to that office and request a copy of the plan for review. It would also be a good idea to invite the planners to the community meeting to provide update to the community on the plan.

B. Heir's property owners planning to develop their land should be aware of the following regulatory issues.

- 1) The wetland and land mitigation environmental requirements (if there are wetlands.)
- 2) The highway department's setbacks and zoning setbacks for right-of-ways and curb-cut requirements per 500 feet or less.
- 3) Find out if the actual land use allows commercial use or residential use, the number of signage requirements for the area and height requirements for residential and commercial building land use (% of capital gain taxes.)

C. Zoning: How can families impact zoning request on land in their community?

The families should all become registered voters and attend the planning commission meetings on a regular basis and request specific land use in writing.

D. Infrastructure: How does the availability of water & sewer impact a family's ability to market or develop their property?

The availability of water and sewer can deeply impact the ability of a family developing their property in the following ways:

- 1) The number of acres of desired development per family.
- 2) The distance of the sewer from the property line and whether or not it's gravity or force main.

ORIGINAL SPEECH 3/15/2003 BY THOMAS C. BARNWELL, JR.
FOR BARNWELL FAMILY ASSOCIATES, LLC
AT HILTON HEAD ISLAND MIDDLE SCHOOL

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3) Whether you are innovative to form alliances to get the sewer where you need it on a timely basis (maybe a community development block grant.)

4) Special service districts can be formed for water and sewer under South Carolina Code of Law.

❖ Development:

A. How should a family evaluate options for developing their land?

1) The number of acres and land use versus what it will take to make the necessary changes. Inquire about the long range needs for the community. Consult with a respectable land planning group and contact your town and county planning department and the council of local government.

B. What are the necessary steps required to plan for development (e.g., concepts, site plans, models, investment and financing)?

1) Arrange for a sight plan with complete survey of trees, tops and elevation (which is part of environmental assessment)

2) Secure an engineer, architect, and land planner.

3) Consult with the engineer to develop a working budget for each phase of development as well as an estimated time of completion.

4) Create a plan for marketing; develop a complete budget; be sure to allow ten percent (10%) for overhead and have fifteen percent (15%) reserve in a safe (include the interest payment charge to the bank)

5) Consult an attorney and an accountant for further details.

❖ How can a family identify the true market value of their land?

A. Have an appraisal done on the property by an official appraiser with development on the land.

❖ What are the minimum and optimal acreages required for development of property?

A. This will vary based on many factors; the land location, the market demand for a specific area and the size of the tract in a given area.

❖ Can a family develop their property and retain ultimate ownership (e.g., leasing)?

A. Yes, families can develop and maintain ownership through long term leasing with an option to renew the lease. This is extremely technical but can be very rewarding. Consult with an attorney that specializes in ground lease. The family will need to create a Limited Liability Corporation or other structure for the operation.

B. Capital gain is important.

❖ What is the average timeframe for completion of development projects?

- A. The timeframe for development vary based on the size and type. [For example: 3.27 acres would take approximately 1 1/2 to 2 years to complete / 17 acres would take approximately seven (7) years to complete.]

❖ How can a family contribute back to the community through real estate development?

- A. Affordable Housing (Rental and Ownership)

❖ Development of affordable housing will provide home ownership to the community as well as employment for local contractors [For example: builders, plumbing services, landscaping services, electrical services, etc.]

- A. Market studies will be required for each of the above; however, for the Lawhorn Family this would not apply.

❖ Community Facilities (Business services and community needs)

- A. Community Facilities

- 1) Community facilities could include many potential services such as: daycare for children or adult care for seniors, part-time or full-time recreation programs, healthcare clinics and many other services for long term leases.
- 2) Business services could include business education courses and seminars held during the nights and/or on weekends (possibly via satellite)
- 3) Community needs can include: bike paths, biking, hiking and other recreation for specific age groups.

- B. Hunting, Timber, Fish Pond

- 1) Hunting for lease purposes with the development of a Hunting Lodge and managed games. Meals for groups provide horses or trail rides as part of cost.
- 2) Timber growing on part of the land with plans for harvesting.
- 3) Growing Christmas trees for the market.
- 4) Fish ponds for a special recreational sport [cabins can be rented] with meals.
- 5) Horseback riding and summer camps for children at a cost with counselors for the summer, also family camps which give the whole family an outdoor experience.

The above opportunities are possible and practical for the Lawhorn Family to accomplish. You must plan for acreage of family members to live on with individual or group owned homes. You need to share this concept with all family members as a family business concept.

Make sure all family members have a will and verify those that do not so they may get a will. The family members must include in the will that the land goes to the LLC an attorney can help with this.

❖ What personnel resources are available to families who wish to develop their property?

A. The resources that are available vary depending on the size and type of development. There are many learning institutions throughout the state of South Carolina that offer programs focusing on the economic and community development such as:

- 1) South Carolina State University's Economic Development
- 2) Winthrop University's Economic Development
- 3) The University of South Carolina's Business Development
- 4) South Carolina Jobs and Economic Development Authority (JEDA), Columbia, SC
- 6) Charleston County Economic Development program
- 7) Clemson University Extension Service
- 8) SC Department of Parks and Recreation Services

LEASED LAND AS AN OPTION

**OUTLINED ARE THE APPROPRIATE STEPS TO TAKE WHEN CONSIDERING
LEASED LAND AS AN OPTION FOR YOUR FAMILY'S PROPERTY.**

- 1. THE TITLE MUST BE CLEARED**
 - A. NO MORTGAGE ON LAND**
- 2. CURRENT APPRAISAL OF THE LAND BY APPROVED PERSONNEL
BASED ON USE**
 - A. THE ZONING APPROPRIATE TO PROPOSED USE**
- 3. MAKING YOUR NEIGHBORS AWARE OF YOUR PROPOSAL PLANS FOR
THE LAND.**
 - A. SOLICIT THEIR SUPPORT ON CONCEPT AND USE**
- 4. DECIDE ON THE LEGAL ORGANIZATION STRUCTURE OF THE
ORGANIZATION.**
 - A. L.L.C., SOLE PROPRIETORSHIP, GENERAL PARTNERSHIP, ETC.**
 - B. THIS IS CRITICAL TO THE PROCESS BECAUSE IT WILL POSSIBLY
GUIDE YOUR MANAGEMENT VEHICLE OF THE LEASE INSTRUMENT.**
 - C. WHEN MORE THAN ONE PARCEL OF LAND IS INVOLVED PARTNERS
AGREE AT THIS POINT TO POOL THEIR LAND FOR THE BUSINESS
VENTURE.**
- 5. THE COST OF THE PROFESSIONAL SERVICES MUST BE HANDLED.**
 - A. WHAT % FROM EACH PARTNER OR EQUIVALENT.**
- 6. SELECTING THE LEGAL FIRM, THE ACCOUNTING FIRM AND THE
APPRAISAL FIRM EARLY IN THE PROCESS OF PROPOSED
DEVELOPMENT.**

7. THE SELECTION OF THE TENANT

- A. THIS CAN TAKE UP TO ONE (1) YEAR OR LONGER DEPENDING ON EACH BUSINESS OPPORTUNITY AND THE PROPOSED TIMING OF THE PROPOSED LEASE.

8. DRAFT DOCUMENTS, OPTION AND GROUND LEASE AGREEMENT.

- A. OPERATING AGREEMENT OF THE ASSOCIATION OR COMPANY.

9. THE OFFICIAL LEGAL ENTITY OF OPERATION.

10. THE FINAL DOCUMENTS AGREED UPON BY BOTH SIDES OF THE PARTY AND THEIR ATTORNEYS WITH THE APPROPRIATE NUMBER OF YEARS, TERMS AND CONDITIONS.

11. LAND PREP, TURNED OVER TO LEASEE.

12. CAPITAL GAINS, MUST BE PLANNED.

- A. ROLL BACK TAXES.

THINGS TO CONSIDER AS A FAMILY!

- 1) Have an appreciation for what was sacrificed for what is in hand.
- 2) Respect the efforts that your fore parents put forth.
- 3) Take pride in what the family has in hand no matter the amount.
- 4) What can I contribute to the present.
- 5) What can I do with what I have that will be to my benefit and to those that will come after me.
- 6) Think in a business sense – the holdings of the family should be handled as a business.
- 7) Take pride in your efforts.
- 8) It may require that one or two in the family are willing to give the time and energy and possibly the resources to accomplish a beneficial outcome for the family.
- 9) Keep your young folks abreast of the achievements and set-backs of the business.
- 10) Undertake objectives that have the potential to be achieved.