



**The Town of Hilton Head Island
Workforce Housing Policy Workshop**

January 16, 2018

2:00 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, Thank You.**

- 1. Call to Order**
- 2. FOIA Compliance** - Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.
- 3. Workforce Housing Policy Discussion**
- 4. Adjournment**



TOWN OF HILTON HEAD ISLAND

Department of Community Development

TO: Stephen G. Riley ICMA~ CM, *Town Manager*
VIA: Charles Cousins, AICP, *Community Development Director*
VIA: Shawn Colin, AICP, *Deputy Director of Community Development*
FROM: Jennifer Ray, ASLA, *Planning & Special Projects Manager*
CC: Teri Lewis, AICP, *LMO Official*
DATE: January 9, 2018
SUBJECT: Workforce Availability – Housing Component Policy Questions

Recommendation: That Town Council build on the conversation of policy direction started by staff and the Public Planning Committee regarding the Town’s involvement in affordable workforce housing.

The Public Planning Committee met on December 20, 2017 and provided input as indicated on the attached “Policy Questions” chart.

Summary: Workforce Availability continues to be a key priority for Town Council. The two main subcomponents of workforce availability are housing and transportation. Staff is seeking policy direction specific to the housing component for the purpose of developing an affordable housing strategy to include working with a consultant.

Background: Staff submitted a white paper, “Providing the Keys to Address Affordable Housing on Hilton Head Island”, at Town Council’s annual workshop in Fall 2017. To further the discussion staff has prepared policy questions for input by Town Council. Input received will aid staff developing an affordable housing strategy including working with a consultant to prepare an Affordable Workforce Housing Strategic Plan.

Attachments:

Workforce Availability-Housing Component Policy Questions

Workforce Availability continues to be a key priority for Town Council. The two main subcomponents of workforce availability are housing and transportation.

Workforce Availability - Housing Component

Policy Questions

Policy Question	Staff Response	Public Planning Committee Response	Town Council Response
Should affordable workforce housing be tied to a certain percentage of household income and household net worth, i.e. AMI? If so, what are the percentages?	Staff recommends affordable workforce housing be tied to an income between 50-100% Area Median Income (AMI).	This appears to be the correct target for the near-term. It may need to be 30-80% AMI to cover all of the workforce.	
Should this be limited to housing the workforce? Should this be directed towards: <ul style="list-style-type: none"> • Existing employees living on HHI? • Existing employees living off island? • New employees being attracted to work on HHI? 	Staff believes that this effort should be limited to housing for the workforce and tied to employment on the island by at least one member of the household. It is staff's opinion that to increase capacity of the workforce, new employees should be attracted to work on HHI while maintaining existing employees.	Housing should be directed to existing employees living on HHI and existing employees living off island. It is important that housing be tied to employment on the island.	
Should there be any location restrictions (not allowed in gated communities) or should it be island-wide?	Many affordable solutions may be appropriate for all parts of the island, such as accessory dwelling units. Staff believes locating affordable workforce housing in areas with high commercial concentration would provide occupants direct access to many places of employment. However care should be taken to ensure additional demands on existing infrastructure can be accommodated.	There may be opportunities within gated communities. If it serves the purpose, don't restrict solutions. Housing should be spread out to reach many employers and reduce demand on existing infrastructure.	
Should affordable projects be required to remain affordable for a set period of time or in perpetuity?	Staff recommends maximizing the time that projects are affordable.	PPC agreed with staff's response.	
Should the goal be home ownership or rental?	Staff believes the short term goal should be rental, however Habitat for Humanity has a	The emphasis should be rental both because of accessibility for employees and the higher density it offers. This also allows the Town or	

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	successful home-ownership program that could be a model for long term project.	Housing Authority to deal with one owner instead of multiple owners.	
Should it be large scale projects or multiple smaller projects that can be integrated into neighborhoods?	Multiple smaller projects better meet the definition of Island Character and would distribute the workforce and infrastructure demands around the island versus a central location.	Do not rule out large scale projects if they are well designed. Anything that is built will need to be compatible with surrounding area. It will also be important for it to be in close proximity to large employers.	
Should the Town participate in a regional effort by contributing to funding of off-island affordable housing? If so, is there a way to require that those units be occupied for a certain period of time by people working on HHI?	Staff believes the Town should participate in regional efforts to increase the capacity of the island's workforce as it is unlikely that the Town can accommodate all affordable workforce housing needs within the Town limits. Funding efforts by the Town should include a requirement that at least one member of the household work on Hilton Head Island.	PPC agreed with staff's response but not as a first priority. It's a good principle but will be hard to implement.	
What role does transportation play in the success of both Town and regional projects?	Transportation is a critical element in the success of both Town and regional efforts. It would be used for transporting employees around the island and for getting workers to the island. Palmetto Breeze is currently preparing for on-island shuttle service for 2018 between existing activity centers. This service can be expanded in the future to include additional routes, both on-island and from the island to the mainland.	PPC agreed with staff's response.	
Should it focus on programs that create successful opportunities in the private sector or should the Town be an active participant in	Staff recommends the Town focus on programs by creating an environment for projects to be developed by the private sector	Private sector should have first shot at developing affordable workforce housing. The Town has lot of tools to use to enable the	

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project development (solely or in public-private partnership)?	rather than being a developer or competing with the private sector. This may include regulatory incentives such as increased density, financial support, utilization of Town-owned property, etc.	private sector to develop affordable workforce housing. The Town has to be an active participant in the process (management, quality control, providing layered financing, etc.) but the Town is not the sole provider in developing housing.	
Should a Housing Authority, Redevelopment Authority or similar entity implement and manage this effort?	Staff believes some entity other than the Town should implement and manage this effort. A Town Housing Authority would be a duplication of the efforts of the existing Beaufort County Housing Authority which has the same jurisdiction, program, and incentives that a Town Housing Authority would have. A Redevelopment Authority would have the ability to target areas for redevelopment with flexibility in programs but may not be the best option for affordable workforce housing since it is focused only on redevelopment.	Town should not be developer or managing component. The Town needs more information on these options.	
Are any of the following housing types off of the table: <ul style="list-style-type: none"> • apartments • houses • dormitories • accessory dwelling units • garage apartments • mobile homes • tiny homes • townhouses 	All housing types should be considered however staff believes mobile homes should not be considered a long-term affordable workforce housing solution	Everything should be on the table. The Town should dis-incentivize development of mobile home density and incentivize the other options.	

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<p>How should the Town prioritize areas for redevelopment?</p> <ol style="list-style-type: none"> 1. redevelopment 2. adaptive re-use 3. vacant land 	<p>1-redevelopment, 2-adaptive re-use, 3-vacant land. Both redevelopment and adaptive re-use could address both the affordable housing issue as well as the vacant/under-used building issue and is more likely to be located in existing activity nodes/on main travel routes. Redevelopment has the highest potential for longer term impacts. Adaptive re-use may have complications due to the change in use and building codes. Vacant land should be a lower priority based on desire for open space, cost of development, other potential uses, etc.</p>	<p>Any of these options might be good depending on the area where the development is proposed. The Town will have to create bigger incentives in areas of redevelopment and re-use because would expect developers to prefer to use vacant land.</p>	
<p>Should the Town develop a program to maintain existing affordable housing units?</p>	<p>Staff believes that maintenance of existing affordable housing units is a social equity issue rather than a workforce availability issue. Once the workforce housing program is established, consider a separate program for community housing initiatives such as maintenance of existing affordable housing units.</p>	<p>The Town wants to consider a home maintenance program similar to Bluffton's program but with our own regulations. Consider partnering with Deep Well.</p>	
<p>What does success look like after 1 year?</p>	<p>After one year, staff believes success will be determined by the completion of the housing needs assessment, the hiring of a local consultant, development of an affordable workforce housing program, and ground broken on an affordable workforce housing development. Does this vision match Council's vision of what success looks like after one year?</p>	<p>The Town needs to develop a funding strategy and consider how to deal with long-term sustainability.</p>	

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Additional miscellaneous comments from Town Council and the public:

- Take a reactive role: garage apartments, accessory units; tie it to employment; not just resort rental; the hurdles would be zoning, density and covenants.
- Affordable workforce housing would be a good way to use underutilized or vacant buildings.
- It will be important to recertify income every year for the purpose of ensuring that the people are still working; the purpose would not be to force people to move just because they are making a greater income.
- Repurpose vacant property; consider mixed use developments.
- Look at examples of affordable housing in Columbus, GA (redevelopment) and Destin, FL (Bayshore).
- Allowing the private sector to develop a project makes economic sense, because these projects need to be expedited.
- Ensure that the face of community is not changed; this can be done using creative thinking (i.e. build housing on top of buildings; convert existing vacant buildings into housing, look for other opportunities than just developing bare land). The cost of land and infrastructure have been the biggest hurdles for developers to overcome in Bluffton.
- This will depend on how we sustain a program of affordability. Previous programs were limited in scope. Bluffton currently uses LCOG for income qualification; they also put a 25 year covenant on all affordable housing properties. There may be an opportunity for a joint Bluffton/HHI housing authority.
- There is an aesthetic issue and long term maintenance issue with mobile homes but they also provide income. Mobile homes should be left on the table because they are transitional housing.
- Transition open space bond into a bond specifically to purchase land for affordable workforce housing projects. Consider some sort of land banking program.
- Bluffton implemented a home maintenance program to keep people from moving out of substandard homes into other housing. They commit a certain amount of money to this fund every year. The program is income qualified – it is not tied to employment. It is only for owner-occupied homes.