



The Town of Hilton Head Island

Regular Town Council Meeting

March 6, 2018

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, 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. Executive Session - None**
- 4. Pledge to the Flag**
- 5. Invocation**
- 6. Proclamations & Commendations**
 - a. Disabilities Awareness Month
- 7. Approval of Minutes**
 - a. Town Council Meeting, February 20, 2018
- 8. Report of Town Manager**
 - a. People for Parks Update – Allen Perry
 - b. Planning Commission Semi-Annual Update – Alex Brown
 - c. Items of Interest**
 - i. Town News
 - ii. Noteworthy Events
- 9. Reports from Members of Council**
 - a. General Reports from Council
 - b. Report of the Intergovernmental & Public Safety Committee – Bill Harkins, Chairman
 - c. Report of the Community Services Committee – Kim Likins, Chairman

Reports from Members of Council (cont.)

- d. Report of the Public Planning Committee – David Ames, Chairman
- e. Report of the Public Facilities Committee – Marc Grant, Chairman
- f. Report of the Finance & Administrative Committee – John McCann, Chairman

10. Appearance by Citizens

11. Unfinished Business - None

12. New Business

a. Consideration of a Resolution – Authorizing the Execution of a Gift Agreement for the Acquisition of Public Art

Consideration of a Resolution by the Town Council of the Town of Hilton Head Island, South Carolina, authorizing the execution of a Gift Agreement with the Community Foundation of the Lowcountry for the for the acquisition of the “Sandy Roads” sculpture.

b. Consideration of a Recommendation – Low Income Housing Tax Credit (“LIHTC”)

Consideration of a Recommendation from the Public Planning Committee that Town Council consider forwarding changes outlined in the whitepaper titled “Hilton Head Island and the Low Income Housing Tax Credit” to the South Carolina State Housing Finance and Development Authority to be incorporated into the Qualified Allocation Plan.

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

14. Adjournment

PROCLAMATION

BY
THE TOWN OF HILTON HEAD ISLAND

WHEREAS, individuals with developmental disabilities, their families, friends, neighbors and co-workers encourage everyone to focus on the abilities of all people; and

WHEREAS, the most effective way to increase this awareness is through everyone's active participation in community activities and the openness to learn and acknowledge each individual's contribution; and

WHEREAS, opportunities for citizens with developmental disabilities to function as independently and productively as possible must be fostered in our community; and

WHEREAS, we encourage all citizens to support opportunities for individuals with developmental disabilities in our community that include full access to education, housing, employment, and recreational activities.

*NOW THEREFORE, I, David Bennett, Mayor of the Town of Hilton Head Island, do hereby proclaim the month of **March 2018**, as:*

DISABILITIES AWARENESS MONTH

and encourage our citizens to work together to promote increased opportunities for people with disabilities; to recognize the many contributions made by people with disabilities to our community; and to honor the dedication of the caregivers who bring support and hope to their fellow citizens.

*IN TESTIMONY WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this **6th day of March, in the Year of our Lord, Two Thousand and Eighteen.***

David Bennett, Mayor

Attest:

Krista M. Wiedmeyer, Town Clerk

**THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING**

Date: Tuesday, February 20, 2018

Time: 4:00 P.M.

Present from Town Council: David Bennett, *Mayor*; Kim Likins, *Mayor Pro Tempore*; John McCann, Bill Harkins, Marc Grant, Tom Lennox, David Ames, *Council Members*

Present from Town Staff: Steve Riley, *Town Manager*, Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects & Facilities/Chief Engineer*; Brad Tadlock, *Fire Chief*; John Troyer, *Finance Director*; Shawn Colin; *Deputy Director of Community Development*; Jeff Buckalew, *Town Engineer*; Darrin Shoemaker, *Traffic & Transportation Engineer*; Tom Dunn, *Emergency Management Coordinator*; Melissa Cope, *System Analyst*; Krista Wiedmeyer, *Executive Assistant/Town Clerk*

Present from Media: Alex Kincaid, *Island Packet*

1. Call to Order

Mayor Bennett called the meeting to order at 4:02 p.m.

2. 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.

3. Executive Session

Mr. Riley stated he needed an Executive Session for: (a) Land Acquisition; discussion of negotiations incident to proposed sale, lease or purchase of property land near the (i) Indigo Run area; (ii) Beach City Road area, and (iii) Office Park Road area; (b) Personnel Matters; discussions of appointments of members related to Boards and Commissions; and (c) Legal Matters; the receipt of legal advice related to pending, threatened, or potential claim related to, (i) City of Columbia v. Expedia, et. al.

At 4:03 p.m. Mrs. Likins moved to go into Executive Session for matters mentioned by the Town Manager. Mr. Harkins seconded, the motion was approved by a vote of 7-0.

Council returned to the dais at 5:00 p.m.

4. Pledge to the Flag

5. Invocation

6. Proclamations & Commendations - None

7. Approval of Minutes

a. Town Council Meeting, January 9, 2018

Mrs. Likins moved to approve the Town Council meeting minutes from January 9, 2018. Mr. Harkins seconded, the motion was approved by a vote of 7-0.

b. Workforce Housing Workshop, January 16, 2018

Mrs. Likins moved to approve the Workforce Housing Workshop meeting minutes from January 16, 2018. Mr. McCann seconded, the motion was approved by a vote of 7-0.

c. Town Council Meeting, January 16, 2018

Mrs. Likins moved to approve the Town Council meeting minutes from January 16, 2018. Mr. Harkins seconded, the motion was approved by a vote of 7-0.

8. Report of Town Manager

a. Hilton Head Island: Our Future – Emily Sparks

Emily Sparks, Project Lead for the Vision Project Management Team, gave a brief update to the members of Town Council. She stated that the Community Engagement Report and Vision Report had been presented in a community forum, and are both available online to review. There is a new survey for the community to take after they have reviewed the reports to provide their feedback regarding the reports. The project remains on time and within the budget guidelines.

Report of Town Manager (cont.)

b. Gullah-Geechee Cultural Land Preservation Quarterly Update – Lavon Stevens

Lavon Stevens, Chairman of the Gullah-Geechee Cultural Land Preservation Task Force gave a brief update to the members of Town Council. He said that the Task Force meets just about every-other week to discuss the matters of land preservation. The meetings have had several guest speakers to assist in the education of the Task Force. Such speakers have talked about the LMO, clearing title, arts and culture, and other important topics. Mr. Stevens said there have been three community meetings, and have toured the historic neighborhoods. Identification of the Gullah-Geechee neighborhoods has been completed.

c. Parks and Recreation Commission Bi-Annual Update – Mike Ray

Mike Ray, Commissioner of the Parks and Recreation Commission gave a brief update to the members of Town Council. He stated that the construction of the Rec. Center continues to move forward on schedule. Mr. Ray provided additional updates on the upgrades coming to the Cordillo Tennis Courts upgrades as well as additional upcoming projects later in the year. He discussed an upcoming workshop to discuss the recreational wants and needs that are continually requested by the Parks and Recreation Commission.

d. Palmetto Electric Cooperative Overhead to Underground – Tony Pierce

Tony Pierce introduced Wil Sileeby, Vice President of Engineering and Operations, who gave a presentation on the current status of Palmetto Electric Cooperative's underground wire project. Mr. Sileeby stated that the project is about to begin year 14, which will be the last year of the project as it is scheduled to be completed at the end of this year. The Project is approximately 90% complete, and about 83% of the estimated cost has been spent to date. Mr. Sileeby showed before and after pictures with the wires on the poles and without the wires after they have been buried.

e. Items of Interest

i. Town News

ii. Noteworthy Events

Mr. Riley reported on upcoming meetings and noteworthy events taking place throughout the end of the month.

9. Reports from Members of Council

a. General Reports from Council

Mr. McCann asked Mayor Bennett if he would provide a report after his meeting with the County and Town staff regarding the replacement of the bridge. Mayor Bennett stated he would, but at a later portion of the agenda. Mr. McCann asked if Council could speak about Workforce Housing at the next Town Council meeting. Mayor Bennett said that it would be agenda item on the next Public Planning Committee meeting, and suggested all the members of Council attend that meeting first before placing the item of business on the next Town Council meeting agenda.

Mr. Lennox discussed Mayor Bennett's weekly newsletter and his column he had recently written and was alarmed by the statements made about the Arts Center of Coastal Carolina. Mayor Bennett said he stood by what he wrote in the weekly newsletter.

Mayor Bennett provided a number of updates to the members of Council as well as assigned specific tasks as noted herein to certain Town Council Committees. Mayor Bennett discussed the South Carolina Inclusionary Zoning Act, asking Mr. Ames to make this an agenda item on the upcoming Public Planning Committee meeting, and asked Mr. Harkins to determine as part of the of the Intergovernmental Committee, if the Town should support this piece of legislation as written or with modifications. Mayor Bennett also discussed a local housing trust fund referenced within the Inclusionary Zoning Act. He asked Mr. Ames to review this piece of legislature as a possible tool for the Town to use for Workforce Housing. Mayor Bennett discussed the parks that are currently being maintained by the County within the Town. He requested that the Public Facilities Committee to vet a potential proposal to the County regarding to the transfer of the County-owned parks to the Town. Mayor Bennett discussed the condition of the property at the Edgewater Villas community. He asked the Public Planning Committee to look into this matter on as it could be a planning matter, and it is also located in Mr. Ames' Ward who is also the Chairman of the Public Planning Committee.

b. Report of the Intergovernmental & Public Safety Committee – Bill Harkins, Chairman

Mr. Harkins reported that Senator Davis would be in attendance at the next Committee meeting taking place on Monday, March 5, 2018. One of the items the Committee will be discussing with the Senator is the replacement of the Bridge to and from Hilton Head Island, and asking for his assistance in mapping out a plan. He also reported that the Committee will be discussing the legislative initiatives that directly or indirectly impact Hilton Head Island.

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

Mrs. Likins reported that the Venue Committee has been working in their workgroups reviewing the consultant's report. She said that they will have a formal meeting on March 7, 2018 at 2:00 p.m. to discuss the outcome of the consultant's report. Mrs. Likins also reported that the Personnel Committee would begin reviewing and filling open Boards and Commissions positions.

Reports from Members of Council (cont.)

d. Report of the Public Planning Committee – David Ames, Chairman

Mr. Ames reported that the Committee would be meeting on Thursday, February 22, 2018 and would receive a Gullah-Geechee update, on-Island trolley update, and a discussion regarding the affordable housing tax credit program. Mr. Ames also wanted to pass along a reminder about the Unite Summit taking place on Wednesday, February 28, 2018 at the Sonesta.

e. Report of the Public Facilities Committee – Marc Grant, Chairman

Mr. Grant reported that the Committee would be meeting on Monday, February 26, 2018. He stated that Town staff and he met with community members in reference to select dirt roads that did not meet the Town's policy that is currently in place. This would be the discussion topic of the upcoming Committee meeting.

f. Report of the Finance & Administrative Committee – John McCann, Chairman

Mr. McCann reported that the Committee met earlier in the day, where the discussion was about streamlining the process for the Affiliated Agencies. Instead of the Affiliated Agencies making their presentations before the Finance Committee, it has been recommended that they make their presentations directly to Town Council. Mr. Ames said if this process is put into place, it is his recommendation that a special meeting take place versus having the Affiliated Agencies present during a regularly scheduled meeting. Mayor Bennett asked Mr. Riley to review the upcoming budget meeting schedule and propose when a meeting for the Affiliated Agencies could take place.

10. Appearance by Citizens

Richard Matthews, addressed the members of Town Council regarding the property located at 40 Sandfiddler in Sea Pines. Mayor Bennett asked Mr. Harkins if the Public Safety Committee could please take a look at the information provided by Mr. Matthews.

Peter Ovens, addressed the members of Town Council regarding the RBC Heritage parking at Honey Horn.

David Arnel, addressed the members of Town Council regarding the administrative rezoning at 163 Island Drive.

11. Unfinished Business - None

12. New Business

a. Report for Participation by the Town of Hilton Head Island in the Beaufort County Sheriff's Office Re-Entry Pass System

Staff seeks that Town Council authorize the Town Manager to execute a Memorandum of Agreement with the Beaufort County Sheriff's Office approving the participation of the Town of Hilton Head Island in the Beaufort County Sheriff's Office Incident Emergency Response and Re-Entry Pass System.

Mrs. Likins moved to approve. Mr. Harkins seconded. After a brief discussion by the members of Council, the motion was approved by a vote of 7-0.

b. Consideration of a Recommendation – Amendment of the Drainage Agreement with Hilton Head Plantation Property Owners' Association

Consideration of a Recommendation that Town Council authorize the Town Manager to amend the Storm Water Maintenance and Access Agreement with Hilton Head Plantation Property Owners' Association, Inc. to include the addition of storm drainage easements that qualify for public service, are privately owned, and lie within the limits of the Planned Unit Developments or Property Owners' Association which shares a Storm Drainage Maintenance and Access Agreement with the Town of Hilton Head Island.

Mrs. Likins moved to approve. Mr. Harkins seconded. The motion was approved by a vote of 7-0.

c. Consideration of a Resolution – Municipal Consent to Beaufort County's Widening and Traffic Safety Improvement Project along US 278 on Jenkins Island

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, consenting to the construction and/or improvements in connection with transportation project known as "Beaufort County Project ID PO323499 – Widening and Safety Improvements along US Route 278 (William Hilton Parkway) on Jenkins Island within the Town limits of Hilton Head Island Beaufort County", in accordance with the plans of said project.

Mrs. Likins moved to approve. Mr. Harkins seconded. Members of the community addressed the members of Town Council requesting that they consider approving the Resolution and allowing the County to move forward with the project. Officials from Beaufort County addressed the questions and concerns from the members of Council, and after a lengthy discussion, the motion passed by a vote of 6-1. Mr. Grant opposed the motion.

New Business (cont.)

d. Consideration of a Recommendation – Dedication of Town-owned land to SCDOT for Road Right of Way Required of the Beaufort County Widening and Traffic Safety Improvements along US 278 on Jenkins Island

Consideration of a Recommendation to approve the dedication of 4.715 acres of Town-owned land (parcels R510 006 000 0099 0000 and R510 006 000 0305 0000 and commonly known as the Jenkins Island Tract) to the South Carolina Department of Transportation in order to facilitate the construction of Beaufort County’s Widening and Traffic Safety Improvement Project along US 278 on Jenkins Island and in return request future compensation from the County for the cost of implementing eastbound and westbound multi-use pathways and landscaping along the project limits.

Mrs. Likins moved to approve. Mr. Harkins seconded. After some discussion from Town Council, the motion passed by a vote of 6-1. Mr. Grant opposed the motion.

e. Consideration of a Recommendation - Negotiations with Beaufort County for reimbursement of future pathway and landscaping work associated with Beaufort County’s Widening and Traffic Safety Improvement Project along US 278 on Jenkins Island

Consideration of a Recommendation authorize staff to negotiate an agreement with Beaufort County for compensation towards future pathways and landscaping along the limits of their Widening and Traffic Safety Improvement Project along US 278 on Jenkins Island and bring the negotiated agreement back to Town Council for final approval.

Mrs. Likins moved to approve. Mr. Harkins seconded. After some discussion from Town Council, the motion passed by a vote of 6-1. Mr. Grant opposed the motion.

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

a. Consideration of a Resolution – Pope Avenue/Office Park Road/New Orleans Road Intersection Improvement Project

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, authorizing condemnation, pursuant to S.C. Code Section 28-2-10, *et seq.*, of easement rights and right of way ownership over portions of a parcel at the intersection of Office Park Road and Greenwood Drive to the construction and/or improvements in connection with the transportation project known as “Pope Avenue – Office Park – New Orleans Road Intersection Improvements Project”, in accordance with the plans of said project.

Mrs. Likins moved to approve. Mr. Harkins seconded. The motion was approved by a vote of 7-0.

Mrs. Likins move that Town Council re-nominate Ronald Ianole as the Town’s representative to the Beaufort Housing Authority for a five year term beginning March 12, 2018. Mr. Harkins seconded. The motion was approved by a vote of 7-0.

14. Adjournment

Mayor Bennett adjourned the meeting at 7:30 p.m.

Krista M. Wiedmeyer,
Executive Assistant/Town Clerk

Approved: 03/06/2018

David Bennett, Mayor



ITEMS OF INTEREST

March 6, 2018

TOWN OF HILTON HEAD ISLAND MEETINGS

- Planning Commission – March 7, 2018 – 9:00 a.m.
- Planning Commission-CIP Committee – March 7, 2018 – 10:00 a.m.
- Community Services Committee – March 12, 2018 – 9:00 a.m.
- Vision Project Management Team – March 16, 2018 – 2:00 p.m.
- Gullah-Geechee Land & Cultural Pres. Task Force – March 19, 2018 – 1:00 p.m.
- Finance & Advisory Committee – March 20, 2018 – 2:00 p.m.
- Town Council, Executive Session – March 20, 2018 – 4:00 p.m.
- Town Council, Regular Session – March 20, 2018 – 5:00 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.

HILTON HEAD ISLAND EVENTS

Saturday, March 10, 2018 11:00 – 4:00 p.m.	Hilton Head Wine & Food Festival	Sea Pines Resort
Sunday, March 11, 2018 11:00 a.m. – 11:00 p.m.	Irish Fest	Wild Wing Café Parking Lot
Sunday, March 11, 2018 3:00 – 5:30 p.m.	Hilton Head Island St. Patrick's Day Parade	Pope Avenue/Office Park Rd.
Saturday, March 17, 2018 8:00 – 10:00 a.m.	Hilton Head Shamrock Run	Heritage Plaza/Coligny Plaza

ITEMS OF INTEREST

2-22-18

After several months of scoping and coordination efforts with Beaufort County and the SCDOT, the Town is partnering with County on a project to enhance traffic signal and traffic data collection at the north island signals on William Hilton Parkway from Squire Pope Road to Beach City Road. Beaufort County has contracted with Miovision Technologies, Inc. of Kitchener, Ontario to install their Spectrum™ Automated Traffic Signal Performance Measure (ATSPM) data collection equipment in these signals. This work is funded in this year's traffic signal operating budget, with the Town's 50% implementation share being \$14,222.00 and annual maintenance costs of \$2096.50.

This equipment will continuously collect data toward the goal of identifying, assessing, and prioritizing congestion and performance issues relative to the movement of traffic within the corridor. Travel time data will be collected on a continual basis and will be used to make improvements to the timing plans of the Town's coordinated traffic signal system. The data will also allow the Town to better assess performance measures that include individual lane volumes, operational impacts associated with emergency vehicle preemptions, and data on the arrival of vehicles at the signals during green, yellow, or red intervals, resulting in the potential identification of signal operating plan revisions toward improving the flow of traffic.

The South Carolina Department of Transportation has hired a consultant to review the existing operating parameters of the Town's coordinated signal system within this corridor and make improvement recommendations. This data should substantially benefit the SCDOT and their consultant's efforts.

(Contact: Darrin Shoemaker, Town Traffic and Transportation Engineer, 341-4774)



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*
VIA: Charles Cousins, AICP, *Director of Community Development*
VIA: Jennifer Ray, ASLA, *Planning and Special Projects Manager*
FROM: Jayme Lopko, AICP, *Senior Planner*
CC: Shawn Colin, AICP, *Deputy Director of Community Development*
DATE: February 22, 2018
SUBJECT: Public Art Site Selection & Agreement

Recommendation: Staff recommends that Town Council approve Coligny Beach Park as a site for the placement of Public Art on Hilton Head Island and adopt a resolution authorizing the execution of a gift agreement with the Community Foundation of the Lowcountry (CFL) for the acquisition of the “Sandy Roads” sculpture.

The Public Facilities Committee met on January 22, 2018 and voted 3-0-0 to recommend that Town Council approve Coligny Beach Park as a potential site for public art.

Summary: Although most pieces of art donated to the Town are purchased by the Public Art Committee as a result of their Biennial Public Art Exhibition, pieces are sometimes donated with the intent of being included in the Town’s public art collection. As the Town’s public art collection grows, the Public Art Committee identifies potential sites that would be suitable for the placement of public art.

The Public Art Committee of the CFL held the Public Art Exhibition at Honey Horn in 2013. In addition to the juried piece, a sculpture from this exhibition, “Sandy Roads” was donated to the CFL for inclusion into the Town’s public art program. The Public Art Committee has selected the Coligny Beach Park as the desired location for this piece.

Background: The Community Foundation of the Lowcountry created a Public Art Fund for the purposes of funding and acquiring public art and outdoor sculpture to be placed in the public realm on Hilton Head Island. This request will support the Public Art Committee’s effort to build upon the collection of public art pieces located in public places.

There have been ten sites previously approved by Town Council (see attachment A), three in September of 2010, two in September of 2012, one in 2014 with the approval of the park improvement plan for Shelter Cove Community Park, one in April of 2015, and three in March of 2016.

After reviewing these locations with Town staff, the following site has been submitted by the Public Art Committee to Town Council for consideration:

- Site K: Coligny Beach Park

Every two years a Public Art Exhibition is held and a piece of artwork is selected to be purchased and donated to the Town. “Sandy Roads” was donated by the artist to the CFL following the 2013 Public Art Exhibition. The Committee has recommended the piece be accepted into the Town’s collection and placed at Coligny Beach Park.

Town Council adopted the Fiscal Year 2018 budget, including the Capital Improvement Program (CIP), which included funding for the installation and maintenance of public art.

Execution of the Foundation’s attached Gift Agreement does hereby donate the artwork, “Sandy Roads”, to the Town of Hilton Head Island and its citizens.

Additionally a group of cyclists who want to celebrate cycling with a piece of permanent art have commissioned local artist Kevin Lawless to create “CYCLE.” The piece when completed will be gifted to the CFL and subsequently donated to the Town of Hilton Head Island. The preferred placement is at Coligny Beach Park. When the piece is constructed and gifted to the CFL, staff will bring a Resolution and Gift Agreement to Town Council for acceptance of the piece into the Town’s Public Art Program.

Attachments:

- Attachment A:* Approved Public Art Sites (A-J)
- Attachment B:* Site K Location Map: Coligny Beach Park
- Attachment C:* Letter from Community Foundation of the Lowcountry Public Art Committee
- Attachment D:* Resolution – “Sandy Roads”
- Attachment E:* Gift Agreement and Exhibits – “Sandy Roads”
- Attachment F:* “CYCLE” description
- Attachment G:* “CYCLE” rendering

APPROVED PUBLIC ART SITES (A-J)

- Site A: Former Welcome Center site on US 278
- Site B: Jarvis Creek Park Lake
- Site C: Town-owned parcels in the Chaplin Community (on west side of US 278 past Sherwin Williams store and before the old Cracker Barrel Site)
- Site D: Former Rock's Location
- Site E: Town-owned Marshfront Parcel in Stoney Area
- Site F: Shelter Cove Community Park
- Site G: Veterans Memorial at Shelter Cove Community Park
- Site H: New Coligny Park
- Site I: Old Gullah Market
- Site J: NW corner of Squire Pope Road and William Hilton Parkway



TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S. C. 29928
PHONE (843) 341-6000

Town of Hilton Head Island Coligny Beach Park Location



175 87.5 0 175 Feet

This information has been compiled from a variety of unverified general sources at various times and as such is intended to be used only as a guide. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion.



4 Northridge Drive, Suite A • Post Office Box 23019 • Hilton Head Island, SC 29925

P: 843.681.9100 • F: 843.681.9101 • cf-lowcountry.org

November 17, 2017

The Honorable David Bennett
Mayor, Town of Hilton Head Island
One Town Center Court
Hilton Head Island, SC 29928

Dear Mayor Bennett,

The Town of Hilton Head Island and Community Foundation of the Lowcountry have worked together for nearly 10 years to successfully secure large-scale sculptures to create and grow the Town's public art collection. To date, seven sculptures have been installed on Town property around the island. Each location has been approved by the Town.

We have several sculptures that we would like to add to the Town's public art collection. Additionally, we would like the Town to approve a location for them. This letter will serve to request that the Town consider these actions.

1. We would like the Town to approve Coligny Beach Park as a site for permanent installation of public art pieces.
2. We request that the Town approve two new sculptures to be added to the public art collection.
 - a. "Sandy Roads," by local artist Mark Larkin, is a piece that was part of our 2013 Public Art Exhibition on Hilton Head Island. After the exhibition Larkin donated the piece to the Community Foundation. The sculpture was slated to be installed in the new Coligny Park, but with the park's uncertain completion date, it's been suggested that Coligny Beach Park is a more appropriate spot. We request that the Town accept "Sandy Roads" into its growing public art collection. Attached is a photo, along with a description and maintenance requirements.
 - b. We have been approached by a group of cyclists who want to celebrate cycling with a piece of permanent art. They've commissioned Kevin Lawless, a highly regarded local artist, to create "CYCLE." The piece, if approved by the Town, will be gifted to Community Foundation of the Lowcountry and subsequently donated to the Town of Hilton Head Island. I've attached additional information about this piece, as well.

We appreciate what the Town does to help make the public art program so successful. Thanks for your consideration,

A handwritten signature in black ink, appearing to read 'Jean M. Heyduck', is written over a horizontal line.

Jean M. Heyduck
Vice President for Marketing and Communications

A RESOLUTION BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF A GIFT AGREEMENT WITH THE COMMUNITY FOUNDATION OF THE LOWCOUNTRY FOR THE ACQUISITION OF THE “SANDY ROADS” SCULPTURE.

WHEREAS, the Community Foundation of the Lowcountry (hereinafter called “Foundation”) created a Public Art Fund for the purpose of funding and acquiring public art and outdoor sculpture to be placed in the public realm on Hilton Head Island (hereinafter called (“Town”), and;

WHEREAS, the Town acknowledges the value of public art and has committed to support art in the public realm, and;

WHEREAS, the Town in partnership with the Foundation’s Public Art Fund Committee have developed the Town’s Public Art Program, and;

WHEREAS, the Public Art Fund Committee evaluates and approves all pieces of art suggested for acceptance into the Town’s Public Art Program, and;

WHEREAS, the Town accepts pieces of art that are recommended by the Public Art Fund Committee to be included in the Town’s Public Art Program, and;

WHEREAS, “Sandy Roads” was donated to the Foundation’s Public Art Fund Committee for inclusion in the Town’s Public Art Program;

NOW, THEREFORE, BE IT, AND IT HEREBY IS, RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, THAT:

1. The Mayor and Town Manager are hereby authorized to execute and deliver a gift agreement with the Community Foundation of the Lowcountry for the acquisition of the “Sandy Roads” sculpture, a copy of which is attached hereto.
2. The Mayor and Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the actions authorized hereby.

**MOVED, APPROVED, AND ADOPTED BY TOWN COUNCIL THIS _____
DAY OF _____, 2018.**

David G. Bennett, Mayor

Attest:

**By: _____
Krista M. Wiedmeyer, Town Clerk**

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

AGREEMENT

THIS AGREEMENT is made this ____ day of March 2018 between Community Foundation of the Lowcountry, Inc. (hereinafter called "Foundation") and the Town of Hilton Head Island (hereinafter called "Town"), a municipal corporation organized and existing under the laws of the State of South Carolina.

WHEREAS, the Foundation has received a donation of artwork titled "Sandy Roads" (hereafter referred to as "Artwork"), that is further described in Exhibit A to this Agreement; and

WHEREAS, the Foundation wishes to maximize public enjoyment and appreciation of the Artwork; and

WHEREAS, the Foundation desires to donate the Artwork to the Town for display as public art, and the Town desires to accept the Artwork, in accordance with the terms of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises, undertakings and covenants set forth herein, the receipt and sufficiency of which is acknowledged and affirmed by the Town and the Foundation, the parties hereto agree as follows:

1. Gift of the Artwork. The Foundation hereby gives to the Town its entire interest in the Artwork. The parties acknowledge that all copyrights in the Artwork have been retained by the Artist. The parties acknowledge that this gift includes only the Artwork itself and not any copyright or other intellectual property rights in the Artwork.

2. Foundation Ownership Interest in the Artwork. The Foundation hereby represents and warrants to the Town that it is the owner of the Artwork, free and clear of all liens, encumbrances, and restrictions, except those related to the Artists' copyright interest in the Artwork, and that it has the power to give the Artwork to the Town free and clear of all liens, encumbrances, and restrictions, in accordance with the terms of this Agreement.

3. Delivery and Installation of the Artwork. Upon final acceptance of the Artwork by the Foundation, the Foundation shall cause the Artwork to be delivered to the installation location at the Coligny Beach Park, as described in Exhibit B to this Agreement. The Town shall be responsible for all costs of installation. The Town, at its own expense, shall undertake adequate site preparation, including construction of a suitable base for the Artwork prior to delivery and installation.

4. Maintenance, Repairs, and Restoration. The Town will not intentionally destroy, damage, alter, modify, or change the Artwork in any material way. The Town shall be responsible for the periodic maintenance of the Artwork. The periodic maintenance shall include the cleaning of the Artwork, as described in Exhibit A, and otherwise keeping the Artwork in good condition and repair.

5. Insurance. The Town shall be responsible for maintaining property insurance on the full value of the Artwork. The Town and the Foundation agree that the current value of the Artwork is Twelve Thousand dollars (\$12,000.00). In the event of loss or damage, the insurance proceeds shall be used to repair, restore, or replace the Artwork. If after such loss or damage the Town determines that the loss or damage is so material and substantial as to require abandonment of the Artwork rather than repair, restoration, or replacement, then the insurance proceeds shall be paid to the Foundation, less any costs paid by the Town for prior maintenance, repairs, restoration and the cost of insurance of the Artwork.

6. Right of Repurchase. In the event the Town determines that it is unable or unwilling to continue to maintain, repair, or restore the Artwork, or if the Town decides to no longer publicly display the Artwork, the Town shall offer the Foundation the right to repurchase the Artwork for the sum of One dollar (\$1.00).

7. Miscellaneous.

(a) This Agreement constitutes the entire understanding between the parties. Its terms may be amended only by an instrument in writing signed by both parties.

(b) It is intended that each paragraph and subparagraph of this Agreement shall be viewed as separate and divisible; and in the event that any paragraph or subparagraph shall be held to be invalid or unenforceable, the remaining paragraphs and subparagraphs shall continue to be in full force and effect.

(c) This Agreement constitutes an enforceable legal obligation and is binding upon, and shall inure to the benefit of, the parties to it and their respective legal representatives, successors and assigns.

(d) This Agreement shall be construed in accordance with, and shall be governed by, the laws of the State of South Carolina.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures hereto the date first written hereinabove.

WITNESSES:

**COMMUNITY FOUNDATION OF THE
LOWCOUNTRY, INC.**

By: _____

Its: _____

WITNESSES:

TOWN OF HILTON HEAD ISLAND

By: _____

David G. Bennett

Its: Mayor

EXHIBIT A

DESCRIPTION AND MAINTENANCE OF THE ARTWORK

Description: This sculpture is a Kinetic Sculpture aka a Stabile and is made of mild carbon steel. Most of this sculpture is 3/8" thick steel. All parts of the work are powder coated with multiple layers: gloss black color is the base layer followed by a clear coat which contains gold flecks. The three movable arms are powder coated silver with a clear coat. Graphics are applied to the work as a final layer.

Maintenance: Sculpture is designed to withstand the elements of Hilton Head. The moving parts are stainless steel and the joints will require a few drops of oil on an annual basis.

Dimensions: 13 Feet High and 3.5 Feet X 3.5 Feet Approximate at tripod base. Note the outreach is 12 Feet at the top of the sculpture.

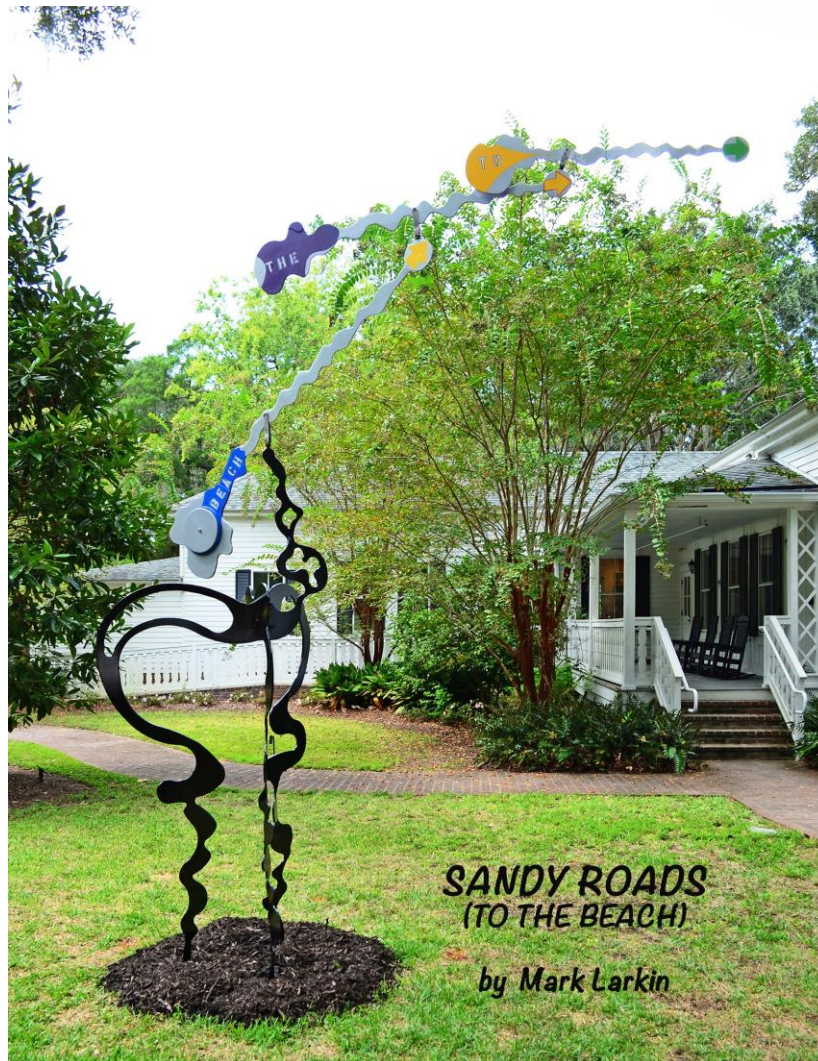


EXHIBIT B LOCATION



TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S. C. 29928
PHONE (843) 341-6000

Town of Hilton Head Island Coligny Beach Park Location

175 0 175 Feet



This information has been compiled from a variety of unverified general sources at various times and as such is intended to be used only as a guide. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion.

DESCRIPTION OF “CYCLE”

Mrs. Donna Garske and her children would like to donate a contemporary sculpture of a bicycle to be displayed in a public area located on Hilton Head Island. This contemporary piece of art is symbolic and represents the importance of cycling on Hilton Head Island.

Project Details:

- Project Funding: The CYCLE project is funded by Mrs. Donna Garske and her two children along with monies from the Dr. Jeffery Garske Memorial Fund.
- Requested Location: Coligny Beach Park.
- Artist, Designer: Kevin Lawless, Iron Art by Kevin. Design of CYCLE will be compatible with current Sail Away sculpture and existing park bench. See attached concept picture.
- Size of CYCLE, not including support base: The CYCLE will be 25% larger than a 56MM size road cycle. Length, front tire to back of rear tire is 72 inches. Top of seat to top of base 50 inches. Handle bar to top of support base 48 inches. Cyclist figure head to top of base 66 inches.
- Base: As pictured and permanently secured.
- Materials, color, and maintenance: CYCLE will use aluminum 304 and a solid bar for the seat post. Color is powder cover silver. Materials are basically maintenance free and will withstand weather elements for an extended length of time.
- Safety: CYCLE seat post will extend through base four feet into the ground and anchored by a cement ball foundation. Both front wheel and rear wheel will be screwed into CYCLE base. This will achieve stability. There will be no sharp or pointed edges.





TOWN OF HILTON HEAD ISLAND

Community Development Department

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: Teri Lewis, AICP, *LMO Official*
DATE: March 1, 2018
SUBJECT: Low Income Housing Tax Credit (LIHTC)

Recommendation: The Public Planning Committee met on February 22, 2018 and recommended that Town Council forward the changes proposed in the Hilton Head Island and The Low Income Housing Tax Credit (LIHTC) white paper to the South Carolina State Housing Finance and Development Authority.

Summary: Workforce Availability continues to be a key priority for Town Council. One of the main subcomponents of workforce availability is housing. The Low Income Housing Tax Credit (LIHTC) has been identified as a way that the Town could support additional affordable housing on Hilton Head Island. Changes as identified in the attached document, '*Hilton Head Island and the Low Income Housing Tax Credit (LIHTC)*' will enhance the Town's competitive position and enable the Town to have greater access to LIHTC funds.

Background: Hilton Head Island has received less than four-tenths of 1% of the LIHTC's awarded in South Carolina since the program became available in 1986. Due to the critical shortage of affordable workforce housing and the threat that it poses to the Town's economy changes to the program are necessary.

Hilton Head Island and The Low Income Housing Tax Credit (LIHTC)

Since the inception of the LIHTC in 1986, Hilton Head Island has received less than four-tenths of 1% of the \$1.88 Billion of the LIHTC's awarded in the State of South Carolina. With a critical shortage of workforce and affordable housing threatening the economy of this world-renowned destination, the time for change is long overdue.

The attached analysis identifies changes necessary for Hilton Head Island to successfully access the LIHTC through the State of South Carolina's Qualified Allocation Plan that is administered by the South Carolina State Housing Finance and Development Authority.

A summary of the recommended changes are as follows:

- Prioritize Demand in scoring applications for the LIHTC
- Measure Accessibility and Availability in scoring Positive Site Characteristics
- Create a Workforce Housing Set-Aside
- Analyze Development Costs by prevailing Construction Cost Conditions
- Redefine Underserved Areas

The recommendations outlined above and discussed in this analysis should be vetted and incorporated into the Qualified Allocation Plan for the State of South Carolina expeditiously for implementation into the 2019 LIHTC application round.

Thank you for your consideration. We are available at any time for further discussion.

David Bennett, Mayor
Hilton Head Island, SC

Hilton Head Island
and
The Low Income Housing Tax Credit (LIHTC)

BACKGROUND INFORMATION:

- The **Low Income Housing Tax Credit (LIHTC)** is a Federal Program initiated by the **Tax Reform Act of 1986** and outlined in **Section 42 of the Internal Revenue Code**. It has been the most productive and successful housing program in the nation during the past three decades. (See National Association of Home Builders White Paper: http://services.housingonline.com/nhra_images/LIHTCWhitePaper_Oct%202011_FINAL.pdf)
- The **LIHTC** is administered by a specified entity in each state of the United States. In South Carolina, the **LIHTC** is administered by the **South Carolina State Housing Finance and Development Authority**. (**SCHousing**: <https://www.schousing.com/>)
- Since the inception of the **LIHTC** program, South Carolina has allocated total annual tax credits in the amount of \$187,691,787 for a **consolidated total of \$1.88 Billion in LIHTC**. (The tax credits allocated are an annual amount. The actual amount of credit taken is ten times that, as the allocation is available annually for a 10-year period.)
- Since the inception of the **LIHTC** program, South Carolina has allocated total annual tax credits to **Hilton Head Island, South Carolina** in the amount of \$720,767, for a **consolidated total of \$7.2 Million in LIHTC**.
- Since the inception of the **LIHTC** program, South Carolina has funded the new construction or rehabilitation of **26,838 LIHTC units**.
- Since the inception of the **LIHTC** program, South Carolina has funded the new construction of **48 LIHTC units on Hilton Head Island** and the subsequent rehabilitation of the same **48 LIHTC units**.
- **Hilton Head Island, SC** has received less than four-tenths of 1% of the **LIHTC** allocated in South Carolina. Only one **LIHTC** development has been financed, the original new construction (1992 allocation) and the subsequent rehabilitation of **48 units of LIHTC**.
- **Southern Beaufort County** is a fast-growing region of the State of South Carolina. In 2014, Southern Beaufort County had **585 LIHTC units**. Since then it has lost 341

units and gained 40 units, for a **current inventory of 284 LIHTC units**, a 52% decline.

- **Hilton Head Island is an important and integral municipality in South Carolina!**
 - Hilton Head Island has **WORLD-WIDE name recognition**
 - Hilton Head Island is **Conde Nast Traveler's 2017 Top Island in the United States and Travel + Leisure Magazine's 2017 #1 Island in the Continental U.S. and #2 Island in the World** (<https://www.hiltonheadisland.org/conde-nast-traveler-readers-choice2017/>)
 - Hilton Head Island's economy is **Tourism-based**. Leisure and Hospitality is one of South Carolina's **top five non-farm industries** based on number of employees (<https://www.sccommerce.com/research-and-data> and <https://www.bls.gov/eag/eag.sc.htm>)
 - Hilton Head Island's year-round population includes a stable and **significant number of retirees** creating demand for healthcare and other services
 - Hilton Head Island has **thousands of jobs openings** in a variety of sectors of its economy

POSITION STATEMENT:

Hilton Head Island has an acute lack of affordable housing and qualified workforce. The results are a dampened ability to achieve the economic growth potential inherent in our uniqueness and the depressed and slowed recovery of our real estate assets. Second-home owners pay premiums in property taxes to fund the state of South Carolina and our visitors generate significant revenues and recognition for the State.

The acute demand for affordable housing and workforce availability is in large part attributable to Hilton Head Island being effectively excluded from the **LIHTC** through the **SCHousing**. The **LIHTC** is often the largest component of financing for the production of affordable workforce housing and is the gateway to securing a large assortment of sources of additional support. This accessibility barrier is clearly evidenced in the data presented in the Background Information above.

Although South Carolina is in double-digit low rankings in most every other category, it is near the top of **U.S. News and World Report's Best States category of ECONOMY** (<https://www.usnews.com/news/best-states/south-carolina>). Beaufort County is in the top 22% of all U.S. counties in terms of innovation (<http://www.statsamerica.org/ii2/overview.aspx>). Sustaining this positive momentum in the economy will surely work to move South Carolina's standings in the other categories of life quality. However, this depends in large part on South Carolina's ability to attract and maintain a qualified work force.

The Leisure and Hospitality industry, while thriving, pays wages well below most other industries in South Carolina, clearly fitting in the lowest ranges of those for whom the **LIHTC** program was established. (https://www.bls.gov/oes/current/oes_sc.htm)

RECOMMENDED ACTION:

The **SCHousing LIHTC Allocation Plan (the QAP)** should be modified to adequately, accurately, fairly and dynamically allocate this precious resource to where it is both most needed and best invested, all while maintaining both the spirit and the letter of the **LIHTC**.

There are critical evaluation criteria either absent or inequitably considered in the **SCHousing LIHTC QAP**. If modified, the **SCHousing LIHTC QAP** would allow Hilton Head Island, and other communities, equal access to the **LIHTC**.

Modifications in five primary areas of consideration would open the currently sealed gateway to accessing the **LIHTC**, allowing Hilton Head Island to almost immediately access the **LIHTC** to address its critical need for affordable workforce housing.

1. DEMAND - Demand is the most important indication of the need for this valuable resource and should be the fundamental driver for **LIHTC** allocations. the **LIHTC** was created because there is a need for affordable housing. **SCHousing** affirmatively states in its Introduction and Purpose section of the **QAP** that **SCHousing** “is responsible for developing the guidelines and priorities that *best address the need for affordable housing throughout the state...*” (*emphasis of this author*).

Vacancy rates below 5% and low capture rates indicate a critical shortage of housing units. Hilton Head Island has a 0% vacancy rate. Under the current **QAP**, **LIHTC** applicants receive only 1/2 point if the vacancy rate is between 6% and 9% and 1 point for vacancies between 0% and 5% (the same amount of points received for fully completing the form). Compare this to an applicant within 1/2 mile of a convenience store that receives 4 points or the 3 points that are awarded to an applicant whose project is within 1/2 mile of a bowling alley and you will see that demand is insignificant under the current **QAP**. (See fuller discussion of Site Characteristics and corresponding points below.) Allocations of **LIHTC** are predominantly awarded to applications scoring on average within 1/2 to 1&1/4 points of the maximum optional points available. That is effectively 86.5 points for new construction and 90.5 points for rehabilitation when the mandatory 110 points are removed from the overall total. In the current **QAP**, the importance of allocating **LIHTC** to communities experiencing acute crises of approximately 5% or less vacancy is eliminated.

RECOMMEND:

- A logarithm should be identified or written based upon occupancy levels and capture rates taken from a reliable and comprehensive source of data from South Carolina rental properties. Critical intervals should be identified, even as precise as 1/2 to 1 percent of each other.
- In the body of the application, points sufficient to prioritize critical demand areas should be awarded in amounts necessary to eliminate the currently existing imbalance evidenced above.
- In the tie-breaker section of the **QAP**, which is regularly triggered, demand should become a primary tie-breaker item.

ADDITIONAL DISCUSSION:

- The Market Study Criteria of the **SCHousing LIHTC Qualified Allocation Plan** does not address demand as anything more than a threshold requirement. In total, a maximum of only 1 point may be awarded based upon demand.
- Although Capture Rate, Market Advantage, Overall Vacancy Rate and Absorption/Lease-Up Periods are individually addressed, they are given no weight in awarding the **LIHTC** beyond 1 point.
- If demand were prioritized, **SCHousing** would still meet the requirements of Section 42 of the Internal Revenue Code and its own State preferences.
- As a side note, Market Advantage is arbitrary, easily manipulated and potentially harmful to the very residents **SCHousing** seeks to house — very low income households. This criterion could cause huge rent increases to at-risk residents during their first few years of occupancy.

2. **POSITIVE SITE CHARACTERISTICS** - The static list of Site Characteristics identified as desirable or necessary by the **SCHousing QAP**, combined with the incremental 1/2 to 3 mile distances preferred and the disparately high point values associated with them guarantees traditional urban settings will receive allocations while unique areas with acute demand, like Hilton Head Island, are effectively disqualified. Hilton Head Island does not have a site available on the Island that would allow an applicant to receive an allocation of **LIHTC** regardless of the acute demand, and the current, historically-high need for workers. However, Hilton Head Island has award-winning schools, beautiful parks, miles of bike and leisure trails, recreational and cultural opportunities, excellent emergency and other services and all the necessary infrastructure for a great place to live.

Currently, 34.5 out of a maximum competitive 86.5 points for new construction (or 40%) are based upon these Site Characteristics (or 34.5 points out of 90.5 for rehabilitation projects). In comparison, 1 point out of 86.5 competitive points (1%) is the maximum achievable for demand. No other of the application's criteria carries such weight except the Development Characteristics, which are NOT OPTIONAL. The required minimum and maximum points for Development Characteristics are

both 110. An applicant must score at least 110 and cannot count any more than 110 points in this category.

RECOMMEND:

- The list of Site Characteristics should be augmented and edited to reflect actual delivery mechanisms and future trends of vital services such as education, emergency response services, health and wellness, and access to food.
- In the body of the application, points for Site Characteristics should be greatly reduced so as to eliminate an award based on something like the proximity of a cinema over a demonstrable critical demand.
- In the body of the application, points for Site Characteristics should be awarded because of **ACCESS AND AVAILABILITY**, not physical location. For instance, the availability of transportation for students traveling to and from school, not the driving distance, or the availability and usability of online healthcare and banking services. (The Town of Hilton Head Island employees have access to real-time physicians online and Gen X and Millennials often don't use brick and mortar banks.)
- Site Characteristics should be removed from its preeminent position as the #1 tie-breaker. It's current position doubles its importance and impact above all other criteria.

ADDITIONAL DISCUSSION: Urban areas certainly do have a need for affordable housing. However, the preferences they receive in this section of the **QAP** eliminate the creation of affordable housing opportunities in areas where greater demand exists. There already is a designated **SCHousing** set-aside for "Large Population Urban." (This section also awards additional points for items that should be available to other developments. For example, free services on-site are always beneficial and should be encouraged in every category of the **QAP**.) Large Population Urban areas receive preference in their own set-aside and then again if they don't score high enough in the set-aside and are returned to the general pool of applications. Finally, real estate professionals will agree that for purposes of development, **JOBS** lead. First jobs are created, housing follows and services arrive.

3. **WORKFORCE HOUSING** - The critical workforce demands in areas such as Hilton Head Island are unaddressed in the **SCHousing QAP**. Jobs that drive the need for housing are a good sign of economic growth and opportunity.

RECOMMEND:

- Components of Workforce Housing demands should be analyzed and included in the **SCHousing QAP**.
- Create a Workforce Housing Set-Aside in the **QAP**. Consider parameters and indexes such as those in the Indiana **QAP** for consideration in the new set-

aside (<http://www.in.gov/myihcda/files/FINAL%202018-2019%20QAP.pdf> and <http://www.statsamerica.org/ii2/overview.aspx>)

- In the body of the application, add criteria to score points for growing workforce demand.
- Use some component of workforce demand in the tie-breaker section of the application.

4. DEVELOPMENT COSTS - The development cost calculations used twice in the tie-breaker section of the **SCHousing QAP** arbitrarily excludes Hilton Head Island developments from consideration in the event of a tie-breaker.

Logically, an area that experiences high development costs per unit (assuming similar quality of construction) would most need resources to bridge the gap in financing that exists between the amount low income renters may pay and the costs to develop. Using cost standards by type of building without incorporating location considerations penalizes areas like Hilton Head Island and other coastal areas. Hilton Head Island is an island. It's unique conditions and needs should be addressed, not dismissed. It is connected to the mainland by a bridge. It is surrounded by water. The environment is sensitive. Severe weather factors add to the need for more costly construction, including hurricane force winds and storm surges. To build a high quality development here will cost more than most other places in South Carolina. But the need is great.

RECOMMEND:

- Assemble a variety of sound resources that are available to assess the reasonableness of construction costs. More precise measurements using more data would produce better results that may address the demand for affordable housing in higher cost areas.
- Modify one construction cost tie-breaker to compare developments by type and area in order to incorporate location specific costs.
- Remove the second construction cost tie-breaker to limit its ability to eliminate developments in coastal construction areas.

ADDITIONAL DISCUSSION: The **SCHousing** should use the **LIHTC** to support the development or rehabilitation of the most affordable units with the least amount of **LIHTC – ALL OTHER THINGS BEING EQUAL**. Some equitable cost comparisons are necessary and reasonable. However, the **SCHousing** should consider the exacerbation of demand for affordable housing in high cost areas as potentially multiplying if not addressed. Shrinking economies could produce more instability in resources available to secure housing. Workers in high development cost areas are more likely to need help initiating independent residency, but if the residency is initiated, the result may be a positive multiplier for available workers.

5. **UNDERSERVED AREAS** - Although Hilton Head Island has only received 48 units of **LIHTC** housing in three decades, it is not considered “Underserved” by the **SCHousing QAP** and does not receive the points and preference associated with that designation. Hilton Head Island is part of a county, but it is also an island, separated from the mainland by a single bridge and itself an incorporated municipality. How should the effects of decades of lock-out from the **LIHTC** be addressed?

RECOMMEND:

- Analyze other municipalities with significant economic impact to the State of South Carolina to determine pockets of areas underserved by the **SCHousing LIHTC**.
- Identify additional municipalities/requirements for consideration in the Underserved Areas set-aside.
- Award points in the body of the application to municipalities which have not benefitted from the **LIHTC** program for some period of time for no reasons other than the preferences of the **QAP** that are not required by Section 42 of the Internal Revenue Code or the State of South Carolina’s documented preferences.
- Award points in the body of the application, or preference in the tie-breaker, to municipalities or areas that have experienced stagnation or reduction in the number of **LIHTC units**.

Final Note:

This analysis is not an exhaustive review of the SCHousing Qualified Allocation Plan. The focus areas above represent the criteria that, if modified, would have the most impact upon areas such as Hilton Head Island that have been effectively excluded from the LIHTC Program in South Carolina for years. Other testing of the QAP should occur to determine if the LIHTC awarded by South Carolina is consistent with the three preferences prescribed in Section 42(m)(1)(B)(ii)(I through III) and the stated Mission and Purpose of the SCHousing and its QAP.

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Services Scored in QAP	Max Points	Availability on Hilton Head Island
Full Service Grocery Stores	4	We have 11 Full Service Grocery Stores on the Island, or .27 per square mile. Additionally, we have 3 year round or seasonal farmer's markets and many specialty grocers.
Pharmacy or Drug Store	4	We have 12 qualifying locations.
Convenience Store <u>and</u> Gas Station	4	We have 12 Convenience Store/Gas Station combinations. Additionally, we have a Full Service Grocer with a Gas Station.
Restaurants with tables and chairs	3	As a resort destination, we have hundreds of restaurants where food can be consumed on site.
Entertainment Venues	3	We have more entertainment venues than this definition allows with daily live music shows and outdoor entertainment.
Retail Shopping Areas	3	We have 24 retail shopping areas.
Doctor's Office/Medical Office including a hospital and minute clinics staffed with full time General or Nurse Practitioner	3	We have 9 qualifying locations.
Public Schools - elementary, middle or high school	3	All Hilton Head Public Schools are located on a single, multi-school site with no new development opportunities within the required distance. All Public Schools have bus service.
Fire Station	1.5	We have 7 fire stations.

Services Scored in QAP	Max Points	Availability on Hilton Head Island
Full Service Banks	3	We have 24 full service banking centers.
Public Park or Playground with commercial playground equipment and/or walking trails/bike paths.	3	Depending upon whether or not the beach is considered a walking trail/bike path, we have as many as 20 qualifying recreational sites/facilities.