



**Town of Hilton Head Island**  
**TOWN COUNCIL WORKSHOP**  
Monday, April 19, 2021 at 2:00 p.m.  
**MEETING MINUTES**

**Present from Town Council:** John J. McCann, *Mayor*; Bill Harkins, *Mayor Pro-Tempore*; David Ames, Tamara Becker, Alex Brown, Tom Lennox, Glenn Stanford, *Council Members*

**Present from Town Staff:** Marc Orlando, *Town Manager*; Josh Gruber, *Deputy Town Manager*; Shawn Colin, *Interim Deputy Town Manager*; Angie Stone, *Interim Deputy Town Manager*; Jennifer Ray, *Interim Director of Community Development*; Jeff Buckalew, *Interim Director of Public Projects & Facilities/Chief Engineer*; Krista Wiedmeyer, *Town Clerk*

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**1. Call to Order**

Mayor McCann called the meeting to order at 2:00 p.m. By way of roll call, attendance of all members of Town Council was affirmed.

**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. Approval of the Agenda**

Mr. Harkins moved to approve. Mr. Stanford seconded. Motion carried by a vote of 7-0.

**4. Workforce Housing Initiative Status Update**

Ms. Ray made a presentation to the members of Town Council covering where the initiative started and where it is today. She reviewed several items, including the four items from the original eight items Town Council supported. These included; the Housing Trust Fund, Commercial Reuse Policy, Making Town-owned Land Available, and a Density Bonus Program. Ms. Ray reviewed the current status on the trust fund, commercial reuse, and density bonus program; but asked for Town Council guidance on utilizing Town-owned land and the other four items Council did not originally support. She stated that the Town has a good relationship with Habitat for Humanity, noting that Phase 1 of the project is completed and they are working towards completing Phase 2. Ms. Ray closed out her presentation and answered questions posed by the members of Town Council.

Mr. Brown state that this is a people issue, not a structure issue. He asked that the Town be intentional and be willing to increase density if we want to increase the housing stock. Mr. Brown asked that a commitment be made for recurring funds. He asked what the percentage was of Town staff currently living off Island, and should there be a stipend in place to encourage residency on the Island. Mr. Brown said that we needed to take the lead on this program. Create partnerships with the Chamber, school district, and local developers. He said if we don't want to see manufactured homes, then we need to work to find a better product that is still affordable.

Mr. Harkins said the potential help of the Housing Trust Fund could be significant, but that we need to be patient. He said it concerned him that there were no applicants for the commercial reuse and density bonus programs. Stating that a robust communications plan should be in place to get people excited.

## **Discussion Continued:**

Mr. Lennox stated that the issue is with attracting a qualified workforce, that housing is one element, but not all the troubles. He said that currently, we are in a time of rising market values, long-term rentals are being turned into short-term rentals. Like Mr. Harkins, he was surprised that no one had submitted an application for either of the recent LMO amendments. He asked to be provided a list of those that have inquired. Mr. Lennox said that Council has been taking the appropriate legislative steps and that should be the role of local government. He said that a discussion needed to take place concerning the financial role of the Town. Asking, what does the funding look like, cash in hand or land? Mr. Lennox asked if we were prepared as a community that the answer to this question may not be on the Island, but on the mainland?

Mr. Stanford asked if it was known in a broader housing market that the Town is offering incentives? He said he was open minded about the Regional Housing Trust Fund, but questioned whether other communities may not want to include Hilton Head Island. Mr. Stanford stated that 38% vacant commercial space is a crisis, and maybe the Town should consider a vacant space fee for the owners. He asked to see a map of what the Town-owned properties would look like as far as availability for workforce housing.

Mrs. Becker said that the decisions being made should be in the best interest of the Island as a whole. She said a consideration of amendments to the LMO, providing conditions that help provide quality housing should be given. Mrs. Becker said that a continued focus on transportation is also important. She said she supported the continued relationship with Habitat, asking how can we continue the program?

Mr. Ames reemphasized what Mr. Brown said, stating let the people talk. He said we do not have enough workers, let alone qualified, trained and motivated ones. Mr. Ames said the off-Island growth is sapping the Island's ability to attract workers and the lack of affordable housing is an impediment to recruiting employees. He said the transition of affordable condos to short-term rentals is depleting available workforce housing and raising rents for the remainder. He went on to say that affordability will remain a challenge as long as residential and tourism demands remain high. Mr. Ames asked several questions: Can the cost vs. revenue gap be filled without public funding? Should the island rely on off-island workforce housing to supply island workers? Can island quality be maintained with high development and land costs of housing? Which land uses are we trying to incentivize? Which disincentivize? Where should higher density workforce housing be located? How can affordability be maintained overtime? Mr. Ames provided some addition items to consider, including retaining Sturtevant in order to advance all eight strategies from the report. Perform market/demographic study on workers. (Who they are. What they need) Needed for packaging development/investment opportunities. Disincentivize: Vacant structure fee. Fee on commercial building permits and residential permits above rent or sales price thresholds. Revenues to Housing Trust Fund. Incentivize: Prioritizing land uses within the opportunity zone to match island needs. Update the land use plan to reflect workforce housing needs and overlay zones. Develop transportation strategies and funding. Engage PUD leadership. Mr. Ames said that affordable housing for a diverse workforce is essential for the island to sustain its economy and to be a truly healthy community. He said from an economic and social standpoint, housing for workers earning between 40-100% of AMI has become as critical a need in our community's infrastructure as roads. The island economy can't function, let alone prosper without workers. Providing affordable workforce housing, like roads, requires public commitment and public investment. Mr. Ames stated We can't accommodate 100% of the need, but Council can commit to facilitating the construction of 1250-1750 dwelling units for island workers earning between 40-100% of AMI. He said investing in housing for this segment of the workforce, supporting public transportation, and developing regional housing strategies are goals we must strive to meet.

**Discussion Continued:**

He closed by saying the Housing Consultant’s report has presented a comprehensive housing strategy. Success depends on Town leaders’ telling the story in a unified way so voters understand what’s at stake and then, leaders’ implementing the strategies to make it happen.

Mayor McCann said he would ask Ms. Wiedmeyer to identify a date to continue this discussion in the next two weeks. He said that he would like to have a discussion with Council concerning a proposed referendum for workforce housing, and take action to move it forward at the May 4<sup>th</sup> meeting.

Closing out the discussion, Mr. Orlando said that affordable housing was an issue across the country, and that one size does not fit all. He noted that the City of Charleston has put together the framework for a referendum with recurring funds for affordable housing. Mr. Orlando said he wants to make sure we are marketing the policy before spending any more money on it.

**5. Adjournment**

By unanimous vote, the meeting adjourned at 11:45 a.m.

**Approved: May 4, 2021**

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Krista M. Wiedmeyer, Town Clerk

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John J. McCann, Mayor