

Workforce Housing Policy

Workforce Housing

Workforce Housing (WFH) is defined as housing that is affordable at 60-100% of the Area Median Income (AMI) for Beaufort County.

Workforce Housing Program

To create the Workforce Housing Program, amendments will be made to the LMO to detail the specifics of the program. Noncompliance with any of the requirements of this Section will be considered a violation of the LMO and will be subject to code enforcement action by the Town.

Workforce housing will be created as a new use in the LMO and will be permitted with conditions in certain base zoning districts (RM-4, RM-8, RM-12, SPC, CC, MS, WMU, S, MV, LC, MED, and PD-1). Mixed-use is an existing use in the LMO that will be expanded to be permitted with conditions in more areas (CR, SPC, CC, MS, WMU, S, MF, MV, NC, LC, RD, MED, and PD-1). Both uses will be permitted with conditions to ensure compliance with the regulations of the Workforce Housing Program.

Workforce Housing and Mixed-Use, associated with a workforce housing development, will be permitted with conditions in the PD-1 District; however, will be restricted to locations where a Town-approved Master Plan or associated text states the use is permitted. For these uses to be permitted in any PD-1 District, a Zoning Map Amendment (ZMA) will be required to amend the Master Plan to permit the use and assign density.

Existing legally platted and developed single family subdivisions will not be eligible to participate in the Workforce Housing Program.

Density Bonus

The WFH Program offers a density bonus up to 100% above the base residential density. For every two bonus units permitted, at least one must be a workforce housing unit. If only one bonus unit is proposed, it must be a workforce housing unit. The maximum density permitted in any workforce housing development is 24 units per acre.

Density for commercial conversion will be based on minimum unit sizes and the existing building envelope. Commercial conversion incentives for developments that include at least 20% workforce housing units will be a reduction in minimum unit size by 30% and the ability to use micro-efficiency and studio units in 50% of the development. The net result will permit an increase in the number of units within the same building envelope.

Minimum Unit Sizes

Unit Type	Market-Rate Conversion Minimum Unit Size	Workforce Housing Conversion Minimum Unit Size
Micro Efficiency	NA	280 square feet
Studio	NA	400 square feet
1-bedroom	800 square feet	560 square feet
2-bedroom	1,075 square feet	750 square feet
3-bedroom	1,330 square feet	930 square feet

Workforce Housing Agreement

Developers will be required to enter into a Workforce Housing Agreement with the Town that will be recorded with Beaufort County and tied to the parcel(s) of land where workforce housing is proposed. This agreement will contain information about the development including: the number of workforce housing units, square footage of the units, the number of bedrooms in the units, the location of the units in the development, terms and conditions of affordability, and a provision requiring owners of rental units to annually submit a sworn affidavit certifying their rental rates.

Affordability Period

Owner-occupied and rental workforce housing units will be required to remain in the program for a minimum of 30 years from the date of initial certificate of occupancy.

Standards for Workforce Housing Units

Workforce housing units will be similar to market-rate units in type of ownership, location throughout the development, range of number of bedrooms, and exterior appearance.

Restrictive Covenants

Workforce housing units will be required to record restrictive covenants that will stay with the parcel(s) as long as it remains in the program. The covenants will include the minimum program affordability period of 30 years from the initial certificate of occupancy, provisions that the household must meet current income and employment eligibility regulations outlined in the WFH Program, and a restriction that prohibits the rental of a unit for less than 90 days.

Income and Employment Regulations

To apply for participation in the WFH Program, households will be required to obtain a Certificate of Eligibility for compliance with the eligibility regulations of the WFH Program. An eligible household will be required to meet income requirements and must have at least one person who is employed full time in the Town of Hilton Head Island. Employment, as well as

income, will be submitted to the Town or its designee. At recertification, households must have at least one person who is employed full time, ten months out of each calendar year on the Island.

Occupancy and Eligibility Requirements

Any person or household who purchases or rents a workforce housing unit must occupy the unit as their sole residence. Households must meet the income requirements of 60-80% AMI for rental units and 80-100% AMI for owner-occupied units.

Workforce Housing Sale & Resale Price

The initial sale and resale price of any workforce housing unit that is still in the WFH Program based on the affordability period, will be limited based on HUD's annual household income limits. Units will be allowed to build equity based on an inflation factor, based on Consumer Product Index, and when sold can include customary closing costs as well as salesperson commissions and costs related to capital improvements made to the unit.

Workforce Housing Rental Rates

Workforce housing maximum rental rates will be based on 80% of HUD's AMI for Beaufort County, multiplied by 30% and divided by 12. Rental units will be leased with consistent rent throughout the lease. The maximum rent will be determined at initial application and will be recertified during renewal of a lease.

Parking Requirements

The parking requirements for Workforce Housing and Mixed-Use development containing WFH will be determined by developer submitted parking data.

Rules of Measurement

If an existing structure is converted to a mixed-use development under the WFH Program, the permitted density will be determined by using the existing gross floor area. The number of units will not be limited; however, there will be a minimum size for each type of unit.

Definitions

Definitions for Area Median Income, Density Bonus, Household, Household Income, and Workforce Housing will be added.