



Community Services and Land Use Committee Beaufort County, SC

Council Chambers, Administration Building Beaufort County Government Robert Smalls
Complex 100 Ribaut Road, Beaufort

**Monday, September 09, 2024
3:00 PM**

AGENDA

COMMITTEE MEMBERS:

**ALICE HOWARD, CHAIR
GERALD DAWSON
THOMAS REITZ**

**YORK GLOVER, VICE-CHAIRMAN
PAULA BROWN
JOSEPH PASSIMENT, EX-OFFICIO**

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. PUBLIC NOTIFICATION OF THIS MEETING HAS BEEN PUBLISHED, POSTED, AND DISTRIBUTED IN COMPLIANCE WITH THE SOUTH CAROLINA FREEDOM OF INFORMATION ACT
4. APPROVAL OF AGENDA
5. APPROVAL OF MINUTES - *August 19, 2024*
6. **CITIZEN COMMENT PERIOD- 15 MINUTES TOTAL**
Anyone who wishes to speak during the Citizen Comment portion of the meeting will limit their comments and speak no longer than three (3) minutes. Speakers will address Council in a respectful manner appropriate to the decorum of the meeting, refraining from the use of profane, abusive, or obscene language. In accordance with Beaufort County's Rules and Procedures, giving of a speaker's time to another is not allowed.
7. ASSISTANT COUNTY ADMINISTRATOR REPORTS

AGENDA ITEMS

8. PRESENTATION AND CONSIDERATION OF THE ST. HELENA COMMUNITY AND CULTURAL EVENTS CENTER FEASIBILITY STUDY AND MARKET ANALYSIS -*Robert Merchant, Director, Planning and Zoning*
9. RECOMMEND APPROVAL TO COUNCIL OF AN ORDINANCE AMENDING THE COMMUNITY DEVELOPMENT CODE (CDC): SECTION 3.1.60 (CONSOLIDATED USE TABLE), 3.3.40 (COMMUNITY CENTER MIXED USE (C4) ZONE STANDARDS), AND 3.3.50 (REGIONAL CENTER MIXED USE (C5) ZONE STANDARDS) TO ALLOW DWELLING: SINGLE FAMILY DETACHED UNIT IN C4 NEIGHBORHOOD MIXED USE AND C5 REGIONAL CENTER MIXED USE -*Robert Merchant, Director, Planning and Zoning*

- [10.](#) RECOMMEND APPROVAL TO COUNCIL OF AN ORDINANCE FOR A TEXT AMENDMENT TO ARTICLE 1 (GENERAL PROVISIONS), DIVISION 1.3 (APPLICABILITY AND JURISDICTION), SECTION 1.3.50 (EXEMPTIONS) OF THE COMMUNITY DEVELOPMENT CODE (CDC) TO PROVIDE EXEMPTIONS TO ADDRESS COUNTY PUBLIC SERVICES USES -*Robert Merchant, Director, Planning and Zoning*
- [11.](#) RECOMMEND APPROVAL TO COUNCIL OF AN ORDINANCE FOR A COMPREHENSIVE PLAN AMENDMENT TO ADD THE BEAUFORT COUNTY HOUSING IMPACT ANALYSIS AS AN APPENDIX TO THE 2040 COMPREHENSIVE PLAN -*Robert Merchant, Director, Planning and Zoning*
- [12.](#) RECOMMEND APPROVAL TO COUNCIL OF AN ORDINANCE AMENDING BEAUFORT COUNTY CODE OF ORDINANCES PART 1 GENERAL ORDINANCES, CHAPTER 46 HEALTH AND SANITATION, ARTICLE IV ALCOHOL AND DRUG ABUSE BOARD SECTIONS 121 PURPOSE AND 122 POWERS AND DUTIES; AND REPEALING SECTION 46-122 MEMBERSHIP (**FISCAL IMPACT: No direct fiscal impact to the county**) -*Audra Antonacci-Ogden, Assistant County Administrator, Community Services*
13. RECOMMEND APPROVAL TO FUND REVIEW OF MITCHELVILLE APPRAISALS
- [14.](#) PRESENTATION OF A HABITAT FOR HUMANITY VETERAN/AFFORDABLE HOUSING CONCEPT AND PLAN (**FISCAL IMPACT: No fiscal impact**) -*Heather Rath, Representative for Habitat for Humanity*
15. ADJOURNMENT

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<https://beaufortcountysc.gov/council/council-committee-meetings/index.html>



Community Services and Land Use Committee Beaufort County, SC

Council Chambers, Administration Building Beaufort County Government Robert Smalls
Complex 100 Ribaut Road, Beaufort

**Monday, August 19, 2024
2:00 PM**

MINUTES

COMMITTEE MEMBERS:

**ALICE HOWARD, CHAIR
GERALD DAWSON
THOMAS REITZ**

**YORK GLOVER, VICE-CHAIRMAN
PAULA BROWN
JOSEPH PASSIMENT, EX-OFFICIO**

1. **CALL TO ORDER**

Committee Chairman Howard called the meeting to order at 2:00 pm

PRESENT

Committee Chair Alice Howard
Committee Vice-Chair York Glover
Council Chairman Joseph Passiment
Council Vice-Chairman Lawrence McElynn
Council Member Gerald Dawson
Council Member Thomas Reitz
Council Member Anna Maria Tabernik
Council Member Paula Brown
Council Member Logan Cunningham
Council Member Mark Lawson

ABSENT

Council Member David Bartholomew

2. **PLEDGE OF ALLEGIANCE**

Committee Chairman Howard led the Pledge of Allegiance

3. **PUBLIC NOTIFICATION OF THIS MEETING HAS BEEN PUBLISHED, POSTED, AND DISTRIBUTED IN COMPLIANCE WITH THE SOUTH CAROLINA FREEDOM OF INFORMATION ACT**

Committee Chair Howard noted that the public notification of this meeting had been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act.

4. APPROVAL OF AGENDA

Motion: It was moved by Committee Vice Chair Glover, Seconded by Council Member Tabernik to approve the agenda

The Vote: Approved without objection.

5. APPROVAL OF MINUTES - June 10, 2024

Motion: It was moved by Council Member Cunningham, Seconded by Council Member Tabernik, to approve the minutes from June 10, 2024.

The Vote: Approved without objection.

6. CITIZEN COMMENT PERIOD- 15 MINUTES TOTAL

Anyone who wishes to speak during the Citizen Comment portion of the meeting will limit their comments and speak no longer than three (3) minutes. Speakers will address Council in a respectful manner appropriate to the decorum of the meeting, refraining from the use of profane, abusive, or obscene language. In accordance with Beaufort County's Rules and Procedures, giving of a speaker's time to another is not allowed.

No Citizen Comments

7. ASSISTANT COUNTY ADMINISTRATOR REPORT - Chuck Atkinson, Development, and Audra Antonacci-Ogden, Community Services

Chuck Atkinson, Assistant County Administrator Development: Stefanie Nagid, Passive Parks Director, and Destiny Rains, Naturalist Presentation on new Passive Park Programs

Audra Antonacci-Ogden, Community Services gave an update on her departments: Rebecca Whitt, Beaufort County Alcohol and Drug Abused Department Director updated new initiatives.

AGENDA ITEMS

8. RECOMMEND APPROVAL TO COUNCIL OF AN ORDINANCE AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE THE NECESSARY DOCUMENTS TO CONVEY REAL PROPERTY LOCATED AT 333 & 335 BUCKWALTER PARKWAY FOR DEVELOPMENT OF WORKFORCE AND AFFORDABLE HOUSING AND MEDICAL FACILITIES; AND OTHER MATTERS RELATED THERETO (*FISCAL IMPACT: this property was purchased for \$3,200,000 for the purpose of facilitating Affordable Workforce housing. The Transfer of property has no fiscal impact*) - Hank Amundson, Special Assistant to the County Administrator

In 2023, County Council approved the purchase of the 10.1 +/- acres located at 333 and 335 Buckwalter Parkway for the purpose of facilitating the development of affordable/workforce housing.

In late 2023, with communication and assistance from the Town of Bluffton (Town), the County began the process of partnering with Beaufort Memorial Hospital (BMH) in this effort, as BMH has taken a leadership role in workforce housing in an effort to help their own workforce. Additionally, the Town desires increased access to health/medical services for its residents, so the partnership seemed to be a perfect one.

As an additional support to the project, the seller, St. Andre By-the-Sea United Methodist Church discounted the properties purchase price in order to help make the development feasible.

BMH the applied for Low Income Housing Tax Credits from the State of South Carolina in the late 2023/early 2024. They have now been awarded these credits, making the project viable.

The Town has assisted the County in the process of having residential dwelling units available for the project and has expressed support for the project producing workforce housing units, improving access to healthcare services, and the reduction of commercial units on the site.

The joint project, supported by Beaufort County, the Town of Bluffton, Saint Andrew By-the Sea United Methodist Church, and undertaken by Beaufort Memorial Hospital will produce approximately 125 affordable/workforce housing and medical offices will provide affordable/workforce housing and improve access to healthcare offerings in the ideal location near services, public transportation, and occupational opportunity. This project accomplishes goals for Beaufort County, Town of Bluffton and BMH. This collaborative effort between Beaufort County, BMH, and the Town of Bluffton and is an example to be followed in the future. Additionally, the seller of the property, St. Andrew by-the Sea United Methodist Church also contributed to the project by decreasing the sale price from the initial appraised value of \$4,000,000 to \$3,200,000 in support of making the project viable.

Motion: It was moved by Council Member Cunningham, Seconded by Council Member Tabernik, to Recommend Approval to Council of an Ordinance Authorizing the County Administrator to Execute the Necessary Documents to Convey Real Property Located at 333 & 335 Buckwalter Parkway for Development of Workforce and Affordable Housing and Medical Facilities; and Other Matters Related Thereto

The Vote: Approved without objection.

To view the full discussion: <https://beaufortcountysc.new.swagit.com/videos/312695?ts=1341>

9. GREENSPACE ADVISORY COMMITTEE UPDATE ON MITCHELVILLE PROJECT- *Mike McShane, Chairman Green Space Committee* (UPDATED TITLE PER ACA CHUCK ATKINSON)

Mike McShane, Chairman of the Green Space Advisory Committee gave the Committee an update on the Mitchelville Project.

To view the full update: <https://beaufortcountysc.new.swagit.com/videos/312695?ts=2096>

10. RECOMMEND APPROVAL TO COUNCIL OF A RESOLUTION PARTNERING WITH THE UNITED WAY OF THE LOWCOUNTRY COMMUNITY WIDE STRATEGIC PLAN (*FISCAL IMPACT: Total Investment of \$50,000 approved and allocated to Together for Beaufort County from the Community Services Grant Program*)- *Audra Antonacci – Ogden, ACA*

The Human Services Department continues its historical role of providing expertise and support in the ongoing implementation of a strategic plan.

Dale Douthat, President and CEO, United Way of the Lowcountry presented.

The United Way of the Lowcountry, a key partner and a historical stakeholder in the strategic planning process, has committed to taking a leadership role in conducting a strategic and iterative process to drive collective innovation, change, and action so that individuals, organizations, communities, and policies within the Lowcountry region can work seamlessly together to promote racial and economic equity and prosperity.

Total investment of \$50,000 approved and allocated to Together for Beaufort County from the Community Services Grant Program.

Motion: It was moved by Committee Vice Chair Glover, Seconded by Council Member Tabernik, to Recommend Approval to Council of a Resolution Partnering with the United Way of the Lowcountry Community Wide Strategic Plan.

The Vote: Approved without objection.

To view the full discussion: <https://beaufortcountysc.new.swagit.com/videos/312695?ts=2668>

- 11. RECOMMEND APPROVAL TO COUNCIL OF A RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF BEAUFORT FOR MAINTENANCE OF COUNTY-OWNED PROPERTY KNOWN AS BOUNDARY STREET VISTA - LOGAN (R100 026 00A 0260 0000 and R100 026 00A 0261 0000) - Stefanie M. Nagid, Passive Parks Director**

Beaufort County approved the purchase of the property known as Boundary Street Vista - Logan in April 2024 through the Rural and Critical Lands Preservation Program. The property is located on Boundary Street in the City of Beaufort. The City of Beaufort. The City has agreed to a maintenance schedule on the property similar to what the City conducts at the nearby City-owned parcel.

Motion: It was moved by Committee Vice Chair Glover, Seconded by Council Member Brown to Recommend Approval to Council of a Resolution Authorizing the County Administrator to Enter into a Memorandum of Understanding with the City of Beaufort for Maintenance of County Owned Property Known as Boundary Street Vista - Logan (R100 026 00A 0260 0000 and R100 026 00A 0261 0000).

The Vote: Approved without objection.

To view the full discussion: <https://beaufortcountysc.new.swagit.com/videos/312695?ts=3340>

12. ADJOURNMENT

Adjourned at 2:58 pm.

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Ratified:

CITIZEN COMMENTS

Community Services and Land Use Committee
September 9, 2023

FULL NAME (print only)

Agenda Topic

Queen Quet

St. Helena Island Center



BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

ITEM TITLE:
<i>PRESENTATION AND CONSIDERATION OF THE COMMUNITY AND CULTURAL EVENTS CENTER FEASIBILITY STUDY AND MARKET ANALYSIS</i>
MEETING NAME AND DATE:
<i>Community Services and Land Use Committee Meeting, August 12, 2024</i>
PRESENTER INFORMATION:
<i>Robert Merchant, AICP, Director, Beaufort County Planning and Zoning (10 minutes needed for item discussion)</i>
ITEM BACKGROUND:
<i>A consulting firm, Johnson Consulting, was retained by County Council in October 2022 to complete a Feasibility Study and Market Analysis for a Saint Helena events/cultural arts center.</i>
PROJECT / ITEM NARRATIVE:
<i>The analysis recommends that the County implement a 12,750 square foot facility (7,500 sqft for multi-purpose hall, 1,000 sqft for meeting room, and 4,250 support spaces). It is recommended that the multi-purpose hall contain a black box theatre and that the support spaces contain administrative offices, pantry kitchen, and storage.</i>
FISCAL IMPACT:
<i>Not applicable</i>
STAFF RECOMMENDATIONS TO COUNCIL:
<i>Staff recommends that Council accept the feasibility study and letter of support.</i>
OPTIONS FOR COUNCIL MOTION:
<i>Accept or reject the feasibility study and letter of support.</i>

COUNTY COUNCIL OF BEAUFORT COUNTY
OFFICE OF THE COUNTY ADMINISTRATOR
ADMINISTRATION BUILDING
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2023
FAX: (843) 255-9403
www.beaufortcountysc.gov

June 27, 2024

Beaufort County Economic Development Corporation
PO Box 7017
Hilton Head Island, SC
29938

Re: St. Helena Cultural Arts and Events Center Letter of Support

TO WHOM IT MAY CONCERN:

Please accept this correspondence as a letter of support for the collaboration between the Economic Development Corporation and Beaufort County Council in seeking funding for the St. Helena Island Cultural Arts and Events Center initiative.

We believe that the St. Helena Island Cultural Arts and Events Center initiative aligns perfectly with Beaufort County's strategic goals of fostering creativity, supporting local talent, and attracting visitors to our beautiful region. By providing a dedicated space for artistic expression and cultural exchange, this initiative promises to enhance the social fabric of our community and contribute to the overall prosperity of our County.

Beaufort County Council is committed to collaborating closely with you to ensure the success of this significant project, which we believe will leave a lasting legacy for future generations. We seek your partnership specifically in identifying and pursuing funding opportunities that will contribute to the creation of the Cultural Arts and Events Center. Together, we can harness our shared dedication to advancing the arts as a catalyst for community development.

Thank you for considering our request. We look forward to working closely with you to achieve our shared goals for Beaufort County.

Sincerely,

Michael Moore

COMMUNITY AND CULTURAL EVENTS CENTER FEASIBILITY STUDY

St. Helena Island, SC

April, 2024

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SECTION	4	PAGE 45: Stakeholder Engagement Summary	SECTION	8	PAGE 79: Funding and Marketing Strategy

| 1. Introduction

Transmittal Letter

Re: Saint Helena Island, SC Community and Cultural Events Center Feasibility Study and Market Analysis

Dear Mr. Glover,

C.H. Johnson Consulting, Inc. (Johnson Consulting) is pleased to submit this report to you regarding the potential Saint Helena Island, SC Community and Cultural Events Center Feasibility Study and Market Analysis Services. Pursuant to our engagement, this report fulfills the scope of work outlined in the project proposal submitted by Johnson Consulting to the County of Beaufort (the Client) on October 5th, 2022.

Johnson Consulting has no responsibility to update this report for events, plan modifications, and circumstances occurring after the date of this report. As the ongoing impacts of the global COVID-19 pandemic impact is still uncertain, our report outlines our assumptions based on experience from previous economic disruptions, but the actual impact will not be known for the foreseeable future. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the Clients' internal use and cannot be used for project underwriting purposes without Johnson Consulting's written consent.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

C.H. Johnson Consulting, Inc.

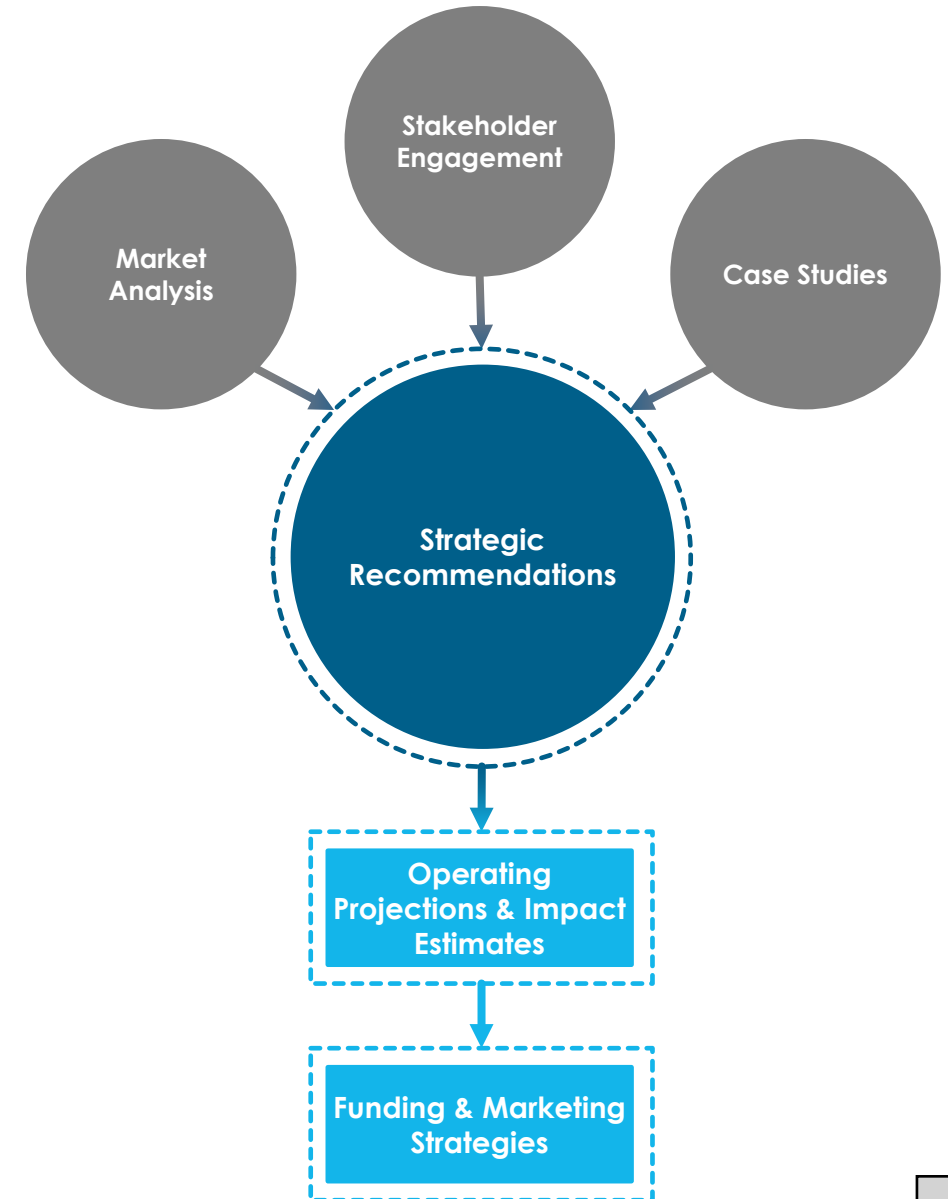
C.H. Johnson Consulting, Inc.

Study Introduction & Methodology

Johnson Consulting was retained by Beaufort County to perform a Feasibility Study and Market Analysis for a Saint Helena Island, SC Community & Cultural Arts Center. The report aims to inform the County as it considers this opportunity. The proposal document submitted to Beaufort County by Johnson Consulting outlines a detailed list of services for the study. Broadly, the objective of this study is to answer the following questions:

- What are St. Helena's strengths and weaknesses today?
- What is the demand for a Community & Cultural Events Center on St. Helena Island?
- What would the financial viability of a Community & Cultural Events Center on St. Helena Island be?

In order to answer the questions above, the Johnson Consulting developed and executed a comprehensive methodology for the study, which is illustrated by the figure on the right. The observations, analysis, and conclusions of the study will be presented throughout the remaining sections of this report.



Project Overview

St. Helena Island is located in southeast South Carolina, near the Georgia border. St. Helena Island has a long history which includes exploration by the Spanish, colonization by the French and British, and its liberation by the Union Army in 1861. Today, the Gullah-Geechee people and culture give St. Helena Island a unique cultural atmosphere and a prime example of the Lowcountry region of South Carolina.

The island has a modest population of 8,407 residents and is adjacent to the much more populous Hilton Head Island, which has a population of 38,000. St. Helena's residents tend to be lower income; and, historically, the island has been under-resourced and short of investment. A Community & Cultural Events Center on St. Helena Island would not only provide an opportunity to display the unique Gullah-Geechee culture present on the island but would represent a valuable community asset, providing residents with a new gathering and events space.

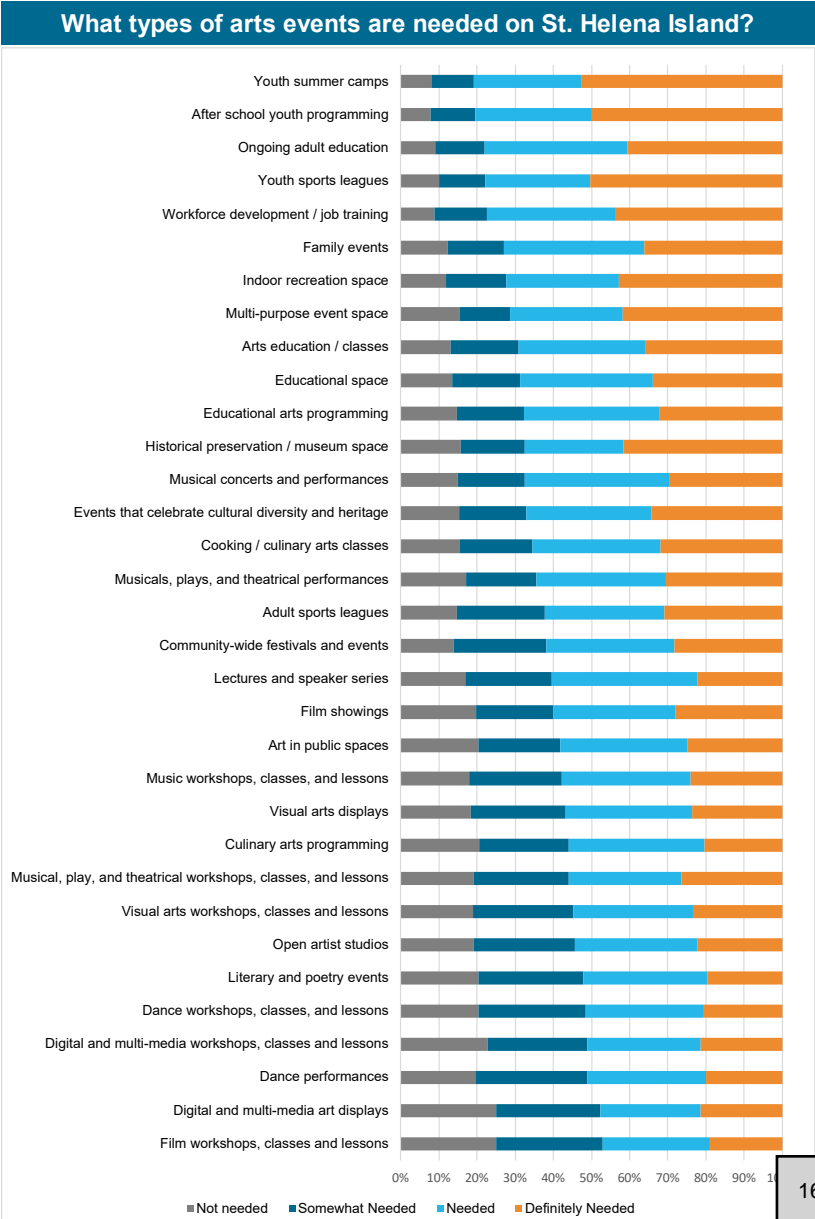


A St. Helena Island celebrate the 4th of July, 1939

Executive Summary

St. Helena Island represents a unique market from an arts perspective. The Island’s historical significance and strong Gullah Geechee culture are undeniable strengths and, in tandem with the wealth and tourism in the area, present viable opportunities for a successful arts and cultural center. However, decades of disinvestment in the St. Helena community, in tandem with the desire of many locals to maintain the Island’s rural character, means that many of the supporting amenities typically associated with successful arts centers – such as hotels, restaurants, and bars – are lacking. The Island’s residents could benefit significantly from the economic development and community benefit potential of an arts-focused facility; the challenge is identifying the correct programming and orientation to fit the context.

The stakeholder engagement process undertaken in the development of this report – which included a mix of stakeholder meetings and a community survey, distributed both online and on paper, which generated 542 responses – underscored the profound significance of St. Helena Island's rich heritage and the Gullah Geechee Culture, emphasizing their pivotal role in American history and the community's identity. Recent recognition, notably through the National Parks Service's designation of Penn Center as a Reconstruction Era National Park, has amplified awareness on a national scale. The engagement process revealed a dual opportunity for a Community and Cultural Events Center: preserving and promoting the island's culture while serving as a multipurpose venue for various events and youth programming, potentially housing local arts organizations. Despite challenges such as limited tourism infrastructure and competition from nearby markets, stakeholders expressed overall optimism about the facility's potential to celebrate St. Helena's history, foster community engagement, and stimulate economic growth.



Sources: Johnson Consulting

Executive Summary

A review of case studies also revealed several lessons which are applicable to a project on St. Helena Island:

- In rural or small-town settings lacking a large population base, establishing a profitable performing arts center poses challenges, exemplified by the Cotton Hall Theatre's limited impact on tourism and economic growth despite its community value. However, the Mountainside Theatre offers a blueprint for success in such environments by bundling performing arts events with complementary experiences, targeting tourists as a primary market.
- Typically operated by the public sector or nonprofits, facilities like the proposed Community and Cultural Events Center for St. Helena Island require motivated operators to secure funding and manage deficits.
- While outdoor venues offer cost advantages, they face seasonal limitations, as seen with the Soundside Event Site and Mountainside Theatre, prompting efforts to hybridize with indoor spaces for year-round activity.
- Programming plays a crucial role in attracting audiences, and it is critical that it be tailored to the specifics of the market and the intended audiences.
- Financial sustainability often relies on grants, fundraising, and subsidies, emphasizing the importance of recognizing the broader community, economic, and fiscal benefits.

Executive Summary

In responding to the findings of this market research, stakeholder engagement and case study review, as well as to the latest industry trends, Johnson Consulting recommends designing the Community and Cultural Events Center with 8,500 square feet of net usable function space, featuring a 7,500 square foot multi-purpose hall and a 1,000 square foot meeting room, both divisible into smaller spaces for flexibility. The multi-purpose hall should be adaptable for various events, equipped for a black box theatre setup without permanent seating. Support spaces totaling approximately 4,250 square feet include administrative offices, a pantry kitchen, and storage areas.

Positioned as the largest indoor gathering space on St. Helena Island, the facility is expected to cater primarily to banquets, galas, music, and arts performances, aligning with the island's existing arts culture. Retreats, conferences, and non-profit community events are also anticipated uses, with potential partnerships to highlight the island's heritage through programs with Penn Center. Additionally, opportunities for ongoing education programs, arts education, community meetings, and youth programming are envisioned to maximize the center's community impact.

Saint Helena Island Community and Cultural Events Center Recommended Program

	Size	
Function Space		
Multi-Purpose Hall	7,500	SF
Meeting Room	1,000	SF
Total Function Space	8,500	SF
<hr/>		
Support Spaces*	4,250	SF
GRAND TOTAL	12,750	SF

**Including administrative offices, a pantry kitchen, and back-of-house/circulation/storage spaces*

Source: Johnson Consulting

Executive Summary

The projected financial analysis for the Community and Cultural Events Center indicates an anticipated operational deficit, with a projected net operating loss of \$338,000 in Year 1, gradually decreasing to \$228,000 by Year 10. The primary revenue sources are expected to be food and beverage sales, driven by music/cultural performances and SMERFE events, followed by space rental revenues. Salaries and wages for employees are projected to be the most significant expense. Additionally, a "reserve for replacement" line item allocates 5 percent of gross annual revenue to a capital fund for building maintenance, ensuring the center's long-term competitiveness and ability to serve its users effectively.

Saint Helena Island Community and Cultural Events Center Pro Forma Operating Statement of Revenue and Expenses (\$000, Inflated)

	Year 1	Year 5	Year 10
Revenues			
Space Rental	\$58	\$166	\$241
Food and Beverage Sales (Gross)	74	260	414
Equipment Rental and Event Services	12	33	48
Miscellaneous	4	14	22
Total Revenues	\$148	\$473	\$725
Expenses			
Salaries and Wages	\$244	\$275	\$318
Employee Benefits	85	96	111
Cost of Goods Sold	48	169	269
Advertising and Promotion	22	25	29
Administrative and General	34	38	44
Utilities	14	42	60
Maintenance and Repairs	9	25	36
Insurance	10	30	46
Miscellaneous	19	29	38
Total Expenses	\$486	\$729	\$952
Net Operating Income (Deficit)	(\$338)	(\$256)	(\$228)
Reserve for Replacement	\$5	\$15	\$23
NOI(D) after Reserve for Replacement	(\$343)	(\$271)	(\$251)

Source: Johnson Consulting

Executive Summary

The proposed Community and Cultural Events Center is estimated to have a significant economic impact, with approximately 6,490 person-days and 581 room nights in its opening year, resulting in about \$931,000 of total economic impact, \$314,000 of increased earnings, and supporting 8 full-time equivalent jobs across Beaufort County. By Year 10, activity is projected to increase substantially, with 25,932 person-days and 2,310 room nights, leading to \$4.7 million of economic impact, \$1.6 million of increased earnings, and supporting 31 full-time equivalent jobs. Additionally, by Year 10, the center is expected to generate \$222,000 of total tax revenues per year, with \$36,000 directly benefiting Beaufort County.

Saint Helena Island Community and Cultural Events Center Estimated Spending and Impact (Inflated \$000)

	Rate/ Assumption	Year 1	Year 5	Year 10
Activity Volume				
1 Attendance		4,110	11,618	15,657
Person-Days				
2 Attendees		5,770	17,375	23,646
3 Exhibitors and Other Visitors		720	1,835	2,286
4 Total		6,490	19,210	25,932
5 Room Nights		581	1,724	2,310
Sales Volume (\$000)				
6 Spending at Event Venue		\$148	\$473	\$725
Additional Spending				
	<u>Average Spending</u>			
7 On Lodging	\$176.00 (a)	\$102	\$342	\$530
On Food and Incidentals				
8 Attendees	\$46.20 (b)	\$267	\$903	\$1,425
9 Exhibitors and Other Visitors	\$96.20 (c)	69	199	287
10 On Car Rental	\$45.00 (d)	26	87	136
11 Subtotal Additional Spending		\$464	\$1,531	\$2,378
12 Total		\$612	\$2,004	\$3,103
Economic Impact (\$000)				
		Year 1	Year 5	Year 10
13 Direct Spending	<u>Multipliers</u>	\$612	\$2,004	\$3,103
14 Indirect Spending	0.217	133	434	673
15 Induced Spending	0.305	187	611	946
16 Total Spending		\$931	\$3,049	\$4,721
17 Increased Earnings	0.513	\$314	\$1,029	\$1,593
18 Increased Employment	12.89	8	23	31
Fiscal Impact (\$000)				
		Year 1	Year 5	Year 10
Tax Revenues				
	<u>Tax Rate</u>			
19 Sales Tax (e)	6.00%	\$37	\$120	\$186
20 County Green Space Tax	1.00%	4	13	20
21 Hotel Tax	3.00%	3	10	16
22 Total Tax Revenues		\$44	\$143	\$222

Notes:

a) From GSA Per Diem for Dare County.

b) Assuming an average spend of \$46.20 on meals and incidentals ON TOP OF what they may have spent already at the Event Venue. Total daily spending corresponds to GSA Per Diem for Beaufort County.

c) Assuming an average spend of \$96.20 on meals and incidentals (or \$50 higher than that of an attendee's) ON TOP OF what they may have spent already at the Event Venue.

d) Derived from Corporate Travel Index for Charleston, SC per Business Travel News. Only applied to overnight visitors who stay in hotels (represented approx. by number of roomnights).

e) Assuming that room revenues are sales-taxed at 6 percent as well.

Source: Johnson Consulting

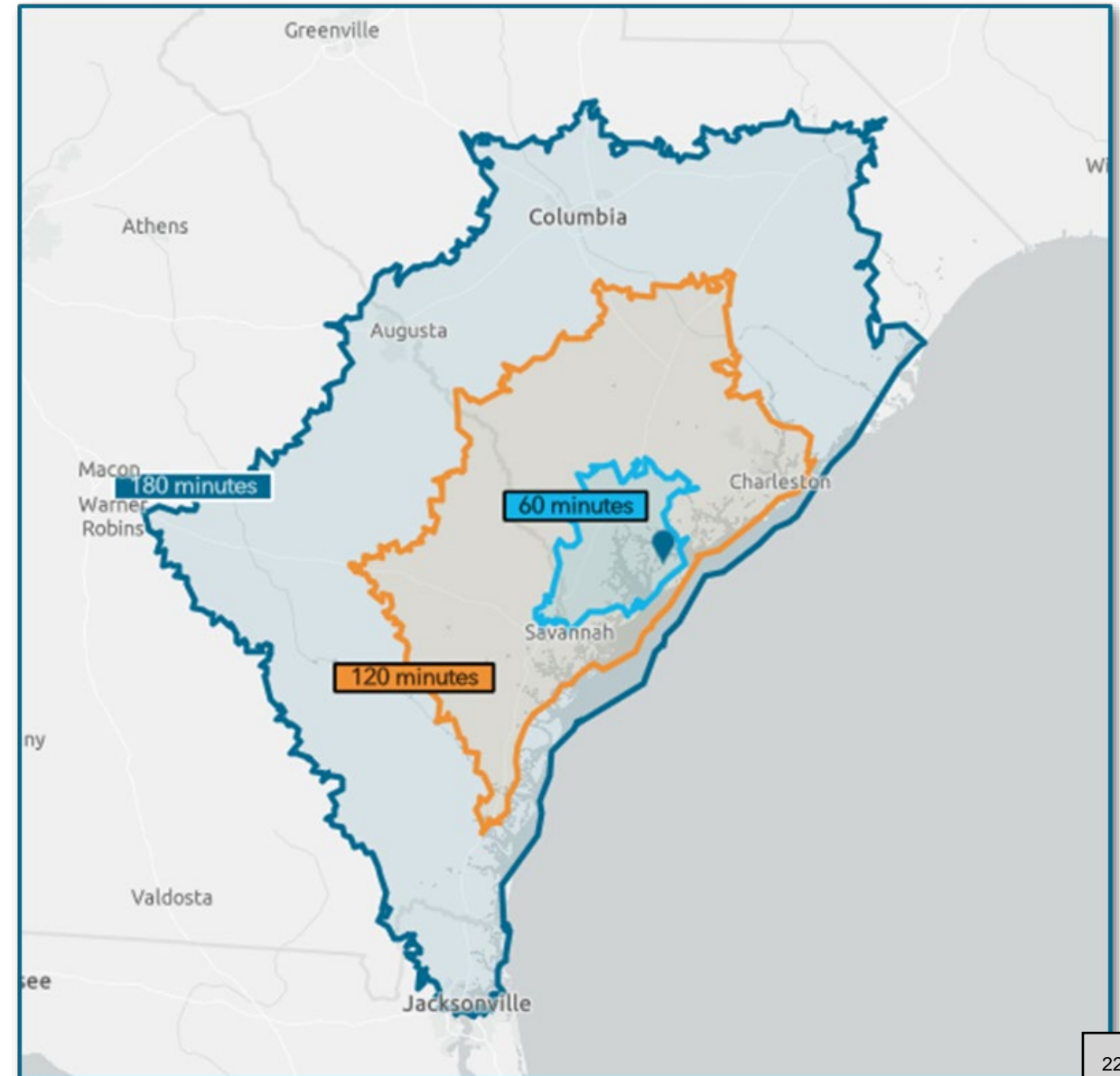
| 2. Market Analysis

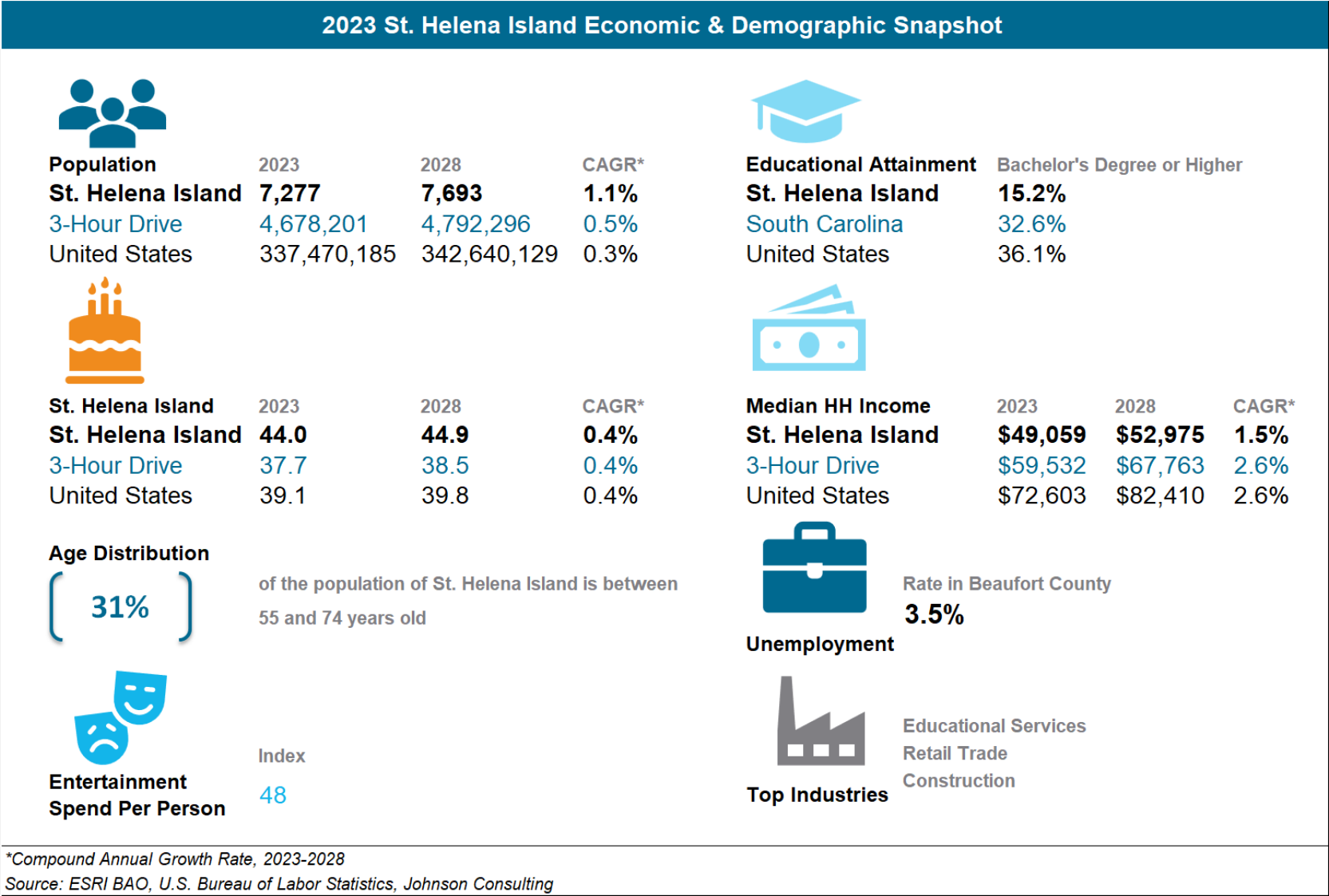
Overview

St. Helena is a coastal Island in Beaufort County, South Carolina. It is located roughly one hour by car northeast of Savannah and two hours southwest of Charleston. Beaufort County is best known for being the location of Hilton Head Island, a popular tourist destination.

St. Helena Island is very rural and accessed by personal vehicle or by boat; there are two local bus lines that connect the island to the mainland. The closest major airport is Savannah/Hilton Head International Airport which is a little over an hour drive away.

To analyze market opportunities in St. Helena Island, this report examines 60-minute, 120-minute and 180-minute drive time catchments from St. Helena Island, which represent the likely trade area for the contemplated Community and Cultural Events Center and are compared to the demographics of the City, County, State, and Nation.





Economic & Demographic Trends – Spending Behavior

Taking into consideration the projected growth for the already low median household income, it is unlikely that the average spend for entertainment and recreation will see an increase. As shown, St. Helena Island is currently performing significantly below the national average and catchment areas. However, Beaufort County has an above average spend on most if not all types of live performing arts. This indicates a strong opportunity for the contemplated facility to attract visitors from beyond St. Helena Island.

St. Helena Market Consumer Behavior (2023)										
In the past year, I have attended a live performance of...										
	Live Theater		Rock Music		Country Music		Classical Music / Opera		Dance	
	%	Index	%	Index	%	Index	%	Index	%	Index
United States	6.82%	100	5.85%	100	3.41%	100	2.60%	100	2.61%	100
South Carolina	6.10%	89	5.50%	94	3.60%	106	2.41%	93	2.34%	90
Beaufort County	7.21%	106	5.85%	100	3.81%	112	2.59%	100	2.84%	109
St. Helena Island	4.62%	68	4.34%	74	3.07%	90	2.19%	84	1.75%	67
60-Minute Drive Time	6.49%	95	5.68%	97	3.60%	106	2.52%	97	2.49%	95
120-Minute Drive Time	6.40%	94	5.67%	97	3.50%	103	2.49%	96	2.34%	90
180-Minute Drive Time	6.10%	89	5.50%	94	3.46%	102	2.42%	93	2.31%	88

Sources: Esri, Johnson Consulting

Sources: Esri, Johnson Consulting

2023 Beaufort County, SC Hotel Market



Inventory

65 Hotels

8,143 Rooms

218,742 SF Meeting Space



Largest Hotel

Sea Pines Resort

519 Rooms



Hotel Pipeline

503 Rooms

Planned to enter the market
by 2026



Occupancy Rate

63%



Average Daily Rate (ADR)

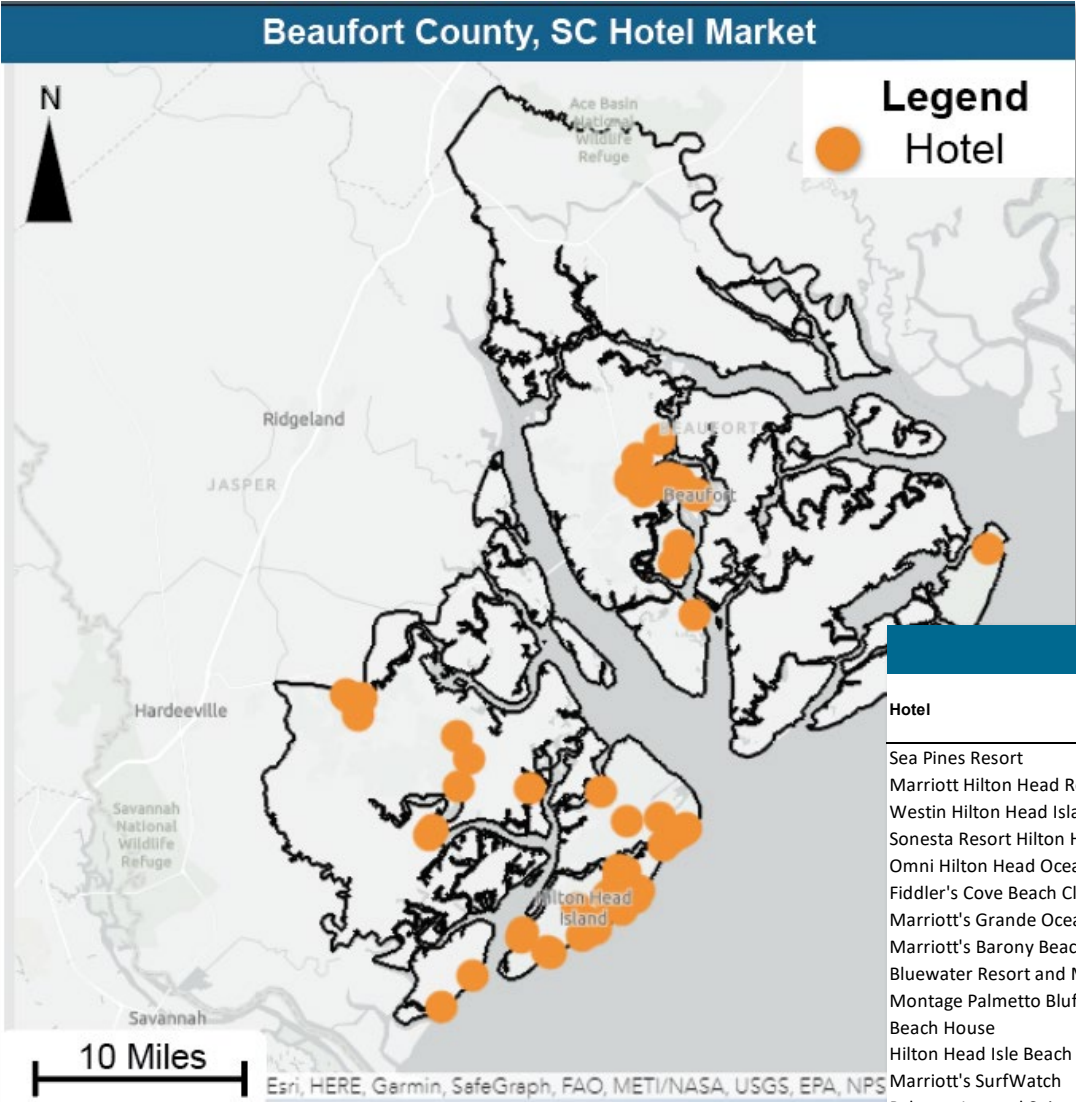
\$225



Revenue Per Available Room (RevPAR)

\$142

Source: CoStar, Johnson Consulting



Beaufort County Hotel Overview

Beaufort County has a robust inventory of hotels, with 65 properties totaling 8,143 rooms. Most of the hotels within Beaufort County are large upscale or upper upscale hotels as defined by CoStar, meaning that they tend to run towards the higher end of costs. The Sea Pines resort is an upscale resort with 519 rooms and 18,000 square feet of total meeting space. The Marriott Hilton Head Resort & Spa is an upper upscale hotel with 513 rooms and 46,400 square feet of total meeting space. Currently, there is one hotel on St. Helena Island, but it is not currently open.

Beaufort County, SC Hotel Inventory					
Hotel	Class	Year Built (Renovated)	Rooms	Largest Meeting Space (SF)	Total Meeting Space (SF)
Sea Pines Resort	Upscale	1991	519	4,600	18,000
Marriott Hilton Head Resort & Spa	Upper Upscale	1976 (2023)	513	17,600	46,440
Westin Hilton Head Island Resort & Spa	Upper Upscale	1985 (2017)	419	13,200	39,545
Sonesta Resort Hilton Head Island	Upscale	1981 (2013)	340	9,880	20,591
Omni Hilton Head Oceanfront Resort	Upper Upscale	1981 (2012)	323	3,960	15,000
Fiddler's Cove Beach Club	Luxury	1981	316		
Marriott's Grande Ocean, Hilton Head Island	Upper Upscale	1990	290		
Marriott's Barony Beach Club	Upper Upscale	2001	255		
Bluewater Resort and Marina	Economy	2008	213		
Montage Palmetto Bluff	Luxury	2004 (2015)	209	6,696	16,000
Beach House	Upper Upscale	1973 (2012)	202	3,456	10,943
Hilton Head Isle Beach & Tennis	Midscale	1981	200	5,751	10,375
Marriott's SurfWatch	Upper Upscale	2005	195		
Palmera Inn and Suites	Upper Midscale	1987 (2012)	156	3,000	3,100
Holiday Inn Express Hilton Head Island	Upper Midscale	1987	153	1,000	1,000
Hotels <150 Rooms			3,840	30,177	37,748
Total			8,143	99,320	218,742

Sources: CoStar, Johnson Consulting

Regional Performing Arts Centers

Most regional Performing Arts Facilities are located in Charleston or North Charleston with very few actually in Beaufort County and none on St. Helena Island. The four Performing Arts Centers in Beaufort County are all University or High School theatres with low total capacities. The largest theatre in terms of total capacity is the Beaufort High School Auditorium which seats 500.

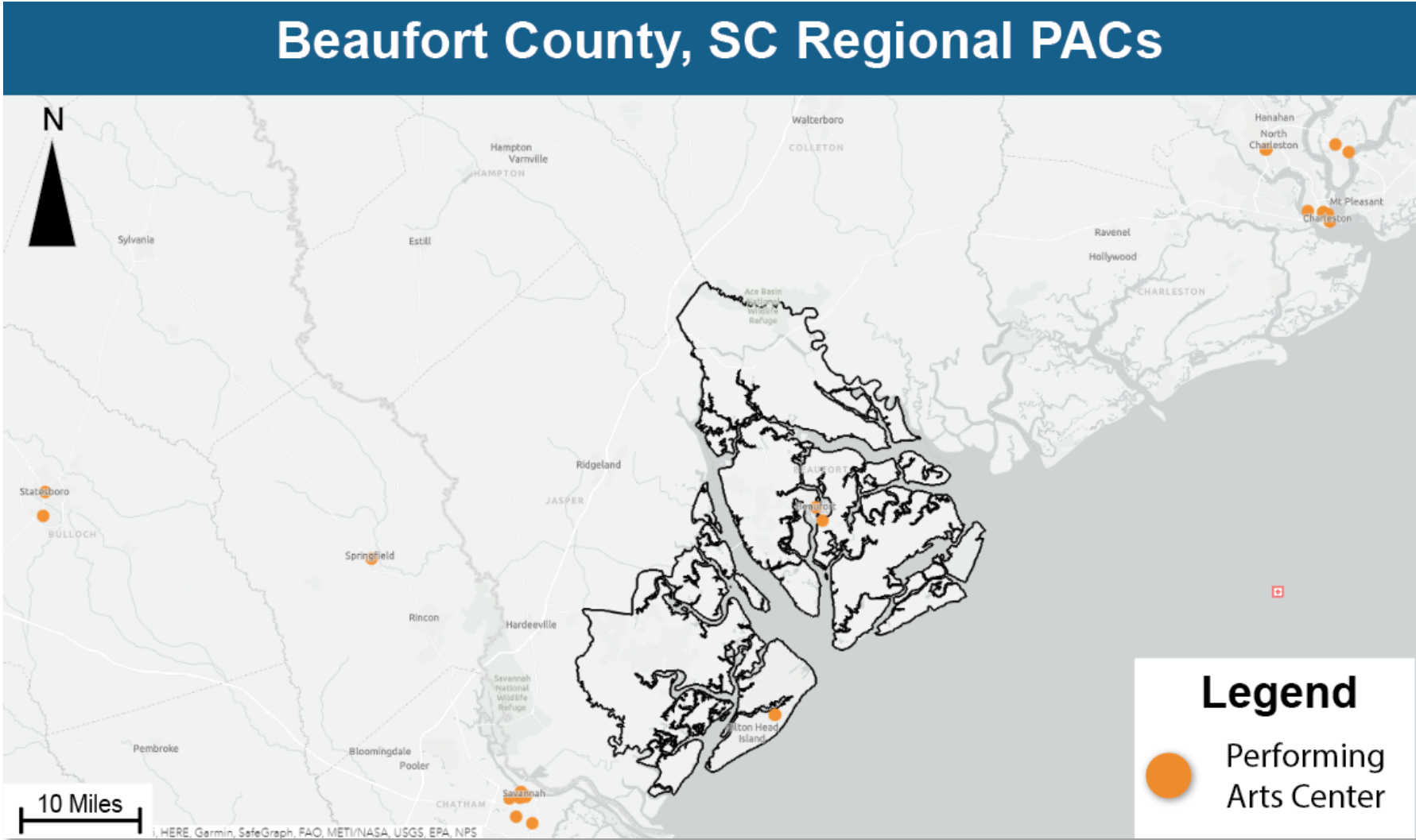
The largest Event Venue in the region is MUSC Health Stadium which is located in Charleston, SC and has a capacity of over 17,000. The largest Auditorium/Theater within 50 miles of St. Helena Island is the Johnny Mercer Theater in Savannah Georgia which seats 2,524 people.

Regional Performing Arts Venues (50 mile radius from St. Helena Island, capacity of 100+)

Venue	Location	Type	Total Capacity	Distance from Proposed Venue (mi)
Hilton Head / Beaufort County Market				
Beaufort High School Auditorium	Beaufort, SC	Auditorium / Theater	500	5
USCB Center for the Arts	Beaufort, SC	Auditorium / Theater	490	7
Arts Center of Coastal Carolina - Mainstage Theater	Hilton Head Island, SC	Auditorium / Theater	350	17
Arts Center of Coastal Carolina - Studio Theater	Hilton Head Island, SC	Auditorium / Theater	175	17
Savannah Market				
Johnny Mercer Theater	Savannah, GA	Auditorium / Theater	2,524	37
Lucas Center for the Arts	Savannah, GA	Auditorium / Theater	1,200	37
Martin Luther King Jr. Arena	Savannah, GA	Arena	9,600	37
Trustees Theater	Savannah, GA	Auditorium / Theater	1,100	37
Grayson Stadium	Savannah, GA	Stadium	4,000	38
Enmarket Arena	Savannah, GA	Arena	9,500	39
District Live	Savannah, GA	Auditorium / Theater	500	39
Savannah Cultural Arts Center - Ben Tucker Theater	Savannah, GA	Auditorium / Theater	338	39
Victory North	Savannah, GA	Auditorium / Theater	380	39
Mars Theater	Springfield, GA	Auditorium / Theater	233	40
Charleston / North Charleston Market				
Footlight Players Theater	Charleston, SC	Auditorium / Theater	240	46
Joe Riley Stadium	Charleston, SC	Stadium	13,500	46
Music Farm	Charleston, SC	Auditorium / Theater	650	46
North Charleston Coliseum	North Charleston, SC	Arena	13,000	46
North Charleston Performing Arts Center	North Charleston, SC	Auditorium / Theater	2,341	46
Charleston Coliseum & Convention Center - Coliseum	Charleston, SC	Arena	13,500	50
Charleston Coliseum & Convention Center - Municipal Auditorium	Charleston, SC	Auditorium / Theater	3,400	50
Charleston Coliseum & Convention Center - Theater	Charleston, SC	Auditorium / Theater	772	50
Charleston Music Hall	Charleston, SC	Auditorium / Theater	1,200	50
Credit One Stadium	Charleston, SC	Stadium	12,200	50
MUSC Health Stadium	Charleston, SC	Stadium	17,000	50
Charleston Gaillard Center	Charleston, SC	Auditorium / Theater	1,818	50

Sources: Pollstar, Relevant Facilities, Johnson Consulting

Regional Performing Arts Centers



Regional Performing Arts Centers

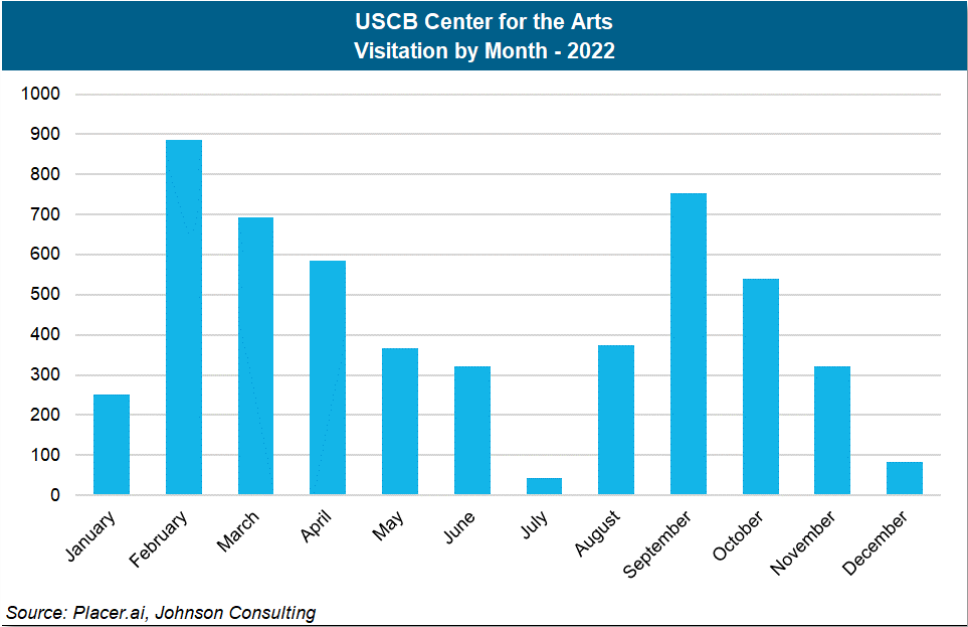
St. Helena Island is roughly a 50-mile drive from Savannah, GA and a 77-mile drive from Charleston, SC. Due to its proximity to these major population centers, tourism and entertainment assets on St. Helena Island can see them as part of their “trade area.”

St. Helena’s proximity to Savannah and Charleston would likely lead to tour conflicts, as artists who perform in one of those markets would be restricted from performing again so nearby – this would make it difficult to program a Community and Cultural Events Center on the Island. Additionally, Savannah and Charleston are significant centers of gravity in the region, making it challenging for entertainment venues outside of those markets to draw significant crowds.



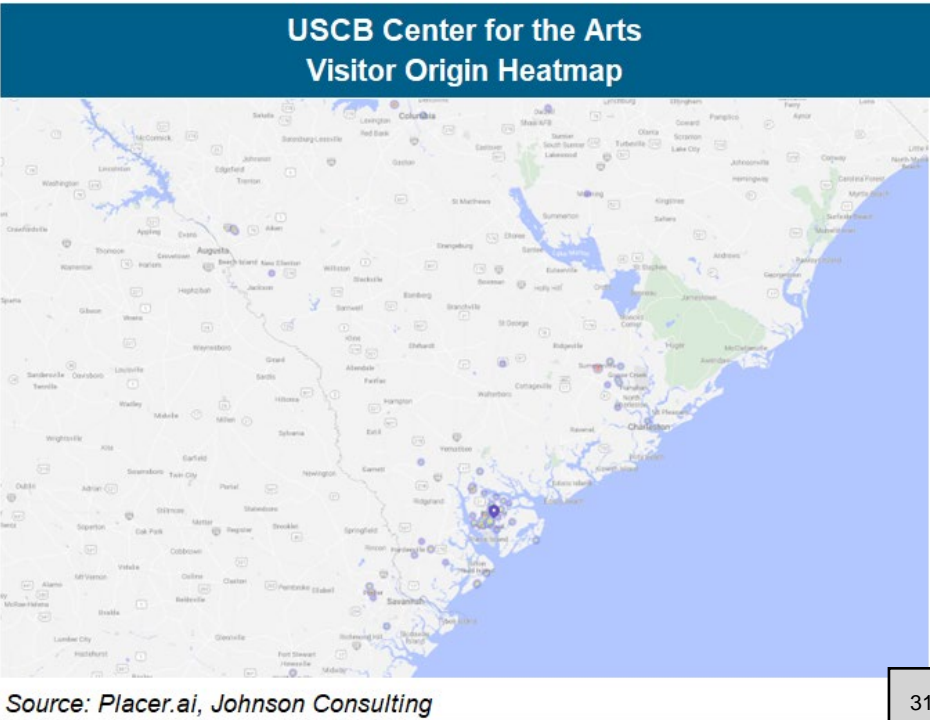
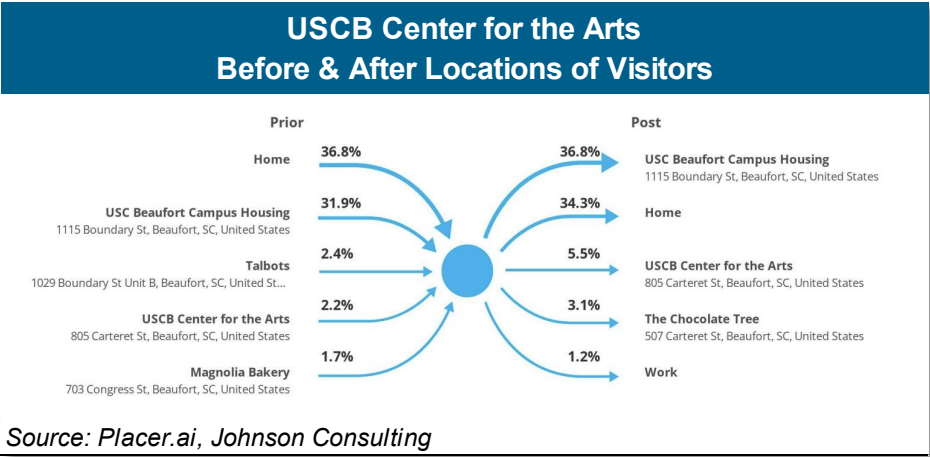
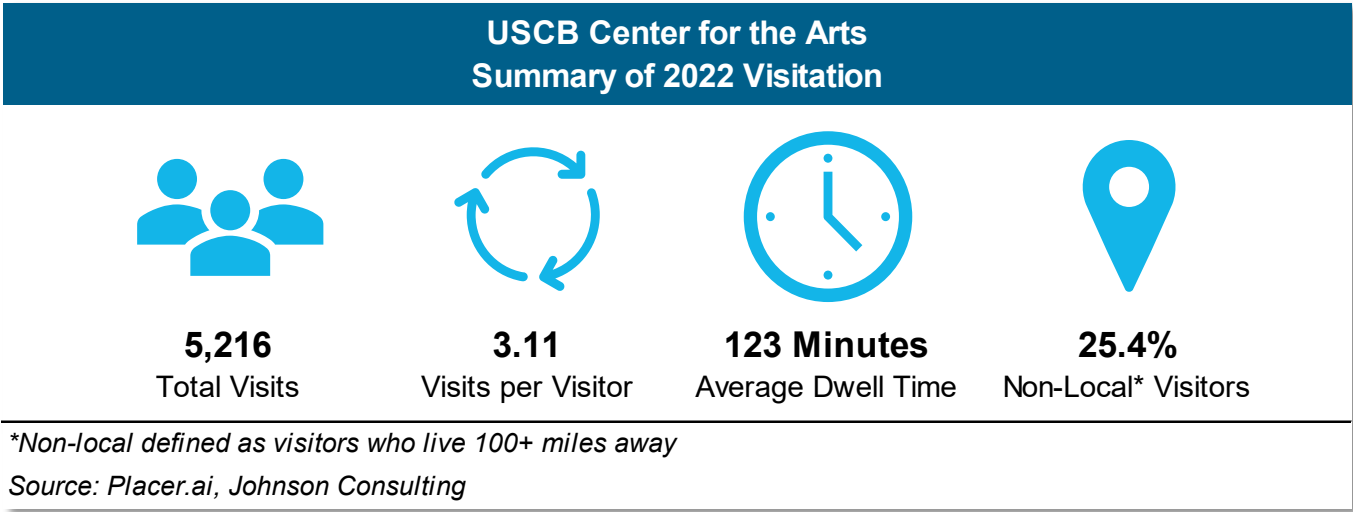
USCB Center for the Arts Spotlight

- The 490-seat USCB Center for the Arts (CFA) currently serves as North Beaufort County’s primary performing arts center.
- The CFA hosts a wide range of programming, including touring musicians, local and touring plays and musicals, children’s theater, dance, speakers, visual art, and more.
- Given its proximity to St. Helena Island, the CFA would represent the contemplated PAC’s biggest competition if the latter facility was oriented and programmed as a conventional performing arts center.



USCB Center for the Arts Spotlight

- The CFA is fairly low impact in terms of total visitation, attracting 5,216 visits in 2022 according to Placer.ai.
- Though Placer.ai data indicates a fairly large proportion of non-local visitors (defined as visitors who live 100+ miles away from the facility), that number is likely capturing many USCB students, as two of the largest before and after visitor destinations are student housing buildings. This is corroborated by the visitor origin heatmap which shows that the vast majority of visitors come from Beaufort County.
- February and September were the busiest months for the CFA in 2022, with a relative lull in the summer months. This indicates that the CFA is not a major destination for tourists, as the summer months tend to be peak season for tourism.



St. Helena’s Tourism Assets

- Penn Center is by far the most popular attraction on St. Helena Island, with nearly 37,774 visits and 21,880 unique visitors in 2022, 76 percent of whom were non-local (meaning they were from somewhere other than St. Helena Island).
- The Chapel of Ease and Fort Fremont also drew significant numbers of non-local visitors in 2022, though they had much lower average dwell times than the Penn Center.
- Given St. Helena’s relatively small size, its tourism assets are relatively close to one another by car.
- Furthermore, the Corners Community area, where the proposed PAC would likely be located, is roughly 7 miles from Beaufort and less than a mile from the Penn Center.
- The proximity of tourist attractions on St. Helena Island, as well as their similar historical and cultural themes, opens up the possibility of “packaging” various attractions together to create a comprehensive visitor experience.

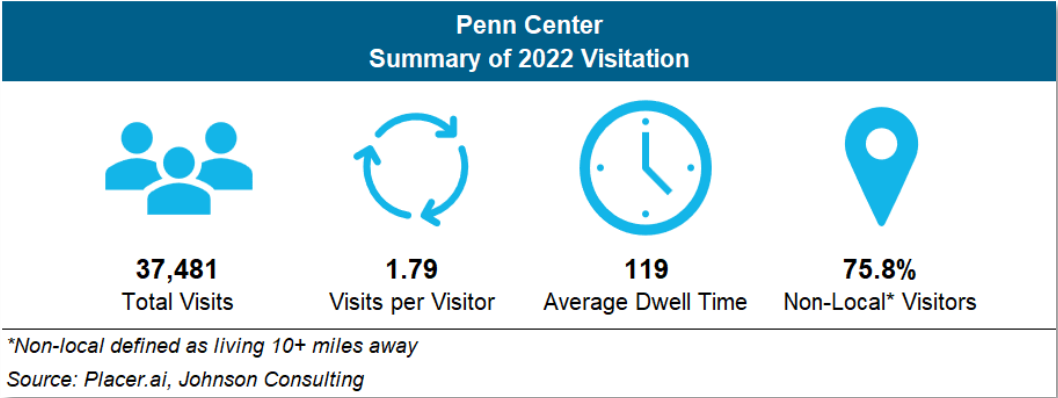
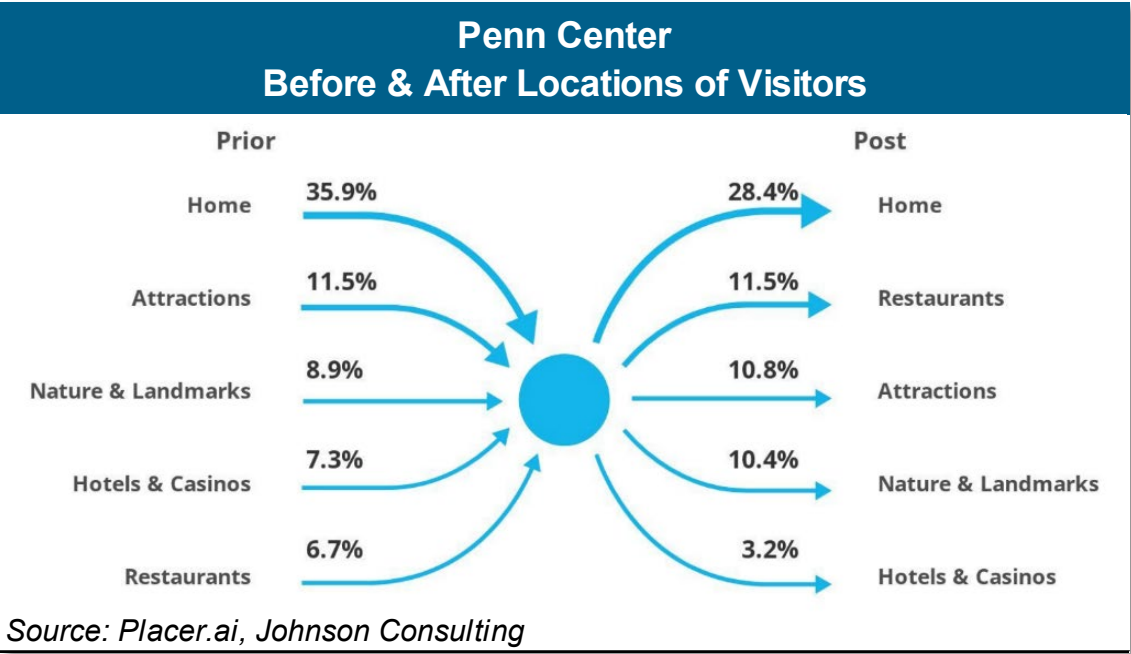
St. Helena Island Tourist Attractions (2022)					
Attraction	Visits	Unique Visitors	Average Visits per Visitor	Average Dwell Time (Minutes)	Non-Local* Visitors (%)
Penn Center	37,774	21,880	1.73	120	76%
Chapel of Ease	9,604	7,467	1.29	28	87%
Fort Fremont	11,887	8,905	1.33	52	69%

* Non-local defined as living 10+ miles from the relevant attraction
Source: Placer.ai, Johnson Consulting



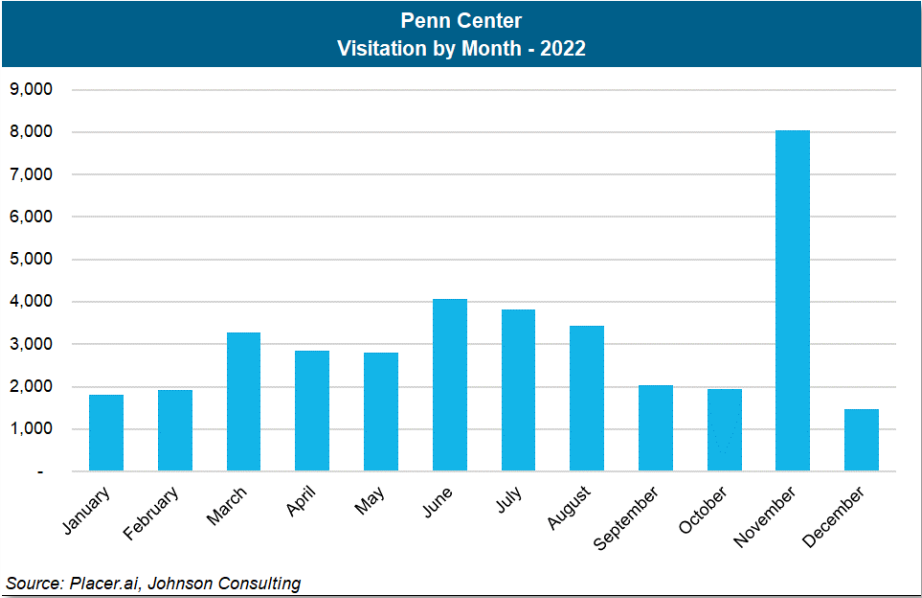
Penn Center Spotlight

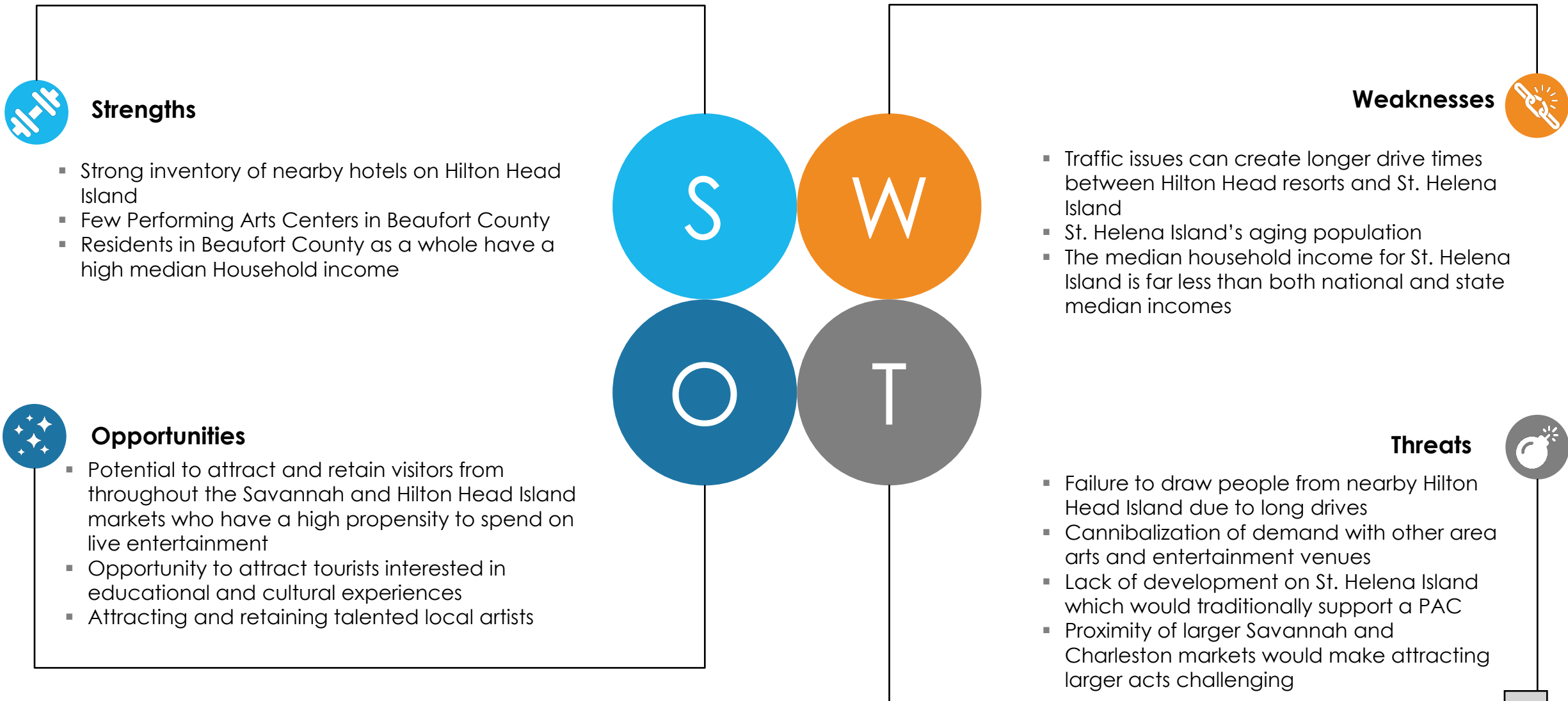
- As the visitor origin heatmap shows, Penn Center has a strong regional draw (Georgia, South Carolina, North Carolina) and also brings in visitors from major cities across the Eastern U.S.
- Though the plurality of Penn Center’s visitors either come from home or return home after visiting, the strong representation of leisure, dining, and hospitality uses in the visitor journey graphic on the bottom left suggests that tourists make up a significant part of Penn Center’s audience.



Penn Center Spotlight

- Though Penn Center draws visitors throughout the year, by far its most popular event is the Heritage Days Celebration, which in 2022 attracted over 4,300 attendees in the span of three days.





3. Entertainment Venue and Event Center Trends

Overview

Entertainment venues and event centers have long been at the forefront of live entertainment. While larger shows may take place in stadiums or arenas, there are myriad events that thrive in a range of other smaller and purpose-built venues. Some of these events may include: multi-day music festivals, comedy shows, events like TED Talks, concerts, musical plays, dance productions, art and culinary events, and visual arts productions, among many others. Many people consider some combination of these entertainment offerings to be valuable to their community, and more importantly, their overall quality of life. As an industry that supports millions of jobs and generates over \$166 billion of economic activity annually, it is easy to see why so many people support participation and funding for the arts.

While many understand the basics of performances such as comedy shows or concerts, theatrical, recitals, and dance productions, they prove to be more nuanced when it comes to the technical side of production and technical requirements. To help frame the different types of requirements, this section provides an overview of technical and operating trends for the performing arts and live entertainment industry.

Venue Types



Festival Grounds: Large outdoor spaces that often host multi-day music and arts festivals. Some festival grounds have permanent infrastructure and some require stages, restrooms, concessions, etc. to be set up and broken down for each event.



Amphitheaters: Round or oval-shaped venues with tiered seating in front of a central stage. Amphitheaters are typically outside and are among the oldest types of performing arts venues.



Stadiums: Typically used for sports such as baseball and football, concerts, and other large-scale entertainment events, stadiums are open-air venues elevated seating on one or more sides of a playing surfaces. For entertainment events, the stage is usually set up on part of the playing surface, with the rest of it sold as seating.

Venue Types



Arenas: Similar to stadiums but generally smaller and indoors, arenas are typically used for entertainment events, as well as sports such as basketball and hockey.

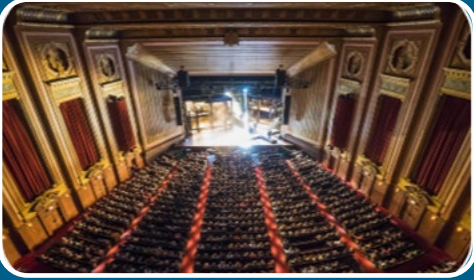


Concert Halls: Venues constructed specifically for classical music, with elevated and tiered seating sections and acoustics designed for symphony-orchestras.



Bandshells and Bandstands: Large, outdoor stages that are often found in public parks. Bandshells and Bandstands typically feature covered roofs and closed backs and often have permanent, non-elevated seating.

Venue Types



Opera Houses: Similar to a concert hall but constructed specifically for opera. Opera houses have high ceilings, tiered seating, and acoustics geared towards opera performances.



Clubs: Often paired with a bar and sometimes even a restaurant, clubs are smaller, indoor venues that typically host rock, hip-hop, and other popular music shows. Clubs usually just have general-admission floor seats, though some also sell more premium balcony or VIP seats.



Theaters: Theaters typically host theatrical events such as plays and musicals, but can also host other entertainment such as concerts, comedians, or lectures. Theaters range in size and stage types, as is explored on the next page.

Stage Types



Proscenium Theater:

The most typical type of stage in theatrical productions – features a rectangular stage opening made from the proscenium arch and the stage floor.

The proscenium arch separates the actors from the audience, and is commonly called “the fourth wall.”



Area Stage Theater:

Commonly referred to as a Theater in the Round, this is the type of stage one would find at certain concerts and theatrical productions. It can also be used in conjunction with a proscenium, as is seen at the Grammys or the Oscars. It places the stage at the center of a square or circle, surrounded by spectators on all sides. It is generally thought of as less formal than types like the proscenium theater.



Open Stage Theater / Thrust Stage:

This theater type combines features from arena stage and the proscenium theater. It often has seating on three sides or in a semicircle with the stage “thrusting” out into the middle. Usually, the stage is low platform and has a proscenium opening at the back for entry/exit and scene changes. It can also be referred to as a Thrust Stage Theater.



Black Box:

A rectangular room, painted flat black to prevent glare from overhead lighting. It usually has a complex overhead lighting grid and moveable seats. While total number of seats is usually around 200, their moveable nature allows for experimentation with the shape and size of the performance space.



Found Space Theater:

Structures that were originally designed for a different function, but were repurposed into theaters. There are examples of companies converting many different types of buildings into theaters, like urban store fronts and even “Big Box” retail spaces, etc.

Other Important Entertainment Venue Terms

Fly / Fly Loft – The system of lines, pulleys, and counterweights / electrical hoists located above the stage that is responsible for dropping in scenery and lifting it back up. It is generally the most challenging and expensive part of the stage to consider. The fly loft, which is the structural tower that accommodates the fly system, should be at least 2.5 times the height of the proscenium to allow a full-length curtain to be raised completely out of audience view without exceeding the travel distance of standard counterweights.

Green Room – The waiting room for those involved in the show before they go on stage. If there is a high-profile individual, they will usually get their own room. Bigger groups will also get a green room, but it will be separate from that of the high-profile individual. Sometimes very large performance groups will stage out of a large rehearsal room.

House – The area where the audience sits, which is basically the front of the stage and beyond. The term is also used to describe the audience in general.

Orchestra Pit – A sunken area directly in front of the stage created for an orchestra in musicals or operas. It is not meant to be seen by the audience.

Rake – The angle of the stage floor so that it is not horizontal. A traditional raked stage has an upstage area that is raised higher than the downstage area.

Set – The physical scenery used to describe the setting of a particular point in a play. These items will generally be dropped from and lifted back to the fly loft.

Scene Shop – An area backstage where scenes and sets are built.

Trap – An area below the stage where individuals can be raised on and off the stage from underneath.

Wings – The offstage area to the right and left where people get ready to come on and off the stage. This area will have to be bigger if a fly loft is not installed.

VIP Entertainment Venue Experiences

In recent years, more and more entertainment venues have been offering VIP (very important person) spaces and experiences in addition to typical seating options. These experiences can take many forms, with some common ones being dedicated VIP seating or standing sections (often with more comfortable seats), amenities such as higher-quality food and beverage options, dedicated restrooms and lounges, and backstage access where VIPs get to spend time before or after the show and even, in some cases, meet the entertainer or artist. VIP experiences provide venues the opportunity to sell premium tickets, often at multiple times the price of normal tickets, and serve customers who are interested in paying more for better experiences. They also provide sponsorship and partnership opportunities between venues and premium brands.

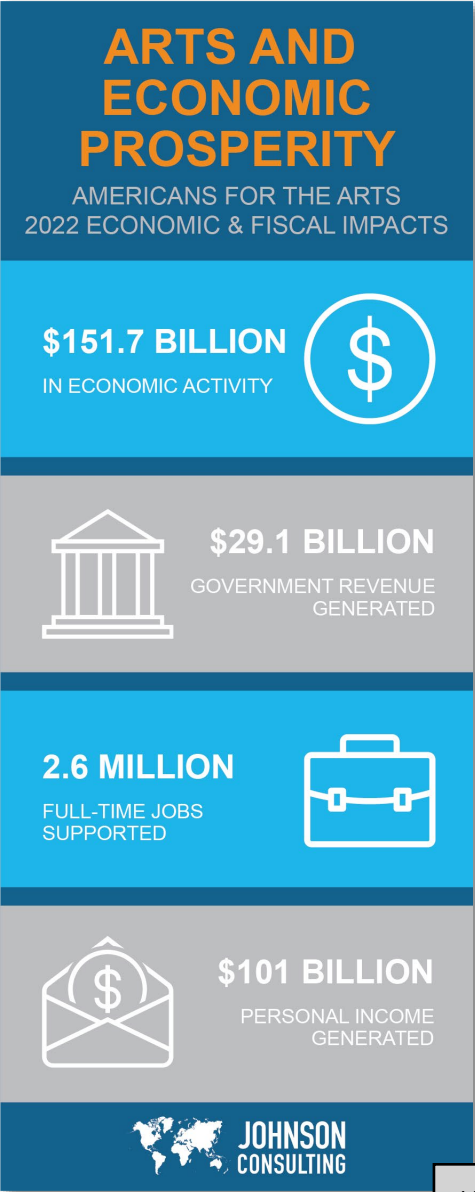


VIP area at the Delaware State Fair

Americans for the Arts

Every five years, Americans for the Arts releases a research study named Arts and Economic Prosperity, which details the economic impact of nonprofit arts and cultural organizations and their audiences. Currently, the research publication is on its sixth edition and highlights data primarily from 2022. The study includes data about spending, jobs, revenue, and household income among others, as well as survey results relating to the overall importance of arts and attendance trends. These findings include a wide array of event types ranging from jazz and outdoor entertainment festivals to non-musical plays and ballet.

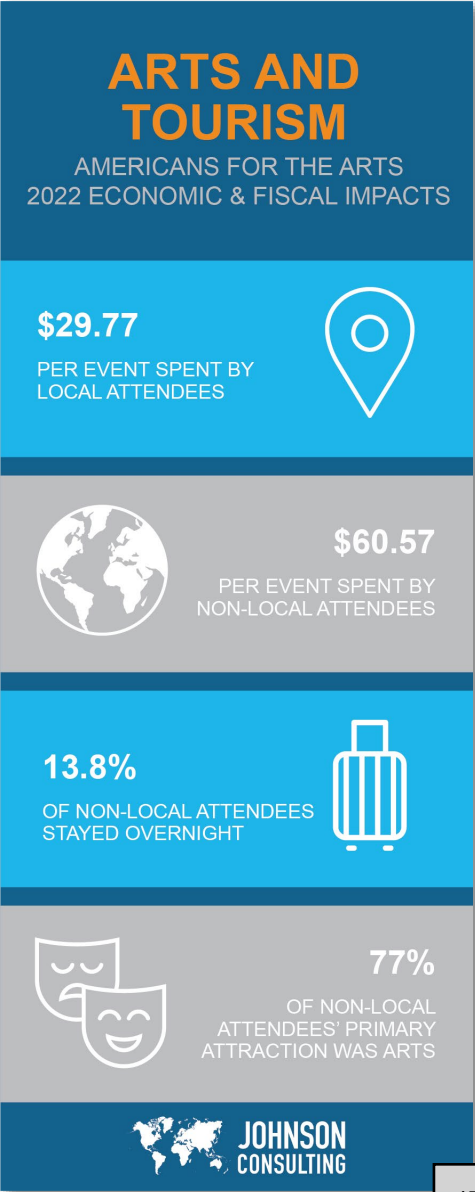
In 2022, nonprofit arts and cultural organizations and their audiences accounted for a total of \$151.7 billion in economic activity. This figure can be broken down further into two parts – spending by the organizations (\$73.3 billion) and event-related spending by the audiences (\$78.4 billion). As a multibillion-dollar industry, one can imagine the financial impact these nonprofit organizations have on government revenue as well. While audience spending generated \$10.8 billion in government revenue, the organizations added another \$18.3 billion for a total of \$29.1 billion. Compared to the initial budgets most municipalities provide for nonprofit arts and cultural groups, it makes for a substantial return on investment. The graphic to the right highlights these statistics.



Americans for the Arts

In addition to spending and government revenue, the arts are essential in generating the resources that help a community thrive – jobs and income. 2.6 million total full-time equivalent jobs were supported through these nonprofit organizations, with the organizations accounting for roughly 1.6 million of them. Furthermore, \$101 billion in resident household income was created, with roughly two thirds of that figure coming from organizations, and the audiences responsible for the rest.

One big aspect of nonprofit arts and cultural events is tourism, and the ability of an event to draw attendees locally and from other counties. The reason it is so important to attract visitors from out of town is their propensity to spend more money – and thus generate more revenue for local economy. While the average attendee spends \$38.46 per person per event (not include cost of admission), this number is weighted because on average only 30.1 percent of attendees are nonlocal. While local attendance may outnumber that of nonlocals, the opposite is true when it comes to average spending. Local attendees only spend \$29.77 per person per event, compared to \$60.57 for nonlocal attendees. This means that on average, individuals attending from out of town spend more than twice as much as those attending their local event. This surely creates an enormous increase in revenue and economic activity. Of the nonlocal attendees, 13.8 percent reported utilizing overnight lodging – another big economic generator for a community. The graphic to the right highlights these statistics.



Live Nation and the Talent Industry

Somewhat recently, there has been a tremendous consolidation in the entertainment venues field, starting in 2005. Live Nation Entertainment Inc. (Live Nation), one of the world's leading live entertainment and e-commerce companies, controls bookings for approximately 70 percent of the talent available and owns or controls over 200 venues around the country. They promoted 40,256 entertainment events, and generated \$11.5 billion in revenue in 2019. This widespread control by Live Nation along with the demand by the gaming industry – which is spending more on acts to bring people to its casinos and combat the growth of online gambling – increasingly has led to higher guarantees to the acts, which impacts the cash flow available for operation of venues. This has made it more difficult for the smaller, more regional promoters to succeed in large venues. These factors combined with the reality that there are few artists who are able to draw enough concert goers to fill large facilities (over 10,000 seats) make independent booking of large arenas and amphitheaters harder to compete and succeed at.

Based on Live Nation's 2019 annual report, total ticket sales were approximately \$1.55 billion, or roughly 13.5 percent of total revenue. Live Nation Concerts recorded an increase of 5.2 percent in total attendance and 15 percent growth in number of events over 2018. A portion of the increase in ticket sales can be attributed to the heightened demand for events at amphitheaters, where high-end products and services helped increase spending by over 8 percent per person in 2019.

Costs borne by Live Nation increased in 2019 as well, with concerts failing to make a profit and corporate costs increasing by 16 percent. However, operating income was still up 16 percent from 2018, due in large part to significant increases in sponsorship & advertising revenue (17 percent YoY) and a minimization of ticketing expenses. In fact, sponsorship and advertising has become one of their most profitable areas of business, with a net operating income of \$330.3 million in 2019.

The downside of this strong performance is that talent prices are at an all-time high. Gaming venues have also been a big factor in talent price increases – they can afford the show, and they know that as long as they can get the attendance, the money will be made elsewhere. The adage that the acts get a majority of the ticket revenue, and the venues are really in the rent, concession and parking business could not be more accurate – especially for casinos, where gambling produces sizable profits.



Live Nation and the Talent Industry

A more recent look at Live Nation's financial state comes in its 2022 Q3 report. According to that report, reported revenue was up 63 percent and reported operating income was up 95 percent over Q3 of 2019. Q3 of 2022 also saw Live Nation's highest-ever quarterly attendance, 44 million fans across 11,000 events. Clearly, the company and its venues are recovering well from the downturn caused by the COVID-19 pandemic.

Smaller venues of 500 to 5,000 seats are an important component of the entertainment industry. As Live Nation has gained dominance in the thinner market of large venues, the regional or smaller promoter has changed format. In order to adapt and survive, many of the local promoters are turning to smaller venues (500 to 5,000 seats) as baby boomers, Generation X, active adults and other attendee categories are finding entertainment events and facilities more enjoyable at this scale. Many of these promoters, both for profit and not for profit, are returning to subscription-based pricing strategies such as buy one get one free, or a mega ticket that can include parking costs along with access to a multi-day event, all for one price.

Many facilities are municipally operated and are provided as a service to residents, as well as a way to attract out of town visitors. Universities and the private sector also build facilities. While many shows at the larger venues can do well, the number of acts available for these large venues limits the product. The number of small venues and acts is on the rise and the product diversification and more intimate atmosphere in a smaller venue have helped this sector of the live entertainment business grow.



District Live in Savannah, GA – a Live Nation Venue

Top Venues

The table on the top right shows the top amphitheater venues by 2022 ticket sales, while the table on the bottom right shows the top arena venues by 2022 ticket sales. These rankings are based on data from Pollstar, a trusted source for entertainment statistics, and includes ticket sales from January 1, 2022 – December 12, 2022. While both of these rankings include venues from around the world, the United States is well-represented. 8 of the top 10 amphitheater venues by ticket sales are in the United States, though the same can be said for only the 4 of the top 10 arena venues. The U.S. also has a significant concentration of music festivals, hosting 4 of the 10 largest by attendance in 2022, as is shown in the table below. The largest American music festival is Coachella, which welcomed 750,000 attendees in 2022.

Top Festivals by Attendance (2022)

Rank	Festival	Location	Attendance	Number of Days
1	Donauinselfest	Vienna, Austria	2,500,000	3
2	Montreal Jazz Festival	Montreal, Canada	2,000,000	10
3	Coachella Music and Arts Festival	Indio, CA	750,000	6
4	Rock in Rio	Rio de Janeiro, Brazil	700,000	7
5	Tomorrowland	Boom, Belgium	600,000	9
6	Electric Daisy Carnival	Las Vegas, NV	475,000	3
7	New Orleans Jazz Fest	New Orleans, LA	475,000	7
8	Primavera Sound Festival	Barcelona, Spain	460,000	11
9	Sziget Festival	Budapest, Hungary	450,000	6
10	Summerfest	Milwaukee, WI	445,611	9

Source: Music Festival Wizard, Various Festivals, Johnson Consulting

Non-U.S. festivals in gray

Top Amphitheater Venues by Ticket Sales (2022)

Rank	Venue	Location	Tickets Sold	Capacity
1	Pine Knob Music Theatre	Clarkson, MI	578,485	15,040
2	The Cynthia Woods Mitchell Pavilion	The Woodlands, TX	476,018	16,015
3	Merriweather Post Pavilion	Columbia, MD	394,514	19,316
4	Ruoff Music Center	Noblesville, IN	308,776	24,000
5	Red Rocks Amphitheatre	Morrison, CO	295,584	9,525
6	Greek Theatre at UC Berkeley	Berkeley, CA	270,456	8,500
7	Budweiser Stage	Toronto, Canada	269,899	16,000
8	Hollywood Bowl	Los Angeles, CA	264,965	17,500
9	Waldbühne Berlin	Berlin, Germany	258,281	22,290
10	Gorge Amphitheatre	George, WA	235,260	20,000

Source: Pollstar, Johnson Consulting

Includes ticket sales from January 1st, 2022 - December 12th, 2022

Non-U.S. venues in gray

Top Arena Venues by Ticket Sales (2022)

Rank	Venue	Location	Tickets Sold	Capacity
1	Madison Square Garden	New York, NY	1,710,880	20,789
2	Kia Forum	Inglewood, CA	1,226,122	17,500
3	Arena Monterrey	Monterrey, Mexico	1,103,693	17,500
4	The OVO Hydro	Glasgow, United Kingdom	1,058,073	14,300
5	WiZink Center	Madrid, Spain	987,323	17,453
6	Arena CDMX	Mexico City, Mexico	943,216	22,000
7	The O2 - London	London, United Kingdom	911,084	21,000
8	Little Caesars Arena	Detroit, MI	878,885	20,000
9	Bridgestone Arena	Nashville, TN	815,926	20,000
10	Lanxess Arena	Cologne, Germany	809,652	20,000

Source: Pollstar, Johnson Consulting

Includes ticket sales from January 1st, 2022 - December 12th, 2022

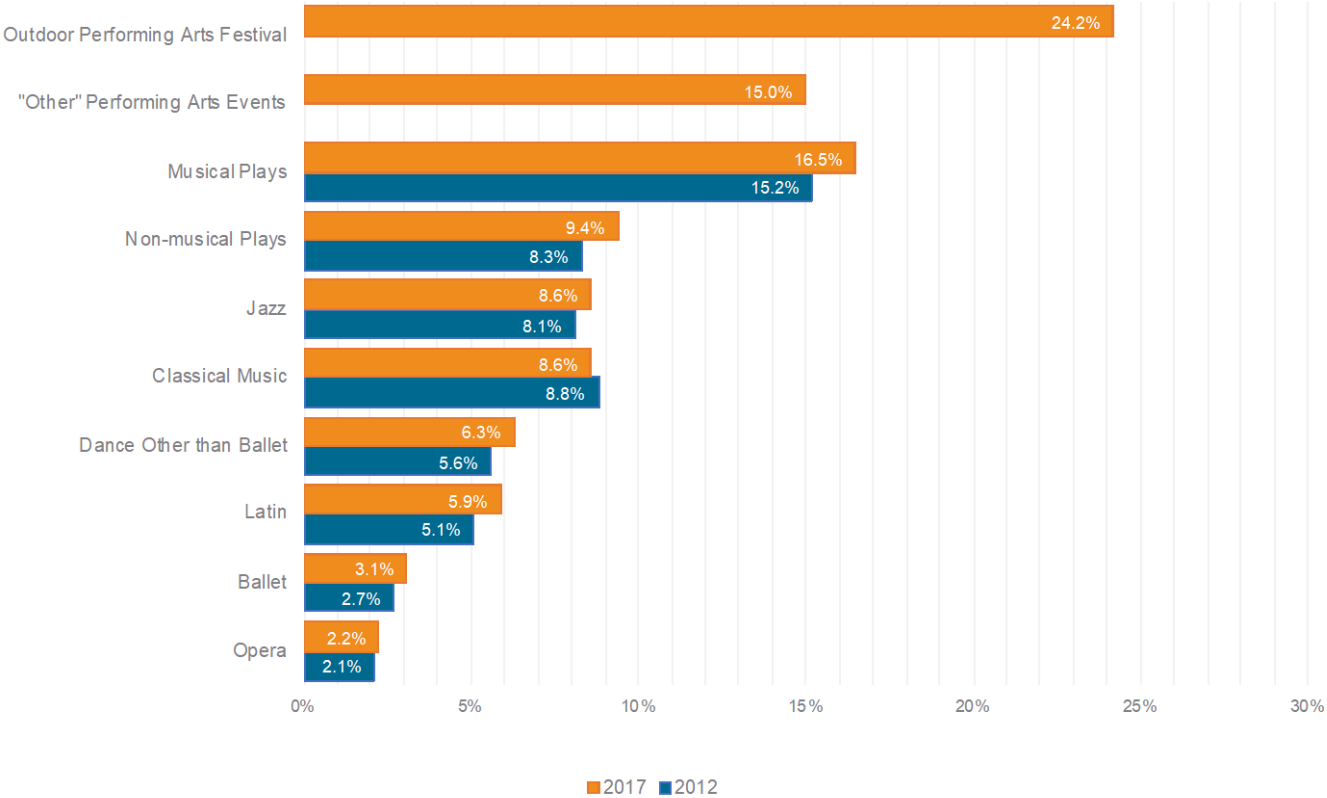
Non-U.S. venues in gray

Survey of Public Participation in the Arts

Every 5 years the National Endowment for the Arts (NEA) administers its Survey of Public Participation in the Arts (SPPA). The information gained from this survey is some of the most accurate in identifying common characteristics among avid patrons of the arts and what type of events are most popular. If the report is properly used, a community can correctly determine what percentage of residents are active participants or supporters of entertainment events.

The report noted that while overall attendance remained relatively stable, there were slight increases in most categories of entertainment events other than classical music, which saw a small decrease of 0.2 percent. Outdoor entertainment festivals were far and away the most popular entertainment events, with 24.2 percent of adults attending such an event. Notably, the proposed venue would be catering towards these types of festivals. The most popular form of entertainment events other than outdoor festivals, musical plays (16.5 percent) also saw the largest increase in attendance from 2012-2017 (1.3 percent). The only other type of show with a growth in attendance of more than one percent was the non-musical play (1.1 percent). Additionally, “Other” Performing Arts Festivals and Outdoor Performing Arts Festivals were included on the survey for the first time in 2017, meaning there is no data on these for 2012. Attendance trends by type of event can be seen in chart on the right.

Percent of US Adults Attending Performing Arts Events: 2012 and 2017

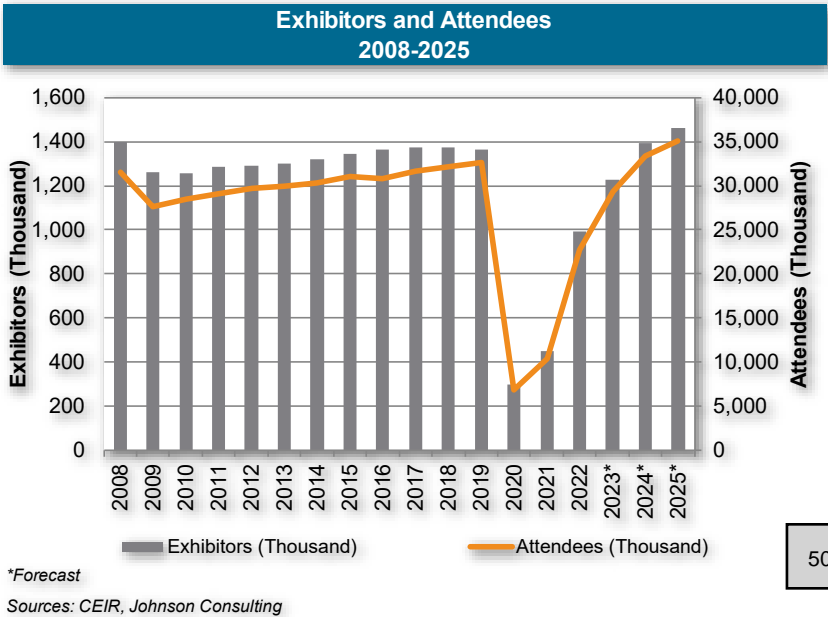
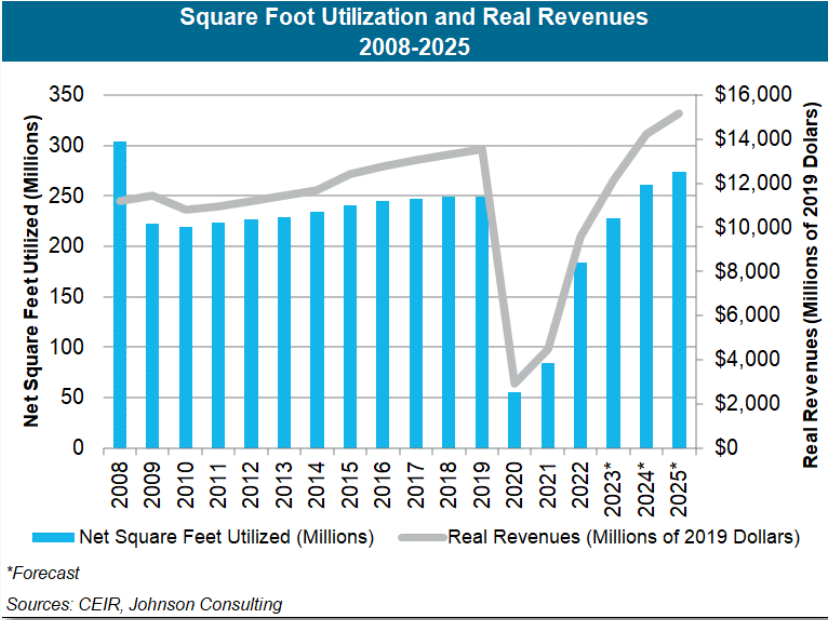


Source: NEA, Johnson Consulting

Event Center Trends

Like other sectors of the broader hospitality industry, the events industry was devastated in by the COVID-19 pandemic and the resulting lockdowns and travel restrictions. According to the *2023 Index Report* produced by the Center for Exhibition Industry Research (CEIR), after a decade of growth following the 2008 economic crash, the number of net square feet utilized in the United States fell from 249 million in 2019 to 55 million in 2020, while real revenues (in 2019 dollars) went from \$13.5 billion to \$2.9 billion. The numbers of event exhibitors and attendees similarly declined sharply, from 1.4 million and 32.6 million in 2019, respectively, to 296,000 and 6.8 million in 2020.

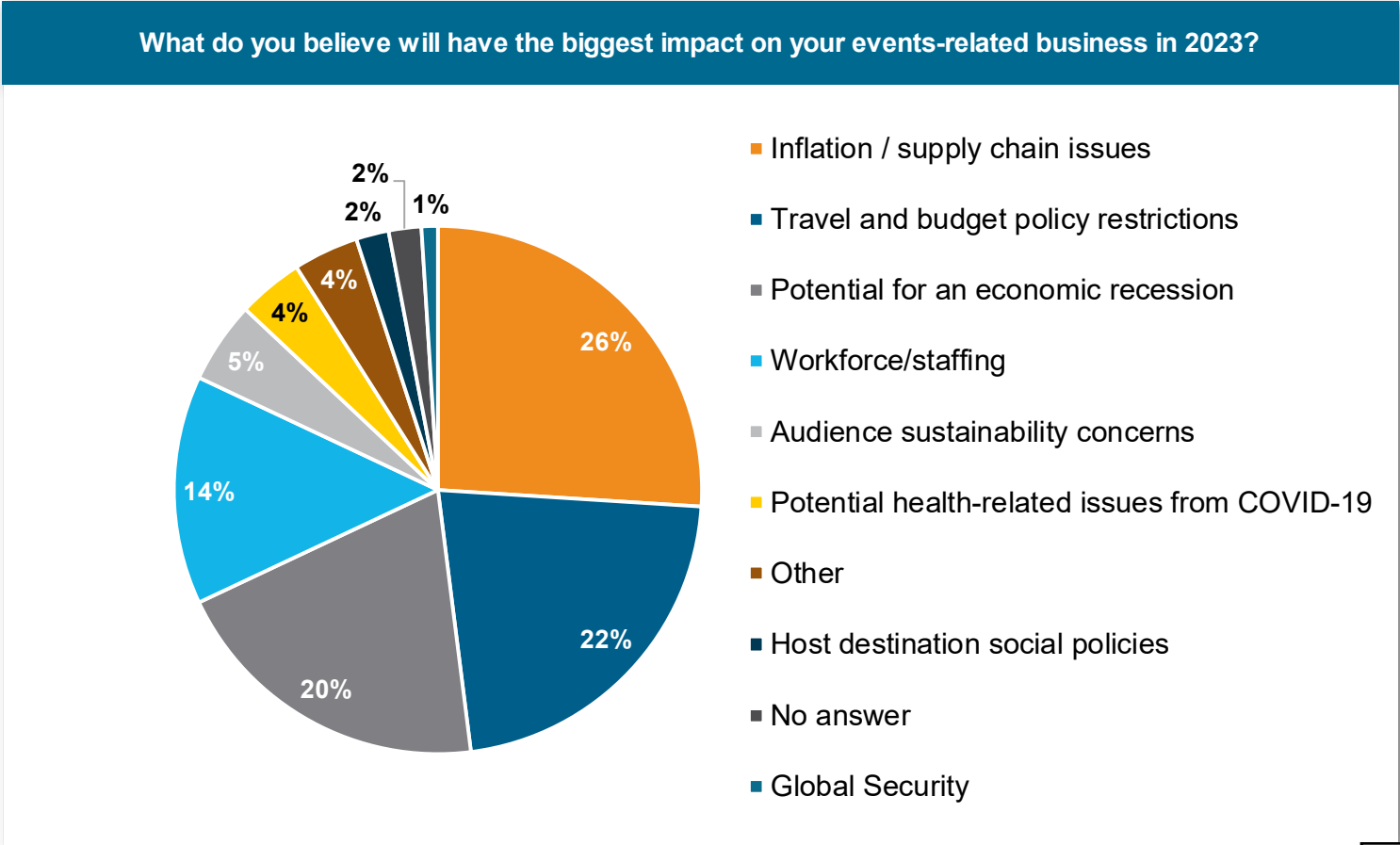
The industry has bounced back to some degree over the past two years but has yet to achieve pre-pandemic levels of success and is not forecast to do so by CEIR until 2024. However, recovery from this most recent economic shock does appear to be moving more quickly than it did after the 2008 economic crash, with the overall events industry making sizeable year-over-year gains in square feet utilized, real revenues, exhibitors, and attendees.



The Future of Meetings and Events

The convention, meeting, and exhibition industry is in a state of significant flux as it adapts to the new realities of the post-pandemic landscape. In the November, 2022 issue of *Convene Magazine*, an events industry trade publication, the Professional Convention Management Association (PCMA) presented its annual industry forecast for 2023 and beyond. This report and others like it help provide insight into the direction that the events industry is going in short and medium terms.

As part of the report, the PCMA surveyed over 200 event professionals about their outlook on the industry going forward. When asked what they believed will have the biggest impact on their events-related business in 2023, the top four responses were inflation / supply chain issues (26 percent), travel and budget policy restrictions (22 percent), potential for an economic recession (20 percent), and workforce / staffing (14 percent). By contrast, only 4 percent said that health-related issues from COVID-19 would have the biggest impact on their business. Though much of the concerns around the health-related implications of the pandemic have abated, the economic, social, and political consequences of COVID-19 remain very relevant and continue to have a significant impact on the events industry.



Source: PCMA Annual Industry Forecast November 2022, Johnson Consulting

The Future of Meetings and Events

The pandemic hasn't just impacted the events industry's bottom line; it has altered the criteria by which a successful event is judged. In its June, 2023 *Meeting Room of the Future Barometer* report, the International Association of Conference Centers surveyed more than 250 meeting planners from venues around the world. When asked how the criteria for meetings space has changed since the COVID-19 pandemic, respondents highlighted the five following categories:



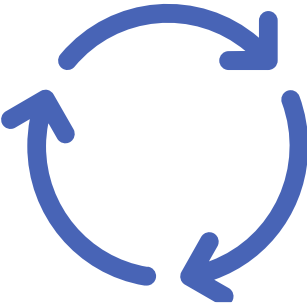
More Space

Due to the pandemic, people are used to having more space, making larger event venues more popular.



Outdoors

Outdoor spaces have also become more in demand since the pandemic, with attendees increasingly wanting a more airy, natural setting.



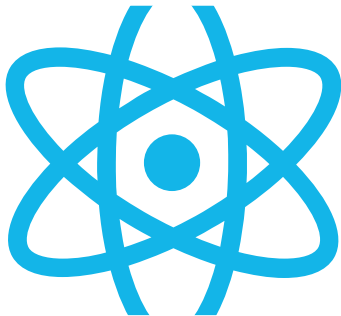
Flexible

Flexibility not only enables greater social distancing, it helps event planners cater to attendees' desire to have less rigid events with more breakout sessions.



Hybrid

Hybrid work, socialization, and events are a legacy of the pandemic that appears to be here to stay. As such, it is important to consider how a venue will perform in a hybrid setting.



Evolved Technology

Beyond just hybrid events, the pandemic accelerated adoption of new technology and, as a result, attendees now expect more advanced, high-tech events to be the norm.

Implications

In the case of a new performing arts venue such as the one proposed on St. Helena Island, it is important to pick the right facility type for the market and programming strategy. Festival grounds, amphitheaters, and bandshells have lower associated capital cost and can take advantage of a growing desire for outdoor event space, but are limited by seasonality and weather considerations. Indoor concert halls, opera houses, and theatres are ideal for certain types of programming but provide less flexibility than an arena or multipurpose-type building. As the business plan for the St. Helena PAC crystalizes, the optimal facility orientation will become clear.

If built, the contemplated facility would be emerging into a performing arts and events market that has been devastated by the COVID-19 pandemic. Though these industries remain very economically productive, they have yet to recover to pre-pandemic levels, though they are on their way. The silver lining for the proposed PAC, however, is that it would be well-positioned to meet many of the expectations of a changed events and performing arts landscape, which many older facilities have struggled to do. Though the performing arts and events industries still present a strong case from an economic, fiscal, and community impact perspective, the lingering impacts of the pandemic can not be ignored.



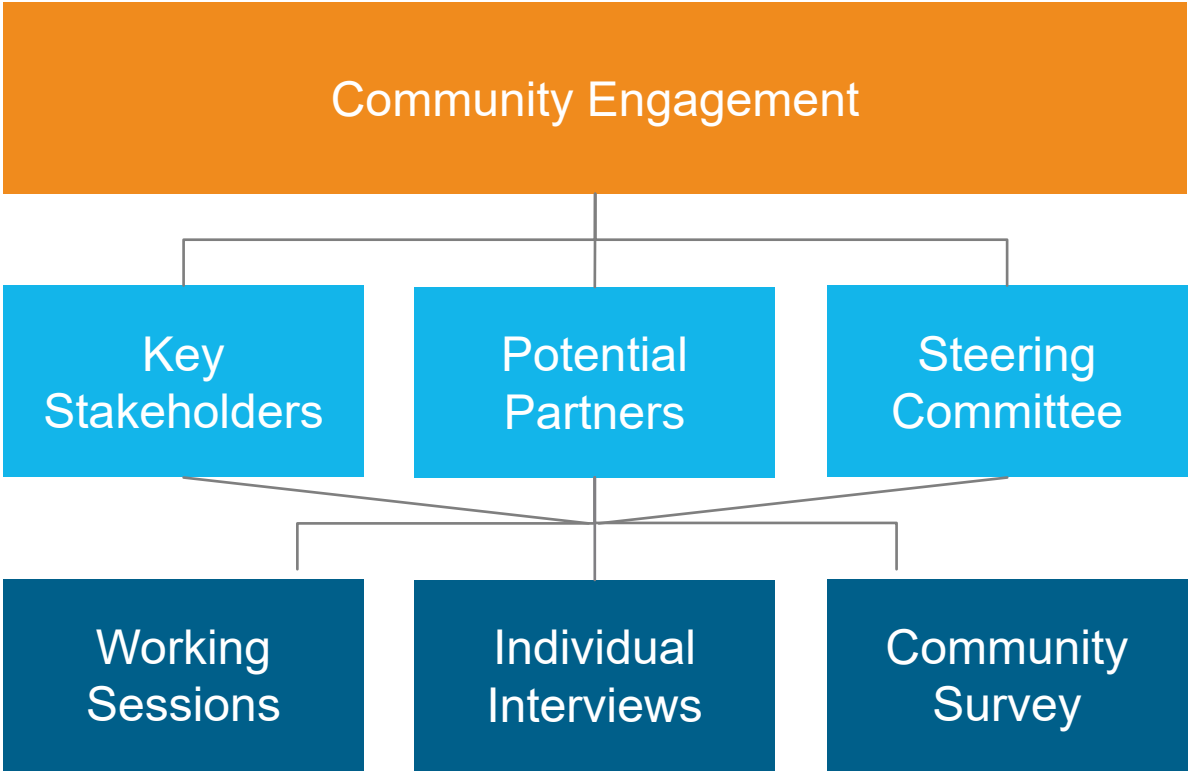
Arts Center of Coastal Carolina on Hilton Head Island

| 4. Stakeholder Engagement Summary

Overview

As with any project of this magnitude, it is crucial to engage with a variety of individuals and organizations throughout the community and the broader region in order to help to define community needs and foster a sense of buy-in. Since many community stakeholders are intimately familiar with St. Helena Island, the market area, and sources of demand that may provide support for the contemplated Community and Cultural Events Center, their input was used to inform the study’s observations, conclusions, and recommendations.

The engagement process, which began in March 2023, included interviews with various key stakeholders and potential collaborators, including but not limited to the steering committee and the Cultural Protection Overlay Committee. It also included a community survey, distributed online and on hard copy. The result of this process was an in-depth understanding on the part of Johnson Consulting of St. Helena Island’s economic, demographic, and market landscape, particularly with regards to the performing arts. The diagram to the right outlines the scope of the stakeholder engagement process. Note that the information presented in this section represents the opinions shared by the interviewees, and not necessarily the opinions of Johnson Consulting.



What we heard: The arts landscape in Beaufort County / St. Helena

There is a lot of connection with the church and gospel music

Arts are tied in closely with Gullah Geechee culture and heritage

The schools are active in the arts but often have to share the Beaufort HS Auditorium

The USCB PAC is heavily utilized but expensive to rent for smaller groups

What we heard: Possible programming for the proposed PAC

Tenant show focused
on St. Helena's history
and Gullah Geechee
culture

Arts programming for
youth (visual, culinary,
performing, etc.)

Field trip destination
for local and regional
school groups

Home of local arts
organizations
(community theater,
orchestra, etc.)

Multipurpose
community gathering
space (weddings,
banquets, meetings,
academic events, etc.)

What we heard: Challenges associated with proposed PAC

Low density of tourism infrastructure on St. Helena Island (hotels, restaurants, shops, etc.)

Proximity to Charleston and Savannah markets could make securing larger acts difficult

An outdoor venue would be too seasonal and also be challenged by Mosquitos

What we heard: Opportunities associated with the proposed PAC

Showcase St.
Helena's history and
culture

Partner with other
local organizations
(Penn Center, TCL,
USCB, etc.)

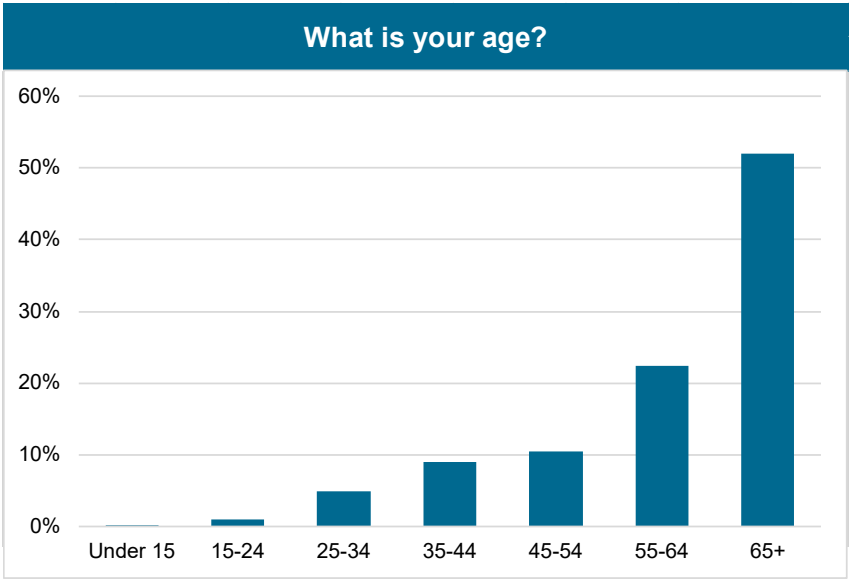
Provide
multipurpose space
to the St. Helena
community

Provide a source of
employment and of
workforce /
economic
development

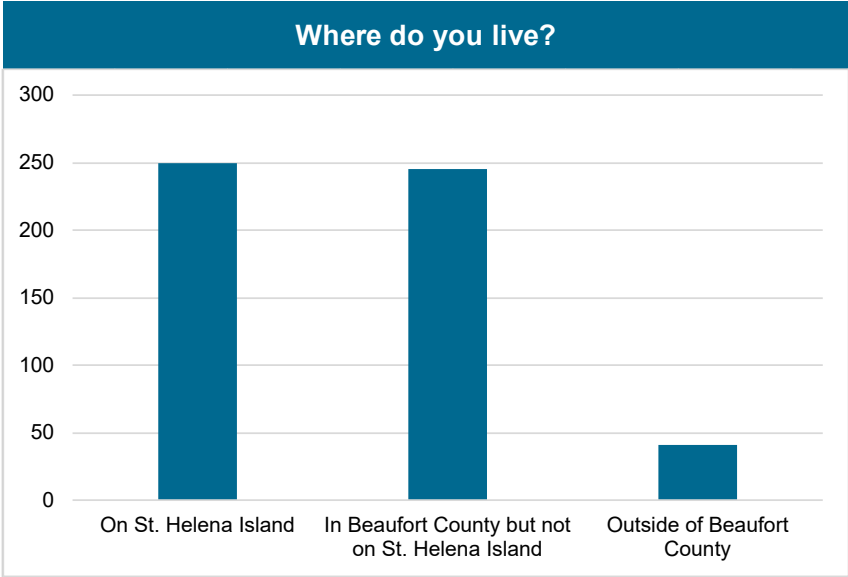
Survey Results

In order to engage a wider segment of the St. Helena community, the Consulting Team conducted a survey pertaining to a potential Arts Center. The survey was developed and distributed in collaboration with input from community leaders. The survey launched on December 12th, 2023, and both surveys were closed on January 15th, 2024. This survey generated 542 responses, a healthy sample from which to draw conclusions.

Questions 1 & 2 asked for basic demographic information about the survey respondents: age and place of residence. As shown by the graphs below, the age of respondents skews older with a majority of respondents over the age of 65, which is in line with St. Helena Island’s elderly population. Respondents’ place of residence was broken down into three categories: On St. Helena Island, In Beaufort County but not on St. Helena Island, and Outside of Beaufort County. There were a small number of respondents from outside of Beaufort county; a majority of residents came from Beaufort County with roughly half of that number coming from St. Helena Island itself.



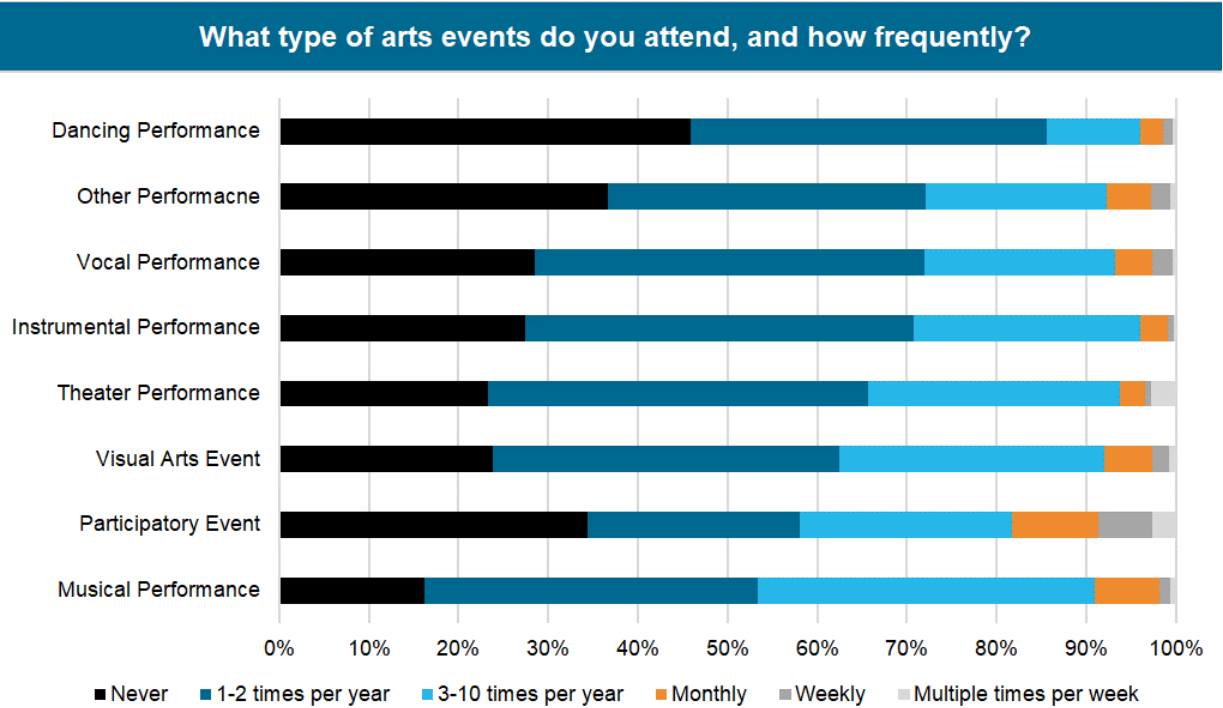
Source: Johnson Consulting



Source: Johnson Consulting

Survey Results

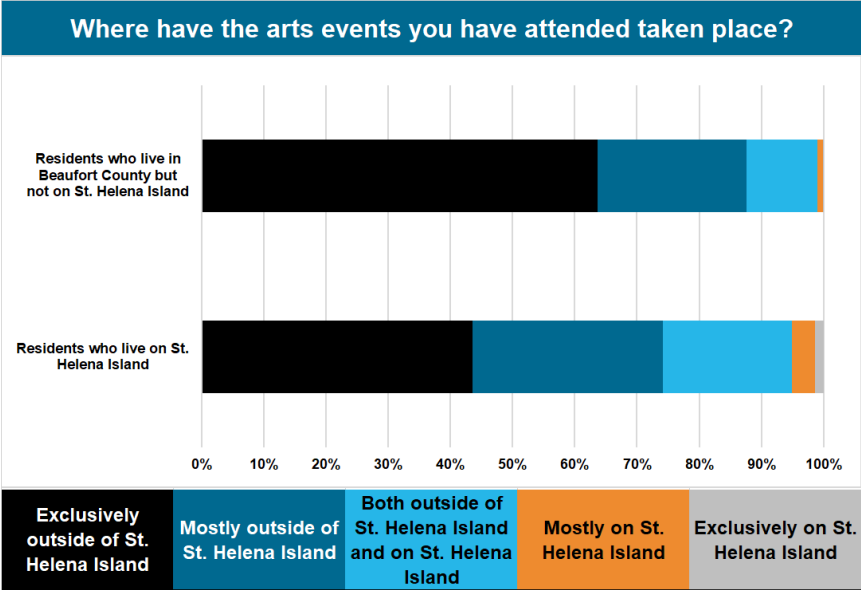
Question 3 of the survey aimed to gauge respondents’ current attendance and participation in arts-related events and activities. Although the frequency of attendance and participation varied between different types of events, the respondents showed a low propensity to attend events. As shown in the graph below, more than 50% of respondents reported attending an event less than three times a year for each kind of event. The least attended events were Dancing, Vocal and Instrumental performances; nearly 50% of respondents reported never attending a dancing performance. The most popular type of performance was musical performance where 47% of respondents attended 3 or more events a year. St. Helena Island residents reported never attending any type of art events at a rate 7.4 percentage points higher than their non-St. Helena Island Beaufort County counterparts and 16.9 percentage points higher than those who live outside of Beaufort County.



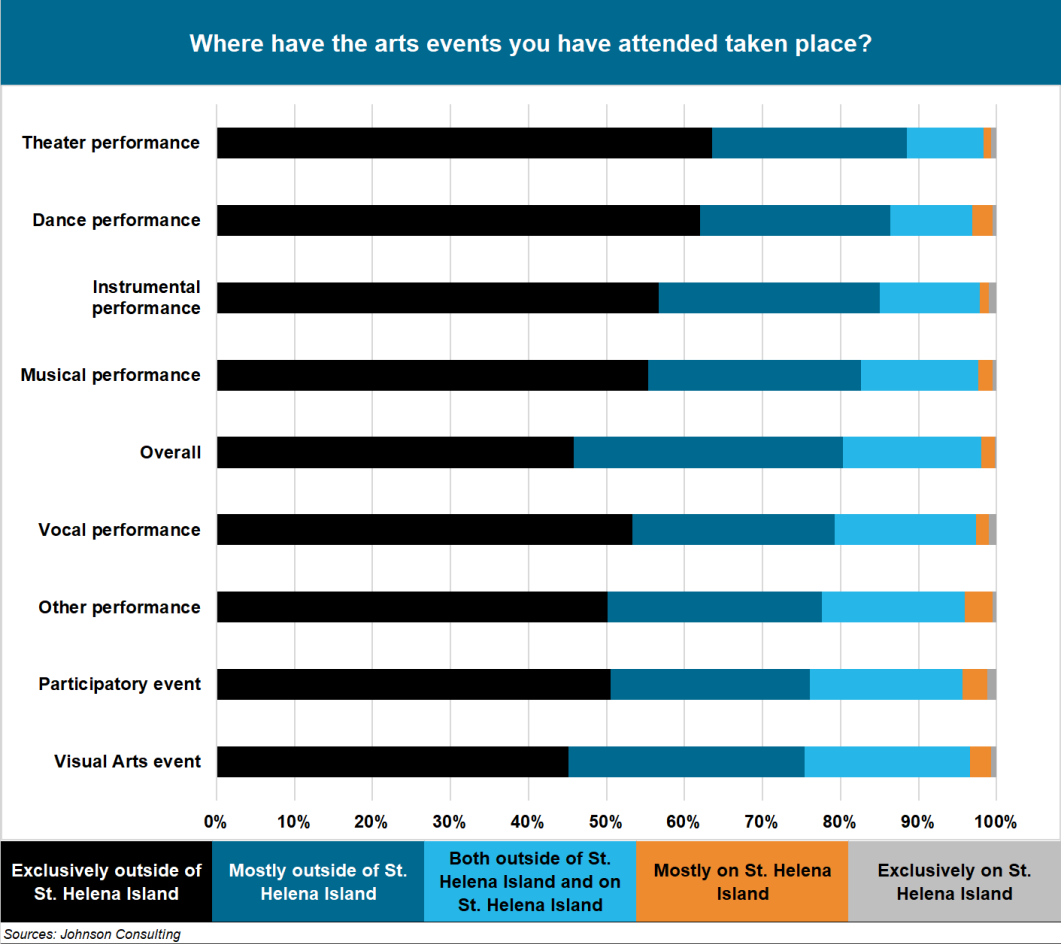
Source: Johnson Consulting

Survey Results

Question 4 of this survey sought to understand where these arts-related events and activities are taking place – either on St. Helena Island or not. Again, responses varied on the type of event or activity, but on average 81% of respondents indicated that these events occurred exclusively or mostly outside of St. Helena Island, compared to just 2.9% that indicated that these events occurred exclusively or mostly within St. Helena Island. This essentially signifies that St. Helena residents of St. Helena Island are not able to find the arts events they are looking for on the Island, and are forced to leave the island to access those events. The graph to the right presents the complete survey results for Question 4. The graph below shows that the residents of Beaufort County not on St. Helena Island attend events on St. Helena Island at a much lower rate than St. Helena Island residents.



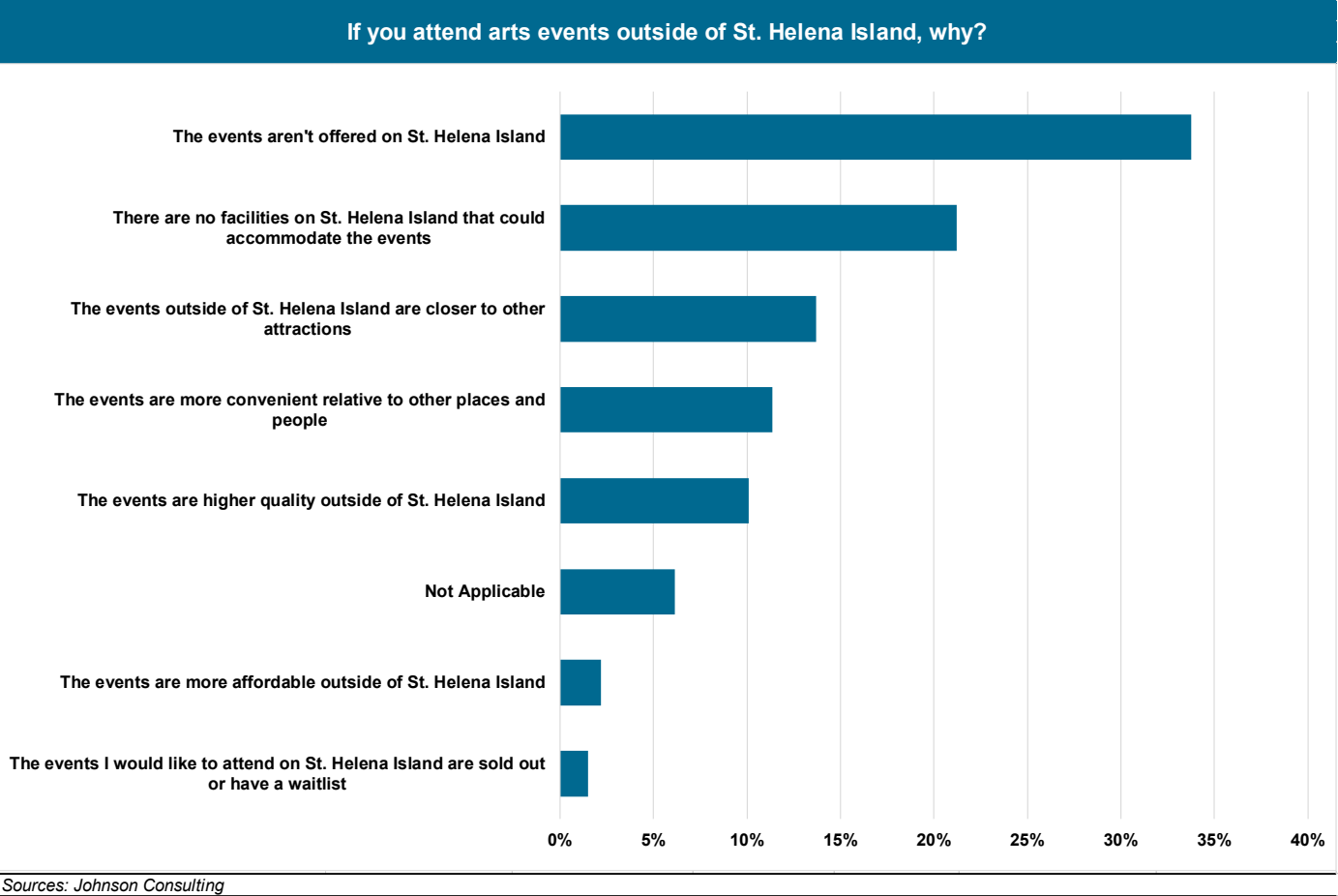
Sources: Johnson Consulting



Sources: Johnson Consulting

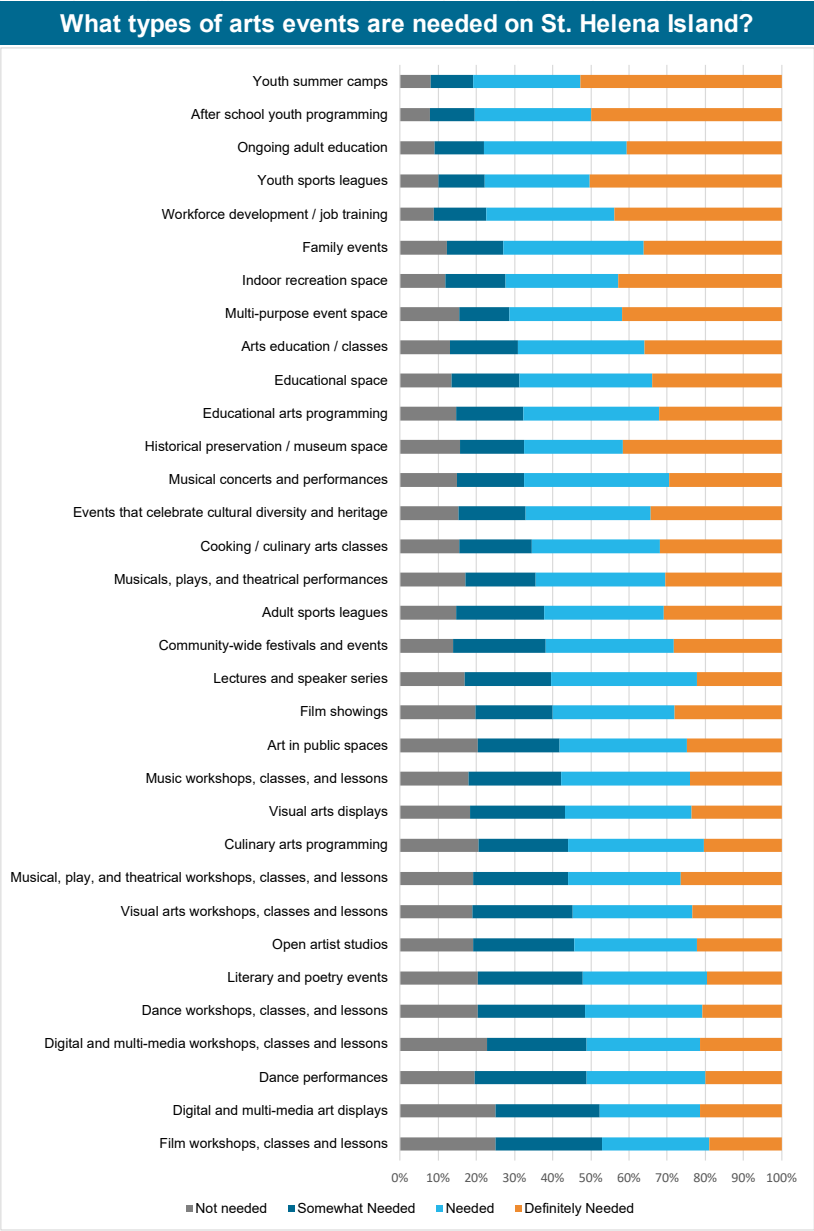
Survey Results

Question 5 asked respondents why they had attended arts events outside of St. Helena Island. Respondents indicated that the top two reasons why they left St. Helena Island for these events were because the events aren't offered on St. Helena Island and there are no facilities on St. Helena Island that could accommodate the events. The graph to the right presents the complete survey results for Question 5.



Survey Results

Question 6, the final question in the survey, asked respondents what types of arts events and activities are needed in St. Helena Island. Respondents stated that the most needed type of events are focused on youth programs such as Youth Summer Camps, After School Youth Programs, Youth Sports Leagues or Family Events. In addition to youth focused events, respondents felt that ongoing adult education and workforce development/job training would be valuable programming for the community. Many respondents felt that having an indoor recreation space or a multi-purpose events space was important for the community or similarly that a space for educational programming was important. Film workshops, Digital and multi-media art displays, Dance performances and Literary/Poetry events were ranked the least necessary types of events to host. The graph to the right shows the complete results of the survey question.



Sources: Johnson Consulting

Observations

The overwhelming takeaway from the stakeholder engagement process was the importance of the rich heritage and history of St. Helena Island and the Gullah Geechee Culture. The island and its community are an extremely important part of American history and remain a unique node of culture and tradition that is worthy of celebration. Recognition of this culture's value has surged in recent years, thanks in part to the National Parks Service's designation of Penn Center as a Reconstruction Era National Park, which has brought publicity and raised its profile on a national level. However, as was discussed by many stakeholders and survey respondents, there is certainly an opportunity for the contemplated Community and Cultural Events Center to continue the work of preserving and sharing the culture of St. Helena Island and the Gullah Geechee community.

However, that wasn't the only opportunity that was discussed. Many stakeholders and survey respondents discussed the need for a multipurpose space, and there were numerous programming ideas advanced for that space. One was as event space – stakeholders expressed a desire for a larger space on St. Helena Island for events such as banquets, parties, meetings, and other small to medium gatherings. Youth programming was discussed as a very important part of this space with events focusing on the arts (visual, culinary, performing, etc.), sports programs, and career education. Stakeholders were generally interested in ensuring that the facility be used as much as possible, and another thing that was suggested was bringing in local arts organizations such as community theater groups or the Beaufort Symphony Orchestra as tenants. On the whole, there was positivity about the opportunity that the contemplated facility has to be a valuable asset to the community.

With that said, there were some challenges raised throughout the engagement process. One primary challenge was that St. Helena doesn't have a high density of the sort of infrastructure – such as hotels, restaurants, and shops – that typically supports tourism. Given the Island's small population, non-local users would necessarily make up a large part of the audience for events at the Community and Cultural Events Center but would have limited options for places to stay, eat, drink, and shop before or after they attend an event. Additionally, stakeholders indicated proximity to the Charleston and Savannah markets could make it difficult for a Community and Cultural Events Center on St. Helena Island to book larger acts. Finally, when discussing the type of facility they would envision, stakeholders were concerned that cold weather in the winter and mosquitos in the summer would make an outdoor facility sub-optimal. Despite these drawbacks however, there was overall support for the contemplated facility and its opportunities to showcase St. Helena's history, serve as a community asset, and create economic activity and opportunity for the Island's residents.

| 5. Comparable Facilities Analysis

Overview

In order to better inform our study of the feasibility of a Community and Cultural Events Center on St. Helena Island, Johnson Consulting examined case studies of similar facilities. This analysis aided our understanding of the demand potential of such a facility as well as potential programming layers to explore. The following facilities were studied:

- Mountainside Theatre – Cherokee, NC
- Cotton Hall Theatre – Colquitt, GA
- Soundside Event Site – Nags Head, NC

These facilities are profiled in the table to the right as well as in detailed writeups on the following pages.

Comparable Case Studies Summary			
	Mountainside Theater	Cotton Hall Theater	Soundside Event Site
Location			
Location	Cherokee, NC	Colquitt, GA	Nags Head, NC
Demographics			
Population*	144,507	290,737	39,993
Median Household Income	\$50,785	\$43,541	\$72,436
Median Age	45.6	40.2	46.7
Entertainment Spending (per household)**	\$414	\$357	\$673
Ownership / Management			
Owner	Cherokee Historical Association	Colquitt / Miller Arts Council	Town of Nags Head / Dare County Tourism Board
Manager	Cherokee Historical Association	Colquitt / Miller Arts Council	Outer Banks Visitors Bureau
Facility			
Year Built (Renovated)	1950 (2015)	1994	2012
Total Project Cost	-	-	-
Largest Event Space	-	-	10 Acres [^]
Capacity	-	-	-
Hotels (10-Minute Drive, 50+ Rooms)	14	0	5
Total Rooms	1,211	0	380
Venue Capacity	2,800	284	8,000 [^]
Demand (Most Recent Year Available)			
Events	73	28	128
Visits	56,102	12,957	72,252
Average Visits per Visitor	1.83	3.1	1.31
Average Dwell Time (Minutes)	142	168	111
Non-Local*** Visitors (%)	61.7%	8.8%	47.8%
Financials (Most Recent Year Available)			
Revenue	\$1,815,358	\$713,543	\$63,200
Operating Expenses	\$2,171,790	\$1,035,197	\$400,735
Net Operating Income	(\$356,432)	(\$321,654)	(\$337,535)

*Includes 60-minute drive time radius from venue

**Includes average annual spending on tickets to theatre/opera/concerts; tickets to movies/museums/parks; and admission to sporting events

***Defined as visitors who live 100+ miles away from the relevant venue

[^]The Soundside Event Site is currently entirely outdoors

Source: Relevant Facilities, Placer.ai, Esri, Johnson Consulting

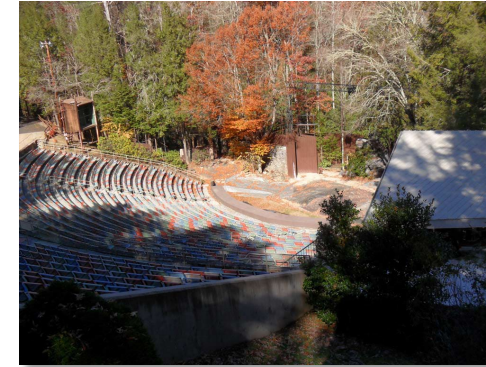
Mountainside Theatre

Location: The Mountainside Theatre is located in Cherokee, NC, which is a town in the Cherokee Indian Reservation with a population of roughly 2,200 people. The Cherokee Indian Reservation is in Western North Carolina, directly adjacent to the Great Smoky Mountains National Park. Though Cherokee itself is fairly small, there is a population of 144,507 residents within a 1-hour drive of the Theatre, in addition to the numerous tourists who visit the region every year; in 2021, the Great Smoky Mountains National Park hosted over 14 million visitors. Largely as a result of this tourism, there are 14 hotel properties with 50 or more rooms within a 10-minute drive of the venue.

Ownership & Management: The venue is owned and managed by the Cherokee Historical Association, a non-profit organization dedicated to preserving Cherokee history and culture.

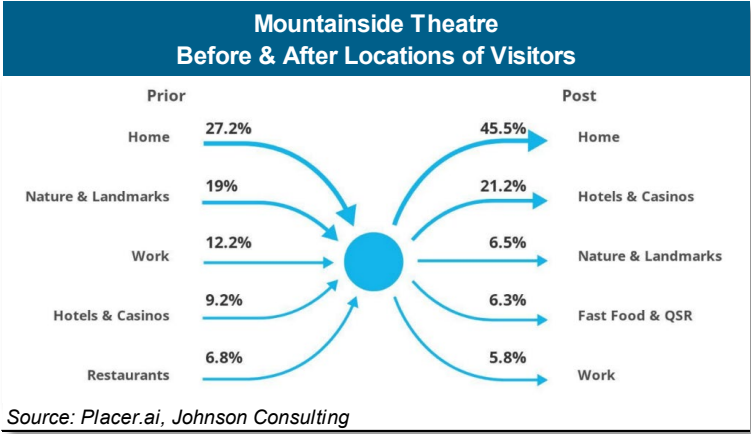
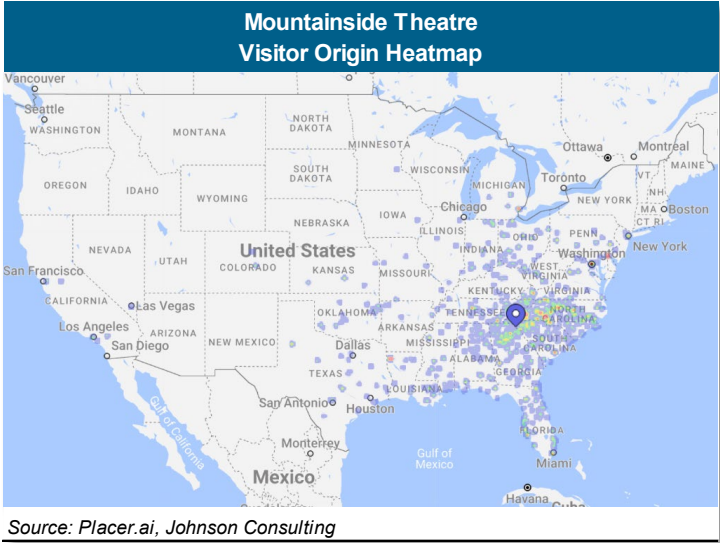
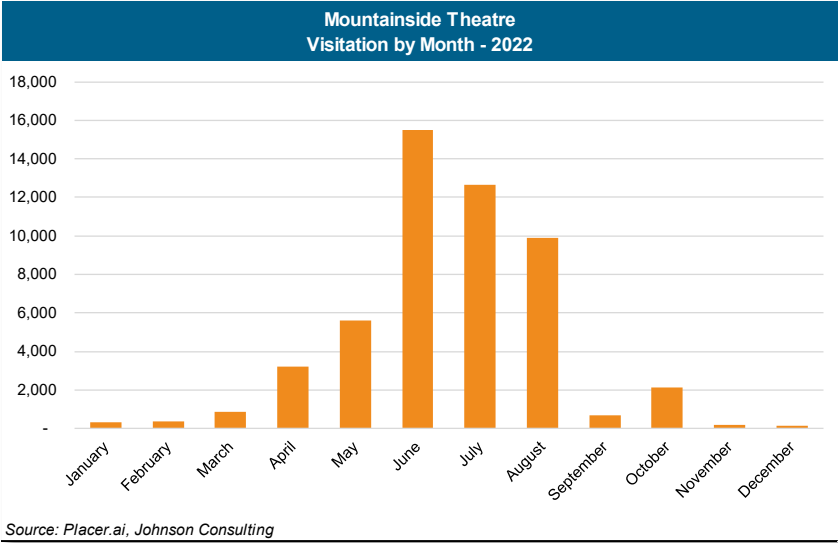
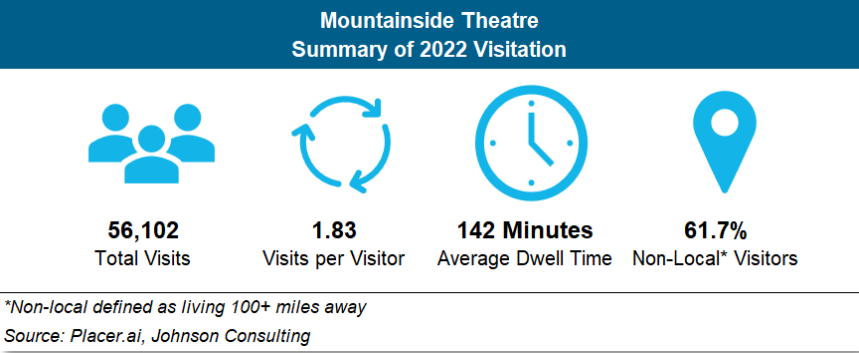
Facility Attributes: The Mountainside Theatre is an outdoor amphitheater with 2,800 seats. It is positioned within the Oconaluftee Indian Village, an interactive re-creation of a traditional Cherokee village.

Programming: From late May through early August, the Mountainside Theatre hosts six performances per week of “Unto These Hills,” a drama about the history of the Cherokee Nation. The show has been performed at the Mountainside Theatre since the venue opened in 1950 and is its primary tenant, though other shows are occasionally performed there as well. In addition to the performance, visitors can learn about the history and culture of the Cherokee Nation at the Oconaluftee Indian Village. The Village features guided tours of traditional Cherokee dwellings, work areas, and worship sites, as well as demonstrations of dances, canoe-making, basket weaving, and more.



Mountainside Theatre

Demand & Attendance: In 2022, 56,102 people attended shows at the Mountainside Theatre, an average of roughly 770 attendees per show. Oconaluftee Indian Village, which attracted 63,250 visitors in 2022, was an important component of the experience for many: 15.6 percent of visitors to Mountainside Theatre went there directly from the Village. Given the venue’s outdoor nature, demand is highly seasonal, with the vast majority of visitation occurring during the summer months of June, July, and August. However, this seasonality still allows the Mountainside Theatre to capitalize on the Great Smoky Mountain National Park’s peak season and help it draw visitors from across the eastern United States.



Mountainside Theatre

Revenue & Expenses: In 2021, the Cherokee Historical Association reported \$1.7 million of revenue and \$2.9 million of expenses from the Mountainside Theatre, for a total Net Operating Income (NOI) of (\$1.2 million). This operating deficit is significant and can be attributed in large part to the increasing costs of talent and labor driving up operating expense.

Cherokee Historical Association Operating Revenue & Expenses						
	2016	2017	2018	2019	2020	2021
Operating Revenue	\$1,639,892	\$1,629,167	\$1,588,453	\$1,804,153	\$372,313	\$1,729,639
Operating Expenses	\$2,534,208	\$2,703,118	\$2,222,851	\$2,190,821	\$1,146,397	\$2,907,768
Net Operating Income	(\$894,316)	(\$1,073,951)	(\$634,398)	(\$386,668)	(\$774,084)	(\$1,178,129)

Source: ProPublica, GuideStar, Johnson Consulting

Funding: The Cherokee Historical Association covers its operating deficits by fundraising and securing grants from various arts and culture organizations, as well as from the Cherokee Preservation Foundation.

Observations: The Mountainside Theatre provides an excellent example of how educational performing arts programming can serve as an economic development engine for a rural, historically marginalized community. “Unto These Hills” capitalizes on the region’s tourism by offering a complement to the natural beauty of the Great Smoky Mountains National Park and the shopping and dining options of Gatlinburg and Pigeon Forge; visitors go there to have an educational and cultural experience and to learn about the history of the Cherokee Nation. By targeting tourists rather than local residents through the consistent programming of one, nationally renown show, the Mountainside Theatre is able to draw significantly more visitors than would be suggested by its regional population. Additionally, packaging “Unto These Hills” with other local Cherokee attractions such as the Oconaluftee Indian Village and Museum of the Cherokee People entices visitors to spend an entire day in Cherokee, thereby generating a greater economic impact for the local economy via increased restaurant, retail, and hotel spending. This type of model could be emulated on St. Helena Island, which has numerous historical and cultural assets that could be tied together into one cohesive itinerary.

However, despite the facility’s success, longevity, and national profile, it often struggles to turn an operating profit. This demonstrates the financial challenges associated with operating facilities like these. Though the economic, fiscal, and community impacts can, in many cases, outweigh the financial deficits incurred by performing arts facilities, a dedicated organization and leadership structure needs to be in place to secure the funding needed to make ends meet.

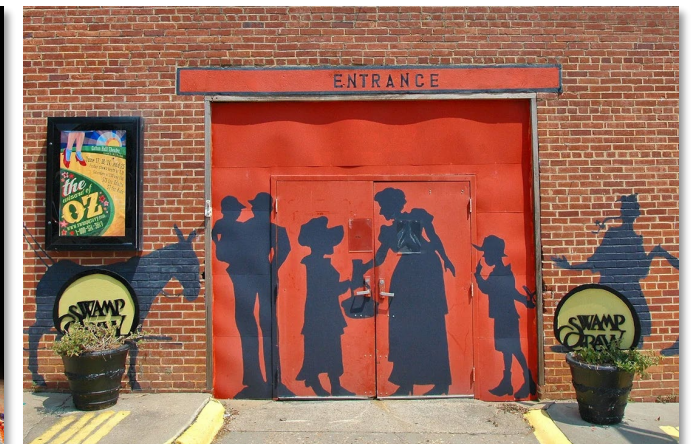
Cotton Hall Theatre

Location: The Cotton Hall Theatre is located in Colquitt, GA, which is a town with a population of roughly 2,000 people 61 miles to the north of Tallahassee, FL. Despite its size, Colquitt is somewhat notable from a cultural perspective: It has two local theatres (including the Cotton Hall Theatre) and numerous murals. Additionally, its Colquitt Town Square Historic District is on the National Register of Historic Places. However, it has no hotels and only a handful of restaurants and shops, limiting its tourism potential.

Ownership & Management: The venue is owned and managed by the Colquitt / Miller Arts Council, a non-profit organization promoting the arts in Colquitt and Miller County.

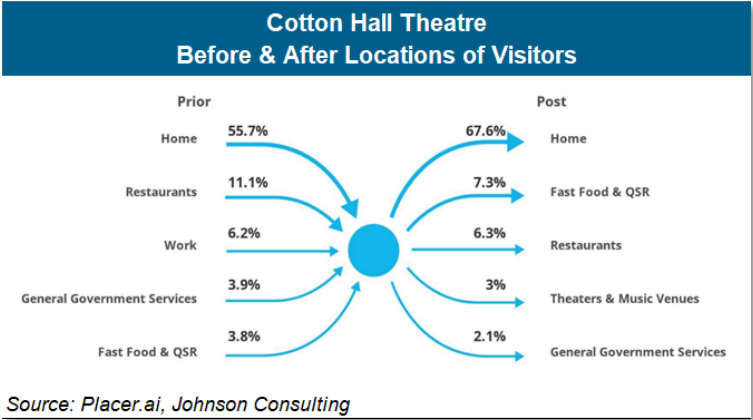
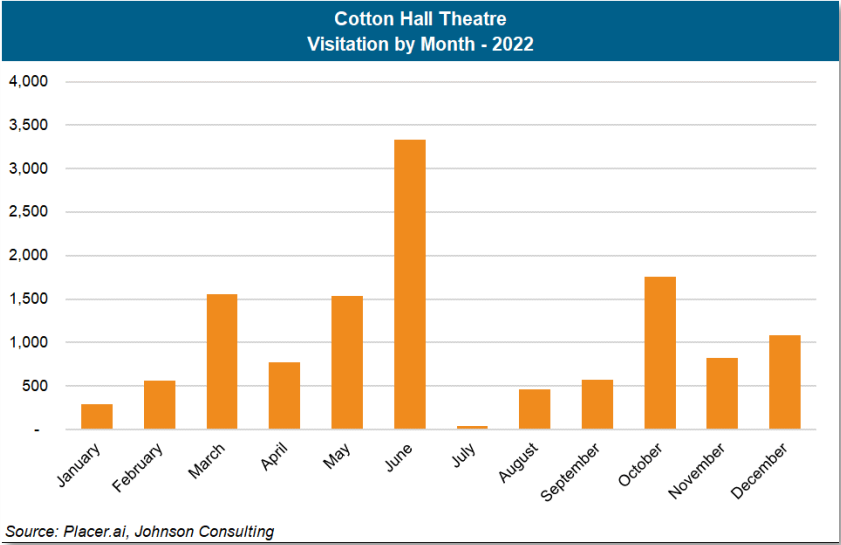
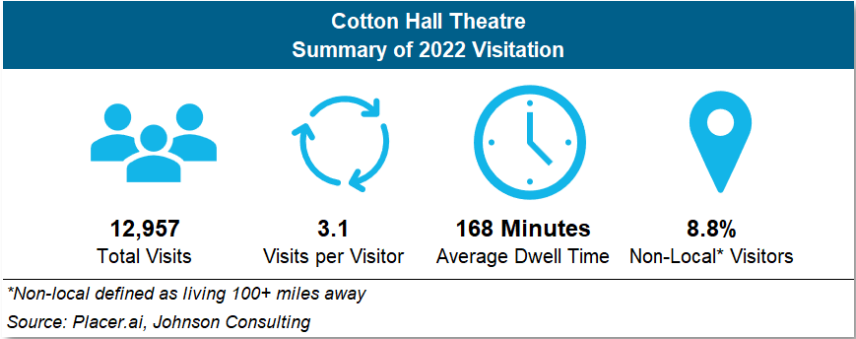
Facility Attributes: The Cotton Hall Theatre was originally built as a cotton gin and was converted to a 284-seat theatre in 1994, giving it a rustic-industrial theme which is complemented by a loading dock and antique Ford truck. Additionally, the building houses the Museum of Southern Cultures and a small concession area.

Programming: The Cotton Hall Theatre is best known for being the home of “Swamp Gravy,” a play which celebrates the history and culture of Colquitt and is staged and performed by an amateur cast of local volunteers. The show has two runs at the Cotton Hall Theatre, one in October and one in March, and also occasionally goes on tour. In addition to “Swamp Gravy,” the venue hosts various community theatre and children’s theatre productions throughout the year and can be rented out for private events.



Cotton Hall Theatre

Demand & Attendance: In 2022, the Cotton Hall Theatre was visited 12,957 times, with a fairly high rate of 3.1 visits per visitor. This preponderance of repeat visitors was in alignment with the low percentage of non-local visitors and the cluster of visitor origin in the area surrounding Colquitt. Clearly, though the Cotton Hall Theatre and “Swamp Gravy” are celebrated and supported locally, there is little national visibility and visitation. In large part this is likely due to Colquitt’s size and lack of visitor amenities – particularly hotels – as well as its distance from major tourist markets.



Cotton Hall Theatre

Revenue & Expenses: In 2022, the Colquitt / Miller Arts Council reported \$713,543 of revenue and just over \$1 million of expenses for a total Net Operating Income (NOI) of (\$321,654). Note that the organization also owns the New Life Learning Center (a center which hosts preschool and after school programs, summer camps, and a pottery painting studio) and Market on the Square (a consignment shop showcasing local art vendors). As such, it is unclear what proportion of the revenue and expenses can be attributed to each asset.

Funding: The Colquitt / Miller Arts Council covers its operating deficits by fundraising and securing grants from various arts and culture organizations such as the Georgia Council for the Arts, National Endowment for the Arts, and others.

Observations: The Cotton Hall Theatre showcases a different form of positive impact that a performing arts center can have on a community. Though the venue's economic impact is likely fairly minimal due to its low visitation overall and low proportion of non-local visitors, and though it struggles to turn an operating profit, it remains a significant community asset. The youth programming, event space, and arts performances are a significant amenity for residents of the area, and "Swamp Gravy" is a point of pride for locals as well as an important device for historical and cultural preservation and education. The Cotton Hall Theatre as well as the Colquitt / Miller Arts Council's other initiatives within the community provide a model for how a Community and Cultural Events Center on St. Helena Island could serve as a multipurpose community resource with an impact reaching beyond pure economic development.

Colquitt / Miller Arts Council Operating Revenue & Expenses							
	2016	2017	2018	2019	2020	2021	2022
Operating Revenue	\$463,554	\$534,955	\$569,009	\$553,570	\$458,903	\$522,208	\$713,543
Operating Expenses	\$890,098	\$629,421	\$694,591	\$863,879	\$867,433	\$973,209	\$1,035,197
Net Operating Income	(\$426,544)	(\$94,466)	(\$125,582)	(\$310,309)	(\$408,530)	(\$451,001)	(\$321,654)
Source: ProPublica, Johnson Consulting							

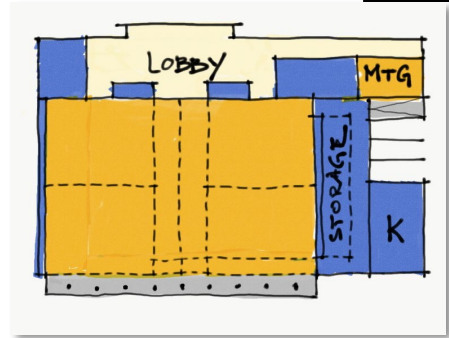
Soundside Event Site

Location: The Soundside Event Site is located in Nags Head, NC, which is a town in the Outer Banks region with a population of roughly 3,200 people. Due to the relative inaccessibility of the area, the population within a 1-hour drive is fairly small at just 39,993, though the area is reasonably affluent and spends a fair amount on entertainment. Part of this affluence comes from the local tourism industry, which also contributes to a solid hotel inventory surrounding the facility: There are five hotels of at least 50 rooms within a 10-minute drive.

Ownership & Management: The venue is owned by the Town of Nags Head and Dare County Tourism Board and managed by the Outer Banks Visitors Bureau, which is the region's primary convention and visitor's bureau (CVB).

Facility Attributes: Currently, the Soundside Event Site is essentially undeveloped – it is entirely outdoors and has no permanent structures. However, a plan has been approved to add a 48,000 square foot indoor event center to the site. The proposed facility would include a 26,000 square foot event hall, a 1,500 square foot meeting room, and a 2,800 square foot training / test kitchen, with the remaining square footage reserved for a lobby, restrooms, circulation space, and other back-of-house uses. A preliminary sketch of the facility is presented in the image on the top right.

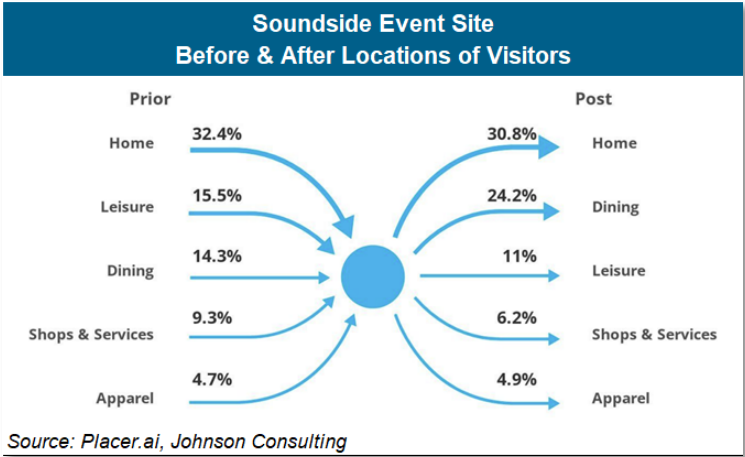
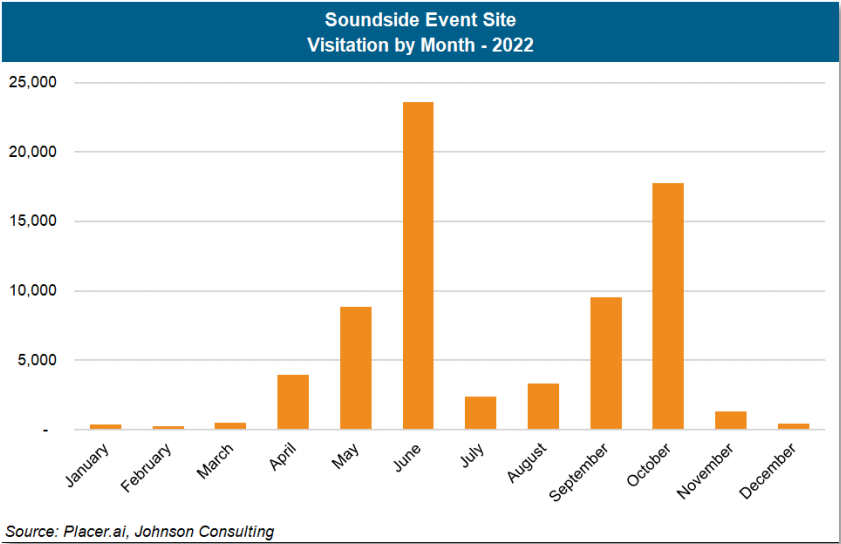
Programming: In its current state, the Soundside event site is limited to hosting exclusively outdoor events such as music festivals, food and beer festivals, classic car shows, and farmers markets. However, upon construction of the indoor event center, it is anticipated that programming will expand to include indoor events like trade shows, small conventions, meetings, concerts, and sports.



Soundside Event Site

Demand & Attendance: In 2022, the Soundside Event Site was visited 72,252 times, with nearly half of its visitors coming from more than 100 miles away. As is typical with an outdoor venue, demand was highly seasonal, with almost all visits occurring from April through October. The venue drew from across the mid-Atlantic region, with the preponderance of visitors coming from North Carolina, Virginia, or the Washington, D.C. area.

In general, visitors tended to patronize local retail establishments before or after visiting the venue: According to data from Placer.ai, 43.8 percent of visitors came from a location falling into the Leisure, Dining, Shops & Services, or Apparel categories and 46.3 percent visited a location in one of those categories immediately after going to the Soundside Event Site. This demonstrates the significant economic impact that festivals and events such as the ones hosted at this venue can have in terms of bringing retail spending into a community.



Soundside Event Site

Revenue & Expenses: In FYE 2023, the Soundside Event Site reported \$63,200 of revenue and \$400,735 of expenses for a total Net Operating Income (NOI) of (\$337,535). This is a significant operating deficit and is driven primarily by low revenues, which are mostly derived from rental fees for the site.

Funding: The Soundside Event Site covers its operating deficits through transfers from Dare County’s general fund, which subsidizes the facility due to its significant economic, fiscal, and community impacts.

Observations: The Soundside Event Site’s phased development is a model that should be considered for the contemplated Community and Cultural Events Center on St. Helena Island. By starting with just an undeveloped plot of land for outdoor festivals, the Dare County Tourism Board was able to prove out the demand for the site and allow several special events to be established and grow prior to making a larger capital investment in an indoor facility. This conservative strategy protected the facility’s ownership from the downside risk associated with building a new event center while providing immediate economic and fiscal impact benefits. Furthermore, the fact that additional investments are being made despite the facility typically operating at a deficit is a testament to its success as an economic engine for the Outer Banks community.

Soundside Event Site Operating Revenue & Expenses				
	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Operating Revenue	\$58,812	\$58,785	\$69,380	\$63,200
Operating Expenses	\$349,480	\$224,179	\$218,486	\$400,735
Net Operating Income	(\$290,668)	(\$165,394)	(\$149,106)	(\$337,535)
Source: Dare County Tourism Board, Johnson Consulting				

Implications

Location: A rural or small-town location without proximity to a large population base can be challenging for a performing arts center, as having a critical mass of population is crucial to drawing enough attendees to make such a facility profitable. This can be seen in the case of the Cotton Hall Theatre which, though it is a valued community asset, does not make a significant impact in terms of tourism or economic development. However, the Mountainside Theatre showcases a model for overcoming the disadvantages inherent to a rural location which can be applied to the contemplated PAC on St. Helena Island: package the performing arts event with other similar experiences and target tourists as a primary market.

Ownership & Management: It is typical for PACs similar to the one proposed for St. Helena Island to be operated and managed by either the public sector or a non-profit. In particular, it is valuable for these types of facilities to have a motivated operator to champion the project and pursue funding opportunities to cover operating deficits.

Facility Attributes: Outdoor facilities have the advantage of lower capital and operating costs, but, as is clear in the cases of the Soundside Event Site and Mountainside Theatre, they are highly seasonal and fail to attract visitors during the winter. Though St. Helena is somewhat further south than those venues, a PAC on the island would likely run into similar issues. The Soundside Event Site is working to mitigate this seasonality by adding an indoor facility to pair with its outdoor offerings. This hybrid orientation will allow it to host the large festivals which have become its primary market while also giving it the flexibility to have events throughout the year.

Programming: The Mountainside Theatre and Cotton Hall Theatre demonstrate the value in having a single tenant show based around history and cultural heritage. These types of shows are appealing to tourists who are looking for an educational experience, and having one consistent offering allows for the building of reputation and prominence over time. However, flexibility is also important, as is shown by the Soundside Event Site which is currently pursuing diversification of its programming.

Financials: Facilities such as the one proposed on St. Helena do not typically generate an operating profit. Rather, they rely on grants, fundraising, and government subsidies to cover operating losses. This is a feasible operating model as these facilities can have demonstrable positive community, economic, and fiscal impacts. However, it requires a motivated ownership and management team to recognize that value and secure funding to cover any operating losses that may be incurred.

| 6. Recommendations

Recommended Program

Based on the market analysis presented in the prior sections, Johnson Consulting recommends the program for the Community and Cultural Events Center presented in the table to the right.

We recommend that the facility have 8,500 square feet of net usable function space, including a 7,500 square foot multi-purpose hall and a 1,000 square foot meeting room, both of which should be divisible into smaller spaces using air walls. We recommend that the multi-purpose hall be equipped for a black box theatre set-up, with lighting infrastructure in the ceiling but not have permanent seating; rather, seating should be able to be set up or taken down depending on the event in order to maximize flexibility and serve the widest variety of users.

In addition to the usable function spaces, the facility would include roughly 4,250 square feet of support spaces, including administrative offices, a pantry kitchen, and back-of-house, circulation, and storage spaces.

Saint Helena Island Community and Cultural Events Center Recommended Program

	Size	
Function Space		
Multi-Purpose Hall	7,500	SF
Meeting Room	1,000	SF
Total Function Space	8,500	SF
Support Spaces*	4,250	SF
GRAND TOTAL	12,750	SF

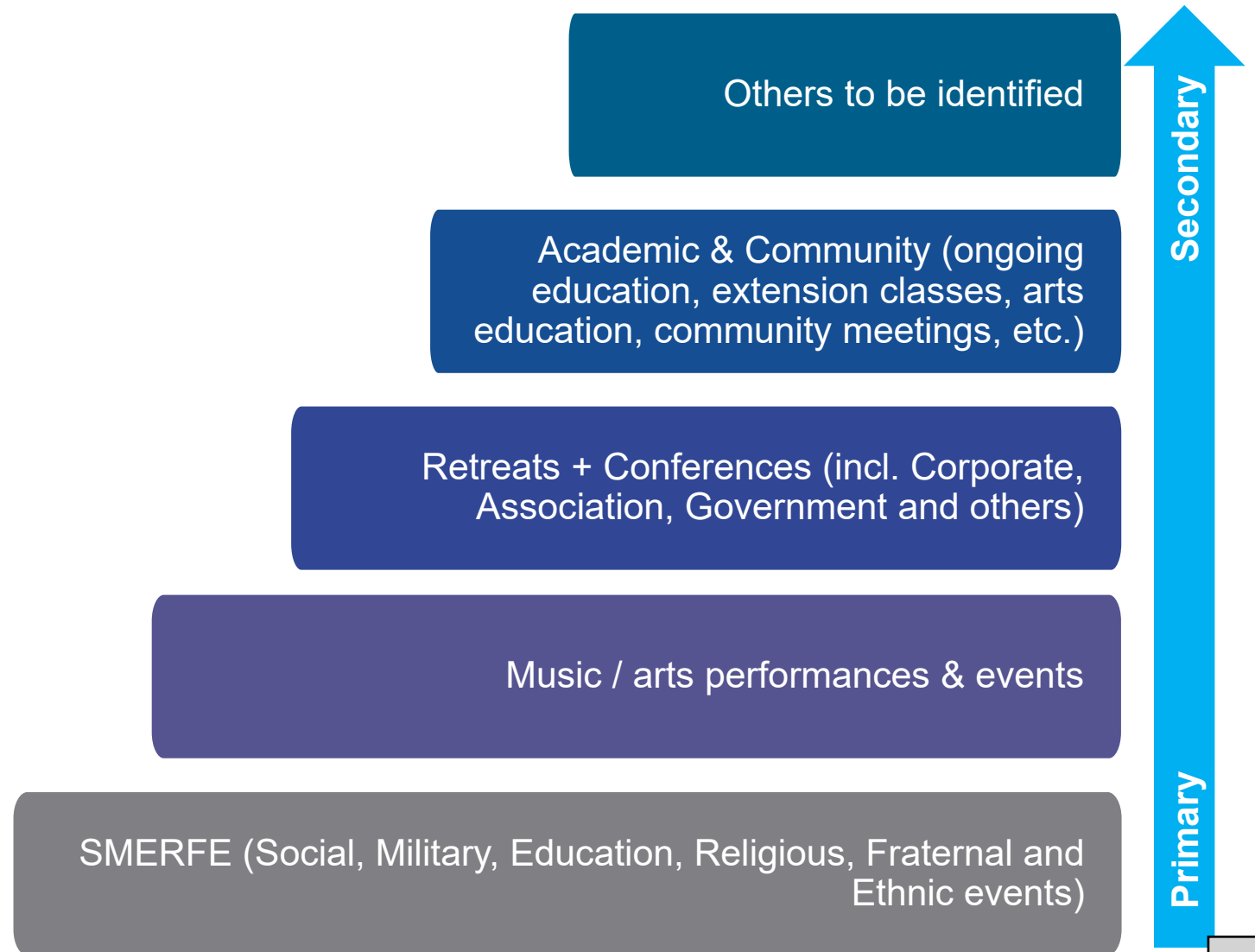
**Including administrative offices, a pantry kitchen, and back-of-house/circulation/storage spaces*

Source: Johnson Consulting

Demand Layers

This facility would immediately become the largest indoor gathering space on St. Helena Island and would be positioned optimally to support a range of events. We see its biggest demand driver being banquets, galas, and other social-type events. This is often referred to as the SMERFE market, which stands for Social, Military, Education, Fraternal, Religious, and Ethnic. Music and arts performances and events will also be a significant driver, fitting well into St. Helena Island's existing arts culture and filling the market need identified by the stakeholder survey.

Retreats and conferences are a smaller demand layer given the facility's size, but the idyllic setting of St. Helena Island would make it a good fit for smaller, more specialized events. Additionally, these could be in partnership with activities at the Penn Center to ensure that the heritage of the community is a key point of distinction and pride. Non-profit community events were identified as a need on the Island and would be a valuable use of the facility. Ongoing education programs, extension classes (potentially via a partnership with USC Beaufort), arts education, community meetings, youth programming, and more are potential uses here.



7. Projections and Impacts

Demand Projections

Events

The table below summarizes the projected event schedule, by event type, at the Community and Cultural Events Center over a 10-year period. The projections expand upon the demand strategy as described in Section 6 of this report. As shown, the facility is projected to host both “Non-Profit” events, which comprise about 20 percent of its projected demand in Year 5, and “For-Profit” events. The latter category is essentially split between music/ cultural performances, SMERFE events, and retreats & conferences. By Year 10, we project event demand to grow to roughly three events per week over the course of the year.

Saint Helena Island Community and Cultural Events Center Projected Event Demand

Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Non-Profit Events										
Academic & Community (ongoing education, extension classes, arts education, community meetings, etc.)	6	12	17	19	20	21	22	23	24	25
Non-Profit Subtotal	6	12	17	19	20	21	22	23	24	25
For Profit Events										
Music/ Cultural Performances	10	14	20	22	24	25	26	27	28	29
SMERFE (Social, Military, Education, Religious, Fraternal and Ethnic events)	10	14	18	22	25	26	27	28	29	30
Retreats + Conferences (incl. Corporate, Association, Government and others)	5	9	13	17	20	22	25	26	27	28
Others to be identified	12	12	12	12	12	12	12	12	12	12
Subtotal For Profit Events	37	49	63	73	81	85	90	93	96	99
Total (Non-Profit and For Profit Events)	43	61	80	92	101	106	112	116	120	124

Source: Johnson Consulting

Demand Projections

Attendance

As shown by the table below, the Community and Cultural Events Center is projected to attract 11,618 attendees in Year 5 of operations, increasing to 15,657 in Year 10 as event quantity and attendance per event grow. Roughly half of that attendance is projected to come from SMERFE events, such as banquets, galas, and private parties, with music/ cultural performances representing the second largest attendance category.

Saint Helena Island Community and Cultural Events Center Projected Attendance

Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Non-Profit Events										
Academic & Community (ongoing education, extension classes, arts education, community meetings, etc.)	240	504	748	874	960	1,029	1,100	1,173	1,248	1,325
For Profit Events										
Music/ Cultural Performances	1,500	2,184	3,240	3,696	4,200	4,475	4,758	5,049	5,348	5,655
SMERFE (Social, Military, Education, Religious, Fraternal and Ethnic events)	2,000	2,912	3,888	4,950	5,850	6,214	6,588	6,972	7,366	7,770
Retreats + Conferences (incl. Corporate, Association, Government and others)	250	468	702	952	1,160	1,298	1,500	1,586	1,674	1,764
Others to be identified	360	372	384	396	408	420	432	444	456	468
Subtotal For Profit Events	4,110	5,936	8,214	9,994	11,618	12,407	13,278	14,051	14,844	15,657
Total (Non-Profit and For Profit Events)	4,110	5,936	8,214	9,994	11,618	12,407	13,278	14,051	14,844	15,657

Source: Johnson Consulting

Financial Projections

Pro Forma

As shown by the table to the right, the Community and Cultural Events Center is projected to operate at a deficit, with a projected net operating loss of \$338,000 in Year 1 of operations, decreasing to a loss of \$228,000 in Year 10. Its largest revenue category projects to be food and beverage sales, driven largely by music/ cultural performances and SMERFE events, with space rental revenues projected to be its second largest revenue category. Salaries and wages for employees are projected to be the most significant expense.

Note that we have included a “reserve for replacement” line item. This dedicates 5 percent of gross annual revenue to a capital fund, which would be used for maintaining the building. It is critical for facilities such as this to have dedicated capital funds in order to maintain their competitiveness within the market and ability to serve their users.

Saint Helena Island Community and Cultural Events Center Pro Forma Operating Statement of Revenue and Expenses (\$000, Inflated)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues										
Space Rental	\$58	\$87	\$120	\$145	\$166	\$180	\$198	\$212	\$226	\$241
Food and Beverage Sales (Gross)	74	115	166	214	260	288	321	350	381	414
Equipment Rental and Event Services	12	17	24	29	33	36	40	42	45	48
Miscellaneous	4	7	10	12	14	16	17	19	20	22
Total Revenues	\$148	\$227	\$319	\$400	\$473	\$520	\$577	\$623	\$672	\$725
Expenses										
Salaries and Wages	\$244	\$251	\$259	\$267	\$275	\$283	\$291	\$300	\$309	\$318
Employee Benefits	85	88	91	93	96	99	102	105	108	111
Cost of Goods Sold	48	75	108	139	169	187	209	228	248	269
Advertising and Promotion	22	23	24	24	25	26	27	27	28	29
Administrative and General	34	35	36	37	38	39	41	42	43	44
Utilities	14	22	30	36	42	45	50	53	57	60
Maintenance and Repairs	9	13	18	22	25	27	30	32	34	36
Insurance	10	15	21	26	30	33	37	40	42	46
Miscellaneous	19	22	24	27	29	31	33	34	36	38
Total Expenses	\$486	\$544	\$610	\$672	\$729	\$771	\$818	\$861	\$905	\$952
Net Operating Income (Deficit)	(\$338)	(\$317)	(\$292)	(\$272)	(\$256)	(\$250)	(\$242)	(\$238)	(\$233)	(\$228)
Reserve for Replacement	\$5	\$8	\$11	\$13	\$15	\$17	\$18	\$20	\$21	\$23
NOI(D) after Reserve for Replacement	(\$343)	(\$325)	(\$302)	(\$285)	(\$271)	(\$267)	(\$260)	(\$257)	(\$254)	(\$251)

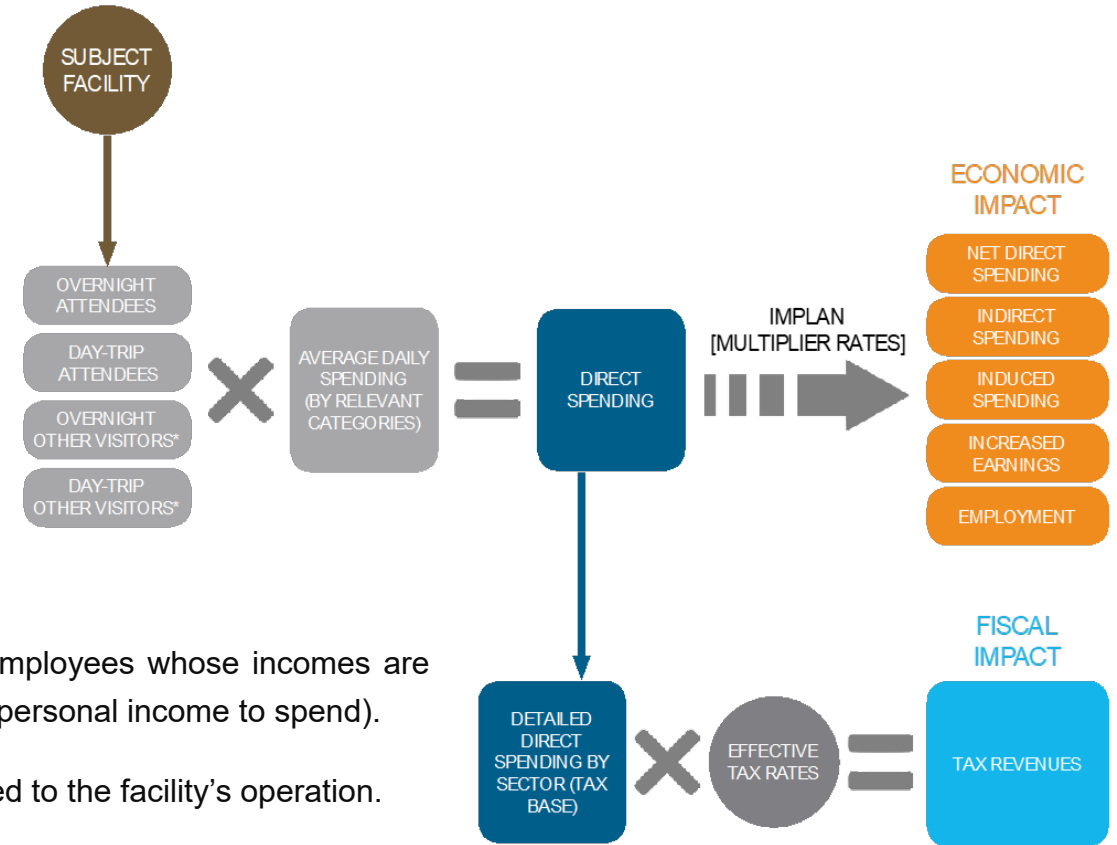
Source: Johnson Consulting

Impact Projections

Methodology

Economic Impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. For the purpose of this analysis, impact totals are discussed in terms of the Beaufort County economy. The levels of impacts are described as follows:

- **Direct Spend** – spending that occurs as a direct result of the facility's operation (example: attendee purchases meal at restaurant nearby).
- **Indirect Spend** – re-spending of the initial direct expenditures on goods and services (example: restaurant purchases more food from supplier).
- **Induced Spend** – changes in local consumption due to the personal spending by employees whose incomes are supported by direct and indirect spending (example: waiter at the restaurant has more personal income to spend).
- **Increased Earnings** – measures increased employee and worker compensation related to the facility's operation.
- **Employment** – measures the number of full-time equivalent (FTE) jobs supported in the local economy as a result of the facility's operation.
- **Fiscal Impact** – reflects tax revenues to local and state governments that result from the facility's operation.



Impact Projections

Multiplier Rates

The table on the top right summarizes the multiplier rates utilized in the economic impact estimates to calculate indirect spending, induced spending, increased earnings, and employment. These multiplier rates are derived from the Bureau of Economic Analysis’ Regional Input-output Model, which is a nationally recognized analytical tool commonly used to estimate economic impacts. An input-output model analyzes the commodities and income that normally flow through various sectors of the economy.

Tax Rates

The table on the bottom right summarizes the applicable tax rates utilized in the fiscal impact estimates. They focus on the taxes directly affected by visitors’ spending activities:

- **Sales Tax and County Green Space Tax** – is 7 percent total, with 6 percent of receipts of sales flowing to the State of South Carolina and 1 percent (the “County Green Space Tax”) flowing to Beaufort County.
- **Hotel Tax** – is applied to hotel room sales, in addition to Sales and Use Tax. Lodging tax is 3 percent total in Beaufort County, with all of that flowing to the County itself.

Saint Helena Island Community and Cultural Events Center Economic Impact Multilpiers

Impact	Multiplier	Base
Indirect Spending	0.217	per \$1 of direct spending
Induced Spending	0.305	per \$1 of direct spending
Increased Earnings	0.513	per \$1 of direct spending
Increased Employment	12.890	per \$1 million of direct spending

Source: BEA, Johnson Consulting

Saint Helena Island Community and Cultural Events Center Applicable Tax Rates

	Rate
State Sales Tax	6.00%
County Green Space Tax	1.00%
Hotel Tax	3.00%

Source: Johnson Consulting

Impact Projections

Economic and Fiscal Impacts

The table to the right summarizes the estimated activity and spending volume at the proposed Community and Cultural Events Center. As shown, in its opening year, the proposed facility is estimated to generate approximately 6,490 person-days and 581 room nights, resulting in approximately \$931,000 of total economic impact, \$314,000 of increased earnings, and support 8 full-time equivalent jobs. By Year 10 of operations, the facility is projected to generate 25,932 person-days as the number and size of events ramp up. This would result in 2,310 room nights, \$4.7 million of economic impact, \$1.6 million of increased earnings, and support 31 full-time equivalent jobs. By Year 10 of operations, the Community and Cultural Event Center is projected to create \$222,000 of total tax revenues per year, including \$36,000 flowing directly to Beaufort County.

Saint Helena Island Community and Cultural Events Center Estimated Spending and Impact (Inflated \$000)											
	Rate/ Assumption	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Activity Volume											
1 Attendance		4,110	5,936	8,214	9,994	11,618	12,407	13,278	14,051	14,844	15,657
Person-Days											
2 Attendees		5,770	8,710	12,122	14,922	17,375	18,615	20,022	21,200	22,408	23,646
3 Exhibitors and Other Visitors		720	1,058	1,431	1,659	1,835	1,934	2,055	2,132	2,209	2,286
4 Total		6,490	9,768	13,553	16,581	19,210	20,549	22,077	23,332	24,617	25,932
5 Room Nights		581	866	1,218	1,496	1,724	1,842	2,011	2,108	2,204	2,310
Sales Volume (\$000)											
6 Spending at Event Venue		\$148	\$227	\$319	\$400	\$473	\$520	\$577	\$623	\$672	\$725
Additional Spending											
7 On Lodging	<i>Average Spending</i> \$176.00 (a)	\$102	\$157	\$227	\$288	\$342	\$376	\$423	\$456	\$491	\$530
8 Attendees	\$46.20 (b)	\$267	\$414	\$594	\$753	\$903	\$997	\$1,105	\$1,205	\$1,311	\$1,425
9 Exhibitors and Other Visitors	\$96.20 (c)	69	105	146	174	199	216	236	252	269	287
10 On Car Rental	\$45.00 (d)	26	40	58	74	87	96	108	117	126	136
11 Subtotal Additional Spending		\$464	\$716	\$1,026	\$1,289	\$1,531	\$1,685	\$1,871	\$2,030	\$2,198	\$2,378
12 Total		\$612	\$943	\$1,344	\$1,689	\$2,004	\$2,205	\$2,448	\$2,653	\$2,870	\$3,103
Economic Impact (\$000)											
13 Direct Spending	<i>Multipliers</i>	\$612	\$943	\$1,344	\$1,689	\$2,004	\$2,205	\$2,448	\$2,653	\$2,870	\$3,103
14 Indirect Spending	0.217	133	204	291	366	434	478	531	575	622	673
15 Induced Spending	0.305	187	287	410	515	611	672	746	808	875	946
16 Total Spending		\$931	\$1,435	\$2,045	\$2,570	\$3,049	\$3,354	\$3,724	\$4,036	\$4,367	\$4,721
17 Increased Earnings	0.513	\$314	\$484	\$690	\$867	\$1,029	\$1,132	\$1,256	\$1,362	\$1,473	\$1,593
18 Increased Employment	12.89	8	12	16	20	23	25	26	28	29	31
Fiscal Impact (\$000)											
Tax Revenues											
19 Sales Tax (e)	<i>Tax Rate</i> 6.00%	\$37	\$57	\$81	\$101	\$120	\$132	\$147	\$159	\$172	\$186
20 County Green Space Tax	1.00%	4	6	8	11	13	14	15	17	18	20
21 Hotel Tax	3.00%	3	5	7	9	10	11	13	14	15	16
22 Total Tax Revenues		\$44	\$67	\$96	\$120	\$143	\$157	\$175	\$190	\$205	\$222

Notes:

a) From GSA Per Diem for Dare County.

b) Assuming an average spend of \$46.2 on meals and incidentals ON TOP OF what they may have spent already at the Event Venue. Total daily spending corresponds to GSA Per Diem for Beaufort County.

c) Assuming an average spend of \$96.2 on meals and incidentals (or \$50 higher than that of an attendee's) ON TOP OF what they may have spent already at the Event Venue.

d) Derived from Corporate Travel Index for Charleston, SC per Business Travel News. Only applied to overnight visitors who stay in hotels (represented approx. by number of roomnights).

e) Assuming that room revenues are sales-taxed at 6 percent as well.

Source: Johnson Consulting

| 8. Funding and Marketing Strategies

Funding Strategies

In North America, the construction, improvement, and expansion of public assembly facilities are typically financed with public debt, which is repaid over a 20- to 30-year period. Grants and benefactor support are also sourced. Sources of funds used to repay the debt are usually tax revenues and are often those generated from activities or businesses that are most likely to use, or otherwise benefit from, the facility. Hotel room occupancy taxes, special taxes on restaurants, sales taxes, car rental fees, parking taxes, airport access fees, and adjacent real estate taxes and profits are most often the revenue sources used to repay debt service. In addition, these tax sources are frequently used to finance the ongoing operations, capital improvements and marketing needs of the facility.

The mix of revenue sources selected in any given case depends upon the comparative level of existing taxes or fees, as well as what is considered to be both fair and reasonable under the unique political and economic circumstances relating to each specific project or venue. In most communities, a high level of commitment and coordinated community-wide effort, including both state and local governments, is necessary to successfully fund a new or improved project.

Financing Mechanisms

There are numerous financing tools used to fund public assembly facilities that could be applied to the Community and Cultural Events Center on St. Helena Island. These include:

1. *Pay-As-You-Go Financing:* Projects that are relatively small or that are financed in municipalities with rapidly growing tax bases are sometimes paid for directly out of appropriated funds each year. However, the majority of facilities are financed with long-term debt so that payment of capital costs corresponds to the period over which the facility is used and its economic benefits are realized. Some portion of the Community and Cultural Events Center might be paid for out of the County's general fund, but that portion is likely to make up a small amount of the overall capital stack.
2. *General Obligation Bond Financing:* Long-term bonding uses the general obligation of the County and/ or State either directly as part of a capital outlay program or as guaranteed debt of an authority that would provide strong credit and relatively low borrowing costs. GO bonding is typically reserved for projects perceived to benefit the population as a whole, such as educational, economic development, or transportation, and the Community and Cultural Events Center certainly falls within this category of projects.

Funding Strategies

3. *Revenue Bond Financing:* Revenue bonds are another source of finance that can be used to build, own, and operate public purpose facilities that have no power to tax. They derive their revenues from user fees and other sources and must finance general and capital expenditures out of these receipts and whatever amount they are permitted to borrow, which can be tailored to fit the specific requirements of the involved local and state governments. Given that this project is not projected to produce significant revenue, this is likely not a viable funding source.
4. *Capital Development Funds:* Certain public or non-profit organizations have funds devoted specifically to capital development projects. Often these funds are used for smaller, pay-as-you-go type projects, but they can also make up part of the capital stack on a larger project or improvement plan. This could be a viable funding source if a partner with such funds were identified for the project.
5. *FEMA Funds:* The Federal Emergency Management Authority (FEMA) will often contribute funds to facilities which it can use in its response to national disasters. FEMA invests in spaces in several fairgrounds and other event venues nationally, as they have become important regional safety headquarters. Given St. Helena Island's location in an area frequently impacted by hurricanes, this could be a very viable funding source and should be explored as the project moves forward.
6. *ARPA Funds:* The American Rescue Plan Act (ARPA) of 2021 is a \$1.9T economic stimulus package designed to help the U.S. recover from the COVID-19 pandemic. Part of that money can be used by States and Counties to finance various initiatives, including capital projects. ARPA funds must be committed by the end of 2024 and spent by the end of 2026. If Beaufort County has ARPA funds still available, they could be a viable funding source for this project.
7. *Naming Rights/ Sponsorships:* Sponsorships and particularly naming rights can be a substantial, long-term revenue stream for facilities. Given the proposed facility's small size and generally local audience, this isn't likely to make up a significant portion of the capital stack but could still contribute some portion.
8. *Infrastructure Contribution:* Infrastructure contributions can be a creative method of financing improvements to public assembly facilities. A government body can contribute infrastructure – such as roads, sewers, electricity, etc. – to a project, allowing it to use its public works budget rather than another component of its budget.

Funding Strategies

Taxing Mechanisms

In addition to the financing tools described above, there are a number of taxing mechanisms that could be used to fund the Community and Cultural Events Center, including:

1. *Sales Taxes*: Sales tax provides a strong credit structure because it is relatively predictable and tends to track with inflation and economic growth. A general sales tax increase, or expansion of the base, can provide a robust incremental revenue stream. However, these taxes are often difficult to implement because they primarily tax local residents and require referendum and/ or State legislative approval. There are examples of municipalities using a general sales tax, over a fixed period, to finance major capital projects. The quick-pay method enables municipalities to generate the necessary revenue over a short period of time, but a general sales tax is a blunt taxing instrument that does not provide a direct correlation between burden and benefit. This is a mechanism worth exploring for this project, but, due to the unpopular nature of sales taxes, is unlikely to be implemented.
2. *Hotel Occupancy Tax*: Hotel taxes have the major advantage of primarily taxing out-of-town visitors, rather than local residents. Given that this facility would contribute to some hotel rooms, some amount of hotel tax put to its financing would be reasonable, though that quantity is likely to be small.
3. *Food and Beverage Tax*: Food and beverage taxes have been used throughout the country to support the costs of developing, and renovating, public assembly facilities and to fund related infrastructure. The revenue potential is significant, as the second highest spend occurs on food service, after lodging. Food and beverage taxes are directed towards beneficiaries of the project and to some extent, non-residents. There may be an opportunity to leverage some portion of existing food and beverage tax revenues, or dedicating an additional point to support development and operations of the Community and Cultural Events Center.
4. *Tax Increment Financing (TIF)*: TIFs are based on the incremental tax value of ancillary economic development projects that are triggered by a major facility. The tax base of a defined TIF district is frozen and any increases in the future tax base are used to repay TIF bonds. While typically instated prior to construction of a new facility, they can be applied to support capital improvements and ongoing operations. The most powerful TIFs are those based on sales tax but there are many example of property tax based TIFs throughout the country. Notwithstanding this, given the predominantly rural nature of St. Helena Island, a TIF would unlikely yield sufficient revenues to support the Community and Cultural Events Center.

Funding Strategies

Taxing Mechanisms

5. *Land Lease Income:* Fees for the right to develop projects near a public assembly facility can assist in funding. These so-called linkage fees have been imposed in locations where land adjacent to a public assembly facility is at a premium, typically on hotels, parking decks, retail stores, and other uses that can benefit from their proximity to the facility. This could be contemplated for certain commercial uses near the Community and Cultural Events Center, though it is not desired by the community for the project to be overly commercial, so the impact here is likely limited.

Marketing Strategies

Target markets for the Community and Cultural Events Center will include a variety of event types and user groups – social events, arts events, community events, and small meetings and conferences, among others. Robust sales and marketing efforts will be required to establish and grow demand to ensure the long-term success of the Community and Cultural Events Center, and adequate staffing will be required. As a starting point, the following marketing efforts should be contemplated:

Website: Good searchability/ user navigation, content and visuals are key components of effective webpages. For the Community and Cultural Events Center, it will be important to include clear descriptions of rental facilities including dimensions, ceiling heights, capacity, accessibility, tech specs, etc. Providing example layouts and, at a later date, photos of past events, can also help prospective users visualize their event in the facilities. Online booking forms will streamline the booking process. It will also be key to clearly advertise upcoming events on this website.

Cross-Promotion: Visit Beaufort, local area chambers of commerce, and similar organizations can be effective partners for cross-promotion, as information can reach their members and affiliates through their established marketing and communications databases. There are also many opportunities to cross promote with other local assets, such as the Penn Center and USC Beaufort Performing Arts Center, as well as with the National Parks Service.

Marketing Strategies

Other Advertising Mediums: There are a multitude of advertising mediums, such as advertisements in local, regional, and even national publications, billboards, brochures, etc. that, while are more costly than social media, can be effective. Establishing an email list can be an effective, affordable means of consistent outreach and a basis for supporting a robust sales pipeline.

Tours/ Open Houses: For a new facility, it may be logical to offer a series of open houses, whereby local and regional residents, show managers, and other interested parties, can tour the new facility(s). This could occur in conjunction with a ribbon-cutting ceremony and on subsequent dates when the facility(s) are not booked for events. On a permanent basis, tours could be offered to interested users on a per-appointment basis, and virtual tours should also be available on the website.

Testimonials: Testimonials from past clients will be an invaluable marketing tool and can be published on the website. A simple “post-event” survey is a useful tool for receiving testimonials, as well as feedback as it relates to the facilities, staff, and overall experience to help guide and refine operations. This is also an opportunity to solicit interest in holding subsequent events at the Community and Cultural Events Center, which can focus sales and marketing efforts to specific groups.

“Festivalization”: This is a growing trend in the events industry, particularly for educational and corporate events that refers to the blending of educational/ formal meeting activities with unique immersive and/ or interactive entertainment, often over a multi-day period. There here may be opportunities to “upsell” or “cross-sell” facilities to encourage and accommodate synergistic activities during events. Marketing and sales efforts should focus on “what else the Community and Cultural Events Center can offer” outside of a client’s immediate facility needs, particularly as subsequent phases of development on the campus occur.

Customer Retention: Efforts should be made to strategically retain clients/ events that align with the optimal metrics of the Community and Cultural Events Center through great customer service, offering first right of refusal privileges tied to incentives that offer reward/ discounts for contract renewals, and so on. Long-term, multi-year and renewable contracts all contribute to known revenues and can serve as a significant revenue source for facilities of this nature.



BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

Item 9.

ITEM TITLE:
<i>RECOMMEND APPROVAL OF AN ORDINANCE AMENDING THE COMMUNITY DEVELOPMENT CODE (CDC): SECTION 3.1.60 (CONSOLIDATED USE TABLE), 3.3.40 (COMMUNITY CENTER MIXED USE (C4) ZONE STANDARDS), AND 3.3.50 (REGIONAL CENTER MIXED USE (C5) ZONE STANDARDS) TO ALLOW DWELLING: SINGLE FAMILY DETACHED UNIT IN C4 NEIGHBORHOOD MIXED USE AND C5 REGIONAL CENTER MIXED USE</i>
MEETING NAME AND DATE:
<i>Community Services and Land Use Committee Meeting, September 9, 2024</i>
PRESENTER INFORMATION:
<i>Robert Merchant, AICP, Director, Beaufort County Planning and Zoning (10 minutes needed for item discussion)</i>
ITEM BACKGROUND:
<i>This text amendment application went before the Beaufort County Planning Commission at their July 1, 2024, meeting. At that time, the Commission voted 4-3 to recommend approval of the proposed amendment to County Council. The same motion also recommended approval of applying the use to zoning district Community Center Mixed Use (C4). Therefore, the ordinance reflects the recommendation from staff and the Planning Commission.</i>
PROJECT / ITEM NARRATIVE:
<i>The applicant is seeking to amend the Community Development Code (CDC) to allow the use of Single Family Detached Unit in the C5 district because many properties zoned C5 are non-conforming and/or are platted purposefully to hold single-family homes.</i>
FISCAL IMPACT:
<i>Not applicable</i>
STAFF RECOMMENDATIONS TO COUNCIL:
<i>The text amendment helps further equity and promotes affordable housing. Staff recommends approval and encourages that zoning district C4 also adopts the amendment to continue further consistency.</i>
OPTIONS FOR COUNCIL MOTION:
<i>Motion to approve, modify, or deny the application as submitted.* *Council's decision must be based on the standards in Section 7.3.30 C of the Community Development Code (Attachment A to this AIS) and must clearly state the factors considered in making its decision and the basis or rationale for the decision. (7.4.90 B.3). These factors are as follows:</i> <ol style="list-style-type: none"><i>1. Is consistent with the goals, objectives, and policies of the Comprehensive Plan;</i><i>2. Is not in conflict with any provision of this Development Code or the Code of Ordinances;</i><i>3. Is required by changed conditions;</i><i>4. Addresses a demonstrated community need;</i><i>5. Is consistent with the purpose and intent of the zones in this Development Code, or would improve compatibility among uses and ensure efficient development within the County;</i><i>6. Would result in a logical and orderly development pattern; and</i>

7. *Would not result in adverse impacts on the natural environment, including but not limited to water, air, noise, stormwater management, wildlife, vegetation, wetlands, and the natural functioning of the environment.*

Attachment A.

CDC Section 7.3.30 B.7 Text Amendments provides:

The County Council's decision shall be based on the standards in Subsection 7.3.30.C.

CDC Section 7.3.30 Code Text Amendment Review Standards.

The advisability of amending the text of this Development Code is a matter committed to the legislative discretion of the County Council and is not controlled by any one factor. In determining whether to adopt or deny the proposed text amendment, the County Council shall weigh the relevance of and consider whether, and the extent to which, the proposed amendment:

1. Is consistent with the goals, objectives, and policies of the Comprehensive Plan;
2. Is not in conflict with any provision of this Development Code or the Code of Ordinances;
3. Is required by changed conditions;
4. Addresses a demonstrated community need;
5. Is consistent with the purpose and intent of the zones in this Development Code, or would improve compatibility among uses and ensure efficient development within the County;
6. Would result in a logical and orderly development pattern; and
7. Would not result in adverse impacts on the natural environment, including but not limited to water, air, noise, stormwater management, wildlife, vegetation, wetlands, and the natural functioning of the environment.

CDC Section 7.4.90 B.3 provides:

County Council's decision shall clearly state the factors considered in making the decision and the basis or rationale for the decision.

TEXT AMENDMENT REQUESTS

I MOVE THAT WE GRANT/(DENY) THE REQUEST FOR THE TEXT AMENDMENT FOR THE FOLLOWING REASONS (**STATE ALL THAT SUPPORT YOUR MOTION**).

THE REQUEST:

1. IS/ (IS NOT) CONSISTENT WITH THE GOALS, OBJECTIVES, AND POLICIES OF THE COMPREHENSIVE PLAN; _____
2. IS NOT/ (IS) IN CONFLICT WITH ANY PROVISION OF THIS DEVELOPMENT CODE OR THE CODE OF ORDINANCES; _____
3. IS/ (IS NOT) REQUIRED BY CHANGED CONDITIONS; _____
4. DOES/ (DOES NOT) ADDRESS A DEMONSTRATED COMMUNITY NEED; _____
5. IS/ (IS NOT) CONSISTENT WITH THE PURPOSE AND INTENT OF THE ZONES IN THIS DEVELOPMENT CODE, OR WOULD IMPROVE COMPATIBILITY AMONG USES AND ENSURE EFFICIENT DEVELOPMENT WITHIN THE COUNTY; _____
6. WOULD/ (WOULD NOT) RESULT IN A LOGICAL AND ORDERLY DEVELOPMENT PATTERN; _____
7. WOULD NOT/ (WOULD) RESULT IN ADVERSE IMPACTS ON THE NATURAL ENVIRONMENT INCLUDING BUT NOT LIMITED TO WATER, AIR, NOISE, STORMWATER MANAGEMENT, WILDLIFE, VEGETATION, WETLANDS, AND THE NATURAL FUNCTIONING OF THE ENVIRONMENT. _____



MEMORANDUM

TO: Alice Howard, Chair, Community Services and Land Use Committee of County Council

FROM: Robert Merchant, AICP, Beaufort County Planning and Zoning Department

DATE: July 5, 2024

SUBJECT: CONSIDERATION OF AN ORDINANCE AMENDING THE COMMUNITY DEVELOPMENT CODE (CDC): SECTION 3.1.60 (CONSOLIDATED USE TABLE), 3.3.40 (COMMUNITY CENTER MIXED USE (C4) ZONE STANDARDS), AND 3.3.50 (REGIONAL CENTER MIXED USE (C5) ZONE STANDARDS) TO ALLOW DWELLING: SINGLE FAMILY DETACHED UNIT IN C4 NEIGHBORHOOD MIXED USE AND C5 REGIONAL CENTER MIXED USE

STAFF REPORT:

A. BACKGROUND:

Case No. CDPA-000038-2024

Applicant: Rhonda W Bryan

Proposed Amendment: Amendment to Sections 3.1.60 and 3.3.50 of the Community Development Code

B. SUMMARY AND BACKGROUND:

The proposed amendment seeks to permit single-family residences within the C5 Regional Center Mixed Use zoning district. The current standards do not allow for this use which has created nonconformities within the county- specifically North of the Broad River. The current standards allow a full range of retail, service, and office uses. The proposed standards would allow a density compatible with surrounding Single-Family residential areas.

C. CODE TEXT AMENDMENT REVIEW STANDARDS: In determining whether to adopt or deny the proposed text amendment, the County Council shall weigh the relevance of and consider whether, and the extent to which, the proposed amendment:

1. **Is consistent with the goals, objectives, and policies of the Comprehensive Plan;** Yes, the amendment is consistent with and furthers the goals of the Comprehensive Plan. Strategy H.1 recommends to “develop policies for the appropriate location and quality of affordable housing.” A crucial aspect of affordability involves promoting infill development which is attainable through this amendment. Additionally, the Built

Environment Core Value #4 emphasizes the ability for landowners to profit from their land. Presently, numerous C5 properties are designated as non-conforming and feature small-lot patterns. The inability to build single-family homes on these lots diminishes equity by restricting property owners' choices and investment potential.

2. Is not in conflict with any provision of this Development Code or the Code of Ordinances;

No, it is not in conflict. However, to continue further consistency, it is recommended that zoning district Community Center Mixed Use (C4) is also amended to allow single-family detached dwelling units as well.

3. Is required by changed conditions;

No, it is not.

4. Addresses a demonstrated community need;

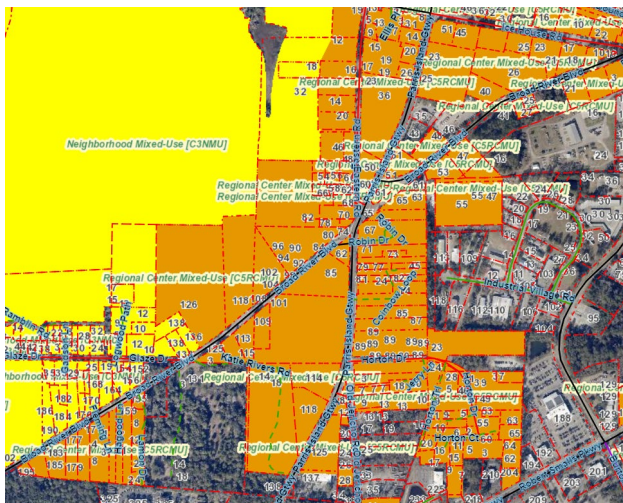
Yes, many properties zoned C5 are non-conforming and/or are platted purposefully to hold single-family homes. There exists a small lot pattern curated of low-density housing that needs to be considered conforming.

5. Is consistent with the purpose and intent of the zones in this Development Code, or would improve compatibility among uses and ensure efficient development within the County;

Yes, the Regional Center Mixed Use (C5) zoning district's purpose is to contain mixed uses; adding single family detached dwelling units furthers this purpose.

6. Would result in a logical and orderly development pattern; and

Yes, this would allow particular neighborhood compatible development – particularly along Parris Island Gateway.



It's essential to recognize that the market will not sustain expansive traditional single-family neighborhoods with 2.6 units per acre on extensive tracts along major roads.

7. Would not result in adverse impacts on the natural environment, including but not limited to water, air, noise, stormwater management, wildlife, vegetation, wetlands, and the natural functioning of the environment.

Yes, it would not result in adverse impacts. Any development on the site would be required to adhere to the natural resource protection, tree protection, wetland protection, and stormwater standards in the Community Development Code and the Stormwater BMP Manual.

D. STAFF RECOMMENDATION: Staff recommends approval.

E. PLANNING COMMISSION RECOMMENDATION: This text amendment went before the Beaufort County Planning Commission at their July 1, 2024 meeting. At that time, the Commission voted 4-3 to recommend approval of the proposed amendment along with recommending that zoning district C4 also adopt Single Family Detached Unit as a permitted use to County Council.

F. ATTACHMENTS:

- Text Amendment Changes

3.1.60 - Consolidated Use Table

Table 3.1.60: Consolidated Use Table																			
	Land Use Type	T 1 N	T2 R	T 2 R L	T2 R N	T2 R N O	T2 R C	T3 E	T3 H N	T 3 N	T3 N O	T4 H C	T4 V C	T4 H C O	T4 N C	C3	C4	C5	SI
AGRICULTURE																			
1.	Agriculture & Crop Harvesting	P	P	P	P	P	P	P	—	—	—	—	—	—	—	P	—	—	—
2.	Aquaponics	S	S	S	S	S	S	S								S			
3.	Agricultural Support Services	—	P	P	P	P	P	—	—	—	—	P	P	P	—	TC P	P	P	P
4.	Animal Production	—	C	—	C	C	C	—	—	—	—	—	—	—	—	—	—	—	—
5.	Animal Production: Factory Farming	—	S	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6.	Seasonal Farmworker Housing	—	C	C	C	C	C	C	—	—	—	—	—	—	—	C	—	—	—
7.	Forestry	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
8.	Commercial Stables	—	C	C	C	C	C	—	—	—	—	—	—	—	—	C	—	—	—
RESIDENTIAL																			
1.	Dwelling: Single Family Detached Unit	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	TC P P	TC P P	—

3.3.40 - Community Center Mixed Use (C4) Zone Standards

A. Purpose	
The Community Center Mixed Use (C4) Zone provides for a limited number of retail, service, and office uses intended to serve the surrounding neighborhood.	
These are smaller uses and not highway service types of uses. The intensity standards are set to ensure that the uses have the same suburban character as the surrounding suburban residential areas. They are intended to blend with the surrounding areas, not threaten the character of the area. This Zone shall not consist of strip developments but rather neighborhood centers with a sense of place.	
B. Building Placement	
Setback (Distance from ROW/Property Line)	
Front	20' min.
Side:	
Side, Main Building	10' min.
Side, Ancillary Building	10' min.
Rear	15' min.
Lot Size	
Lot Size	5,000 SF min.
Width	50' min.
Minimum Site Area	
Single-Family and Duplex	5,000 SF
Multi-Family	21,780 SF
Note:	
For development within a Traditional Community Plan meeting the requirements of Division 2.3, setback, minimum lot size and minimum site area requirements of the transect zone established and delineated on the regulating plan shall apply.	
C. Building Form	
Building Height	

Single-Family and Duplex	2.5 stories max.
Multi-Family	3 stories max.
Non-Residential Buildings	2 stories max.
Ground Floor Finish Level	No minimum
D. Gross Density ¹ and Floor Area Ratio	
Gross Density	12 d.u./acre max.
Floor Area Ratio ²	0.23 max.
¹ Gross Density is the total number of dwelling units on a site divided by the Base Site Area (Division 6.1.40.F).	
² Requirement applies to non-residential buildings.	
E. Parking	
For parking space requirements see Table 5.5.40.B (Parking Space Requirements).	

F. C4 Allowed Uses

Land Use Type ¹	Specific Use Regulations	C4
Agriculture		
Agricultural Support Services		P
Forestry		P
Residential		
Dwelling: Single-Family Detached Unit	2.3	TCP P
Dwelling: Single-Family Attached Unit	2.3	TCP

3.3.50 - Regional Center Mixed Use (C5) Zone Standards

A. Purpose	
<p>The Regional Center Mixed Use (C5) Zone permits a full range of retail, service, and office uses. The Zone's intensity accommodates regional and community commercial and business activities. Uses include large, commercial activities that serve the entire County and highway-oriented businesses that need to be located on major highways. While this use intends high-quality, commercial character, the setback or build-to-line, landscaping and other design requirements provide a uniform streetscape that makes provision for pedestrian and transit access. The Zone is intended to be more attractive than commercial areas in other counties to maintain the attractive tourist and business environment and have minimal impact on surrounding residential areas.</p> <p>The Zone is not intended to be a strip along all arterials and collectors. In developing areas, the minimum depth of a parcel along an arterial or collector shall be 600'. The minimum zone size shall be 20 acres. In the older, built-up areas, new uses shall have depths and areas equal to or greater than similar uses in the area. This Zone shall be located in areas designated "regional commercial" in the Comprehensive Plan.</p>	
B. Building Placement	
Setback (Distance from ROW/Property Line)	
Front	25' min.
Side:	
Side, Main Building	15' min.
Side, Ancillary Building	15' min.
Rear	10' min.
Lot Size	
Single-Family Detached	5,000 SF min.
Lot Size All Other Uses	21,780 SF min.
Width	150' min.
Note:	
For development within a Traditional Community Plan meeting the requirements of Division 2.3, setback, minimum lot size and minimum site area requirements of the transect zone established and delineated on the regulating plan shall apply.	
C. Building Form	
Building Height	

Single-Family Detached	2.5 stories max
All Buildings All Other Buildings	3 stories max.
Ground Floor Finish Level	No minimum
D. Gross Density ¹ and Floor Area Ratio	
Density	15.0 d.u./acre max. ²
Floor Area Ratio ³	0.37 max.
¹ Gross Density is the total number of dwelling units on a site divided by the Base Site Area (Division 6.1.40.F).	
² See Section 4.1.350 for Affordable Housing density bonuses.	
³ Requirement applies to non-residential buildings.	
E. Parking	
For parking space requirements see Table 5.5.40.B (Parking Space Requirements).	

F. C5 Allowed Uses

Land Use Type ¹	Specific Use Regulations	C5
Agriculture		
Agricultural Support Services		P
Forestry		P
Residential		
Dwelling: Single-Family Detached Unit	2.3	TCP P
Dwelling: Single-Family Attached Unit	2.3	TCP

ORDINANCE 2024/_____

AN ORDINANCE AMENDING THE COMMUNITY DEVELOPMENT CODE (CDC): SECTION 3.1.60 (CONSOLIDATED USE TABLE), 3.3.40 (COMMUNITY CENTER MIXED USE (C4) ZONE STANDARDS), AND 3.3.50 (REGIONAL CENTER MIXED USE (C5) ZONE STANDARDS) TO ALLOW DWELLING: SINGLE FAMILY DETACHED UNIT IN C4 NEIGHBORHOOD MIXED USE AND C5 REGIONAL CENTER MIXED USE

WHEREAS, the Regional Center Mixed Use (C5) zoning district does not permit single family detached units unless in a Traditional Community Plan; and

WHEREAS, a landowner has requested to permit single family detached units in C5; and

WHEREAS, the Planning Department has proposed this amendment to allow density compatible with surrounding Single-Family residential areas; and

WHEREAS, the Beaufort County Comprehensive Plan recommends to “develop policies for the appropriate location and quality of affordable housing” and emphasizes the ability for landowners to profit from their land; and

WHEREAS, the Beaufort County Planning Commission considered the request on July 1, 2024, voting 4-3 to recommend that County Council approve the request along with the recommendation that the changes also be applied to Community Center Mixed Use (C4) zoning district; and

WHEREAS, County Council now wishes to amend the Community Development Code (CDC) to permit single family detached units to Community Center Mixed Use (C4) and Regional Center Mixed Use (C5) zoning districts.

NOW, THEREFORE be it ordained by County Council in a meeting duly assembled as follows:

The Community Development Code is hereby amended to permit the use of Single Family Detached Unit to Community Center Mixed Use (C4) and Regional Center Mixed Use (C5) zoning districts. Sections 3.1.60, 3.3.40, and 3.3.50 of the Community Development Code are hereby amended to reflect the language depicted in Exhibit A.

Ordained this ____ day of _____, 2024

Joseph Passiment, Chairman

Sarah Brock, Clerk to Council

3.1.60 - Consolidated Use Table

Table 3.1.60: Consolidated Use Table																			
	Land Use Type	T 1 N	T2 R	T 2 R L	T2 R N	T2 R N O	T2 R C	T3 E	T3 H N	T 3 N	T3 N O	T4 H C	T4 V C	T4 H C O	T4 N C	C3	C4	C5	SI
AGRICULTURE																			
1.	Agriculture & Crop Harvesting	P	P	P	P	P	P	P	—	—	—	—	—	—	—	P	—	—	—
2.	Aquaponics	S	S	S	S	S	S	S								S			
3.	Agricultural Support Services	—	P	P	P	P	P	—	—	—	—	P	P	P	—	TC P	P	P	P
4.	Animal Production	—	C	—	C	C	C	—	—	—	—	—	—	—	—	—	—	—	—
5.	Animal Production: Factory Farming	—	S	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6.	Seasonal Farmworker Housing	—	C	C	C	C	C	C	—	—	—	—	—	—	—	C	—	—	—
7.	Forestry	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
8.	Commercial Stables	—	C	C	C	C	C	—	—	—	—	—	—	—	—	C	—	—	—
RESIDENTIAL																			
1.	Dwelling: Single Family Detached Unit	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	TC P P	TC P P	—

3.3.40 - Community Center Mixed Use (C4) Zone Standards

A. Purpose	
The Community Center Mixed Use (C4) Zone provides for a limited number of retail, service, and office uses intended to serve the surrounding neighborhood.	
These are smaller uses and not highway service types of uses. The intensity standards are set to ensure that the uses have the same suburban character as the surrounding suburban residential areas. They are intended to blend with the surrounding areas, not threaten the character of the area. This Zone shall not consist of strip developments but rather neighborhood centers with a sense of place.	
B. Building Placement	
Setback (Distance from ROW/Property Line)	
Front	20' min.
Side:	
Side, Main Building	10' min.
Side, Ancillary Building	10' min.
Rear	15' min.
Lot Size	
Lot Size	5,000 SF min.
Width	50' min.
Minimum Site Area	
Single-Family and Duplex	5,000 SF
Multi-Family	21,780 SF
Note:	
For development within a Traditional Community Plan meeting the requirements of Division 2.3, setback, minimum lot size and minimum site area requirements of the transect zone established and delineated on the regulating plan shall apply.	
C. Building Form	
Building Height	

Single-Family and Duplex	2.5 stories max.
Multi-Family	3 stories max.
Non-Residential Buildings	2 stories max.
Ground Floor Finish Level	No minimum
D. Gross Density ¹ and Floor Area Ratio	
Gross Density	12 d.u./acre max.
Floor Area Ratio ²	0.23 max.
¹ Gross Density is the total number of dwelling units on a site divided by the Base Site Area (Division 6.1.40.F).	
² Requirement applies to non-residential buildings.	
E. Parking	
For parking space requirements see Table 5.5.40.B (Parking Space Requirements).	

F. C4 Allowed Uses

Land Use Type ¹	Specific Use Regulations	C4
Agriculture		
Agricultural Support Services		P
Forestry		P
Residential		
Dwelling: Single-Family Detached Unit	2.3	TCP P
Dwelling: Single-Family Attached Unit	2.3	TCP

3.3.50 - Regional Center Mixed Use (C5) Zone Standards

A. Purpose

The Regional Center Mixed Use (C5) Zone permits a full range of retail, service, and office uses. The Zone's intensity accommodates regional and community commercial and business activities. Uses include large, commercial activities that serve the entire County and highway-oriented businesses that need to be located on major highways. While this use intends high-quality, commercial character, the setback or build-to-line, landscaping and other design requirements provide a uniform streetscape that makes provision for pedestrian and transit access. The Zone is intended to be more attractive than commercial areas in other counties to maintain the attractive tourist and business environment and have minimal impact on surrounding residential areas.

The Zone is not intended to be a strip along all arterials and collectors. In developing areas, the minimum depth of a parcel along an arterial or collector shall be 600'. The minimum zone size shall be 20 acres. In the older, built-up areas, new uses shall have depths and areas equal to or greater than similar uses in the area. This Zone shall be located in areas designated "regional commercial" in the Comprehensive Plan.

B. Building Placement

Setback (Distance from ROW/Property Line)

Front	25' min.
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Side:

Side, Main Building	15' min.
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Side, Ancillary Building	15' min.
--------------------------	----------

Rear	10' min.
------	----------

Lot Size

Single-Family Detached	5,000 SF min.
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Lot Size All Other Uses	21,780 SF min.
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Width	150' min.
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Note:

For development within a Traditional Community Plan meeting the requirements of Division 2.3, setback, minimum lot size and minimum site area requirements of the transect zone established and delineated on the regulating plan shall apply.

C. Building Form

Building Height

Single-Family Detached	2.5 stories max
All Buildings All Other Buildings	3 stories max.
Ground Floor Finish Level	No minimum
D. Gross Density ¹ and Floor Area Ratio	
Density	15.0 d.u./acre max. ²
Floor Area Ratio ³	0.37 max.
¹ Gross Density is the total number of dwelling units on a site divided by the Base Site Area (Division 6.1.40.F).	
² See Section 4.1.350 for Affordable Housing density bonuses.	
³ Requirement applies to non-residential buildings.	
E. Parking	
For parking space requirements see Table 5.5.40.B (Parking Space Requirements).	

F. C5 Allowed Uses

Land Use Type ¹	Specific Use Regulations	C5
Agriculture		
Agricultural Support Services		P
Forestry		P
Residential		
Dwelling: Single-Family Detached Unit	2.3	TCP P
Dwelling: Single-Family Attached Unit	2.3	TCP



BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

Item 10.

ITEM TITLE:

TEXT AMENDMENT TO ARTICLE 1 (GENERAL PROVISIONS), DIVISION 1.3 (APPLICABILITY AND JURISDICTION), SECTION 1.3.50 (EXEMPTIONS) OF THE COMMUNITY DEVELOPMENT CODE (CDC) TO PROVIDE EXEMPTIONS TO ADDRESS COUNTY PUBLIC SERVICES USES

MEETING NAME AND DATE:

Community Services and Land Use Committee Meeting, September 9, 2024

PRESENTER INFORMATION:

Robert Merchant, AICP, Director, Beaufort County Planning and Zoning

(10 minutes needed for item discussion)

ITEM BACKGROUND:

In 2020, the County adopted the provision that provided exemption for public service uses to allow the County to provide necessary services in any zoning district. To provide more oversight, this amendment to the provision would require an additional public hearing before the Planning Commission .

PROJECT / ITEM NARRATIVE:

Beaufort County Staff is requesting an amendment to Section 1.3.50 of the Community Development Code (CDC) to provide more oversight and public input into an exemption for Public Service Uses.

FISCAL IMPACT:

Not applicable

STAFF RECOMMENDATIONS TO COUNCIL:

Staff recommends approval.

OPTIONS FOR COUNCIL MOTION:

*Motion to approve, modify, or deny the application as submitted.**

**Council's decision must be based on the standards in Section 7.3.30 C of the Community Development Code (Attachment A to this AIS) and must clearly state the factors considered in making its decision and the basis or rationale for the decision. (7.4.90 B.3). These factors are as follows:*

- 1. Is consistent with the goals, objectives, and policies of the Comprehensive Plan;*
- 2. Is not in conflict with any provision of this Development Code or the Code of Ordinances;*
- 3. Is required by changed conditions;*
- 4. Addresses a demonstrated community need;*
- 5. Is consistent with the purpose and intent of the zones in this Development Code, or would improve compatibility among uses and ensure efficient development within the County;*
- 6. Would result in a logical and orderly development pattern; and*
- 7. Would not result in adverse impacts on the natural environment, including but not limited to water, air, noise, stormwater management, wildlife, vegetation, wetlands, and the natural functioning of the environment.*

Attachment A.**CDC Section 7.3.30 B.7 Text Amendment** provides:

The County Council's decision shall be based on the standards in Subsection 7.3.30.C.

CDC Section 7.3.30 Code Text Amendment Review Standards.

The advisability of amending the text of this Development Code is a matter committed to the legislative discretion of the County Council and is not controlled by any one factor. In determining whether to adopt or deny the proposed text amendment, the County Council shall weigh the relevance of and consider whether, and the extent to which, the proposed amendment:

1. Is consistent with the goals, objectives, and policies of the Comprehensive Plan;
2. Is not in conflict with any provision of this Development Code or the Code of Ordinances;
3. Is required by changed conditions;
4. Addresses a demonstrated community need;
5. Is consistent with the purpose and intent of the zones in this Development Code, or would improve compatibility among uses and ensure efficient development within the County;
6. Would result in a logical and orderly development pattern; and
7. Would not result in adverse impacts on the natural environment, including but not limited to water, air, noise, stormwater management, wildlife, vegetation, wetlands, and the natural functioning of the environment.

CDC Section 7.4.90 B.3 provides:

County Council's decision shall clearly state the factors considered in making the decision and the basis or rationale for the decision.

TEXT AMENDMENT REQUESTS

I MOVE THAT WE GRANT/(DENY) THE REQUEST FOR THE TEXT AMENDMENT FOR THE FOLLOWING REASONS (**STATE ALL THAT SUPPORT YOUR MOTION**).

THE REQUEST:

1. IS/ (IS NOT) CONSISTENT WITH THE GOALS, OBJECTIVES, AND POLICIES OF THE COMPREHENSIVE PLAN; _____
2. IS NOT/ (IS) IN CONFLICT WITH ANY PROVISION OF THIS DEVELOPMENT CODE OR THE CODE OF ORDINANCES; _____
3. IS/ (IS NOT) REQUIRED BY CHANGED CONDITIONS; _____
4. DOES/ (DOES NOT) ADDRESS A DEMONSTRATED COMMUNITY NEED; _____
5. IS/ (IS NOT) CONSISTENT WITH THE PURPOSE AND INTENT OF THE ZONES IN THIS DEVELOPMENT CODE, OR WOULD IMPROVE COMPATIBILITY AMONG USES AND ENSURE EFFICIENT DEVELOPMENT WITHIN THE COUNTY; _____
6. WOULD/ (WOULD NOT) RESULT IN A LOGICAL AND ORDERLY DEVELOPMENT PATTERN; _____
7. WOULD NOT/ (WOULD) RESULT IN ADVERSE IMPACTS ON THE NATURAL ENVIRONMENT INCLUDING BUT NOT LIMITED TO WATER, AIR, NOISE, STORMWATER MANAGEMENT, WILDLIFE, VEGETATION, WETLANDS, AND THE NATURAL FUNCTIONING OF THE ENVIRONMENT. _____



MEMORANDUM

TO: Beaufort County Planning Commission

FROM: Robert Merchant, AICP, Beaufort County Planning and Zoning Department

DATE: July 15, 2024

SUBJECT: TEXT AMENDMENT TO ARTICLE 1 (GENERAL PROVISIONS), DIVISION 1.3 (APPLICABILITY AND JURISDICTION), SECTION 1.3.50 (EXEMPTIONS) OF THE COMMUNITY DEVELOPMENT CODE (CDC) TO PROVIDE EXEMPTIONS TO ADDRESS COUNTY PUBLIC SERVICES USES

STAFF REPORT:

A. BACKGROUND:

Case No. CDPA-000040-2024

Proposed Amendment: Text Amendment to Section 1.3.50

B. SUMMARY AND BACKGROUND:

Beaufort County Staff is requesting an amendment to Section 1.3.50 of the Community Development Code (CDC) to provide more oversight and public input into an exemption for Public Service Uses. The purpose of the exemption for public service uses is to allow the County to provide necessary services in any zoning district with the requirement that the proposed use receive a public hearing before a decision by County Council. This provision was adopted by Council in 2020. This amendment would provide greater oversight and an additional public hearing by requiring public service exemptions to receive a public hearing at the Planning Commission meeting in addition to the one at County Council prior to Council action. The purpose of this amendment is to provide greater flexibility for the County government to respond to public safety and service needs throughout the County where these needs warranted, while providing additional oversight and public input into the process.

C. CODE TEXT AMENDMENT REVIEW STANDARDS: In determining whether to adopt or deny the proposed text amendment, the County Council shall weigh the relevance of and consider whether, and the extent to which, the proposed amendment:

1. Is consistent with the goals, objectives, and policies of the Comprehensive Plan;

Yes, the Comprehensive Plan's Capital Improvement Plan outlines county facility needs that could be assisted through this amendment.

2. Is not in conflict with any provision of this Development Code or the Code of Ordinances.

No, this sets a provision that would allow county service needs to locate on properties that may not otherwise be allowed. Its purpose is to make sure that there are not conflicts with any provisions when constructing needed public facilities.

3. Is required by changed conditions;

Yes, as the County grows, available land for public facilities becomes more difficult to acquire.

4. Addresses a demonstrated community need;

Yes, see 1.

5. Is consistent with the purpose and intent of the zones in this Development Code, or would improve compatibility among uses and ensure efficient development within the County;

No, it would not improve compatibility with uses allowed in particular zoning districts. However, the procedure added into this amendment still gives County Council ability to approve or deny any project utilizing this amendment taking into account contiguous uses.

6. Would result in a logical and orderly development pattern; and

See 5.

7. Would not result in adverse impacts on the natural environment, including but not limited to water, air, noise, stormwater management, wildlife, vegetation, wetlands, and the natural functioning of the environment.

Yes, it would not result in adverse impacts. Any development on the site would be required to adhere to the natural resource protection, tree protection, wetland protection, and stormwater standards in the Community Development Code and the Stormwater BMP Manual.

D. RECOMMENDATION: Staff recommends approval.

E. ATTACHMENTS:

- Text Amendment Changes

1.3.50 - Exemptions

- A. The provisions of this Development Code shall not require formal subdivision of land as a result of actions taken by the State of South Carolina and its political subdivisions to acquire land or interests in land for public right-of-way and easements.
- B. County Council, public utilities, or County agencies may be exempt from the provisions of this Development Code when an emergency exists such that it is impossible to submit to the normal procedures and standards of this Development Code and quick and instant action is necessary to secure the public health, safety, or welfare. The County Council shall ratify such exemption after the fact at its next regularly scheduled meeting, and shall base its ratification on specified findings of fact related to the emergency involved.
- C. A public utility or public infrastructure installation (water, sewer, roads, gas, stormwater, telephone, cable, etc.) is exempt from the standards of this Development Code, except:
 - 1. Thoroughfare standards, in Division 2.9 (Thoroughfare Standards);
 - 2. Wetland standards, in Section 5.11.30 (Tidal Wetlands), and Section 5.11.40 (Non-Tidal Wetlands);
 - 3. River Buffer standards, in Section 5.11.60 (River Buffer);
 - 4. Tree Protection standards, in Section 5.11.90 (Tree Protection);
 - 5. Stormwater management standards, in Section 5.12.30 (Stormwater Standards);
 - 6. Utility standards, in Section 4.1.210 (Regional (Major) Utility);
 - 7. Wireless communication facilities standards, in Section 4.1.320 (Wireless Communications Facility).
 - 8. Historic Preservation standards, in Division 5.10 (Historic Preservation).
- D. The Department of Defense shall be exempt from the standards of this Development Code.
- E. The paving of dirt roads are deemed not to constitute "development" and shall be exempt from the standards of this Development Code if the action meets one of the following conditions:
 - 1. Existing County maintained dirt roads which are improved and/or paved as part of Beaufort County's Dirt Road Paving Program as set forth in Beaufort County Policy Statement 15 and Policy Statement 17;
 - 2. Private dirt roads with adequate existing stormwater conveyance systems where the project is not related to a pending or proposed development of adjacent land, and the proposed paving meets the Thoroughfare Construction Specifications in Section 2.9.80. Private dirt roads without adequate existing stormwater conveyance systems will be required to construct a conveyance system per the County's Stormwater Best Management Practices (BMP) Manual but will not be required to meet the Effective Impervious Values in Table 5.12.30.A or provide Retention/Detention Facilities.
- F. **County public service uses.** Due to the unique nature of certain county public service uses and the need to locate these uses in certain areas of the county irrespective of prevailing zoning district regulations, Beaufort County may establish in any zoning district any public service use authorized to county government by S.C. Code §4-9-30, as amended, or any other statute or law of the State of South Carolina; provided that all public service uses meet the following requirements:
 - 1. The use shall meet the applicable requirements in Article 5 (Supplemental to Zones) of the Community Development Code.
 - 2. **Public hearing for county public service uses.** Prior to the granting of a zoning compliance for county public service uses, a site plan in accordance with standards contained herein must be submitted and approved. The Beaufort County Planning Commission will hold a public hearing on

the matter at least 15 days' notice of the time and place of which will be published in a newspaper of general circulation in Beaufort County. Notice will be given by adequately posting the properties affected, with at least one notice being visible from each public thoroughfare that abuts the property, at least 15 days prior to the public hearing. The Beaufort County Planning Commission will, after conducting the public hearing, provide a recommendation to the County Council with findings of fact regarding compliance with the Beaufort County Comprehensive Plan. Upon the Planning Commission's recommendation being received ~~and~~. The Beaufort County Council will hold a public hearing on the matter at least 15 days' notice of the time and place of which will be published in a newspaper of general circulation in Beaufort County. Notice will be given by adequately posting the properties affected, with at least one notice being visible from each public thoroughfare that abuts the property, at least 15 days prior to the public hearing. Based on the review of the planning commission's recommendation, information presented at the public hearings, and probable impact of such uses on contiguous uses and conditions, the Council may elect to deny the request in favor of a more acceptable site elsewhere, ~~approve the use or approve the use with conditions and/or restrictions.~~

([Ord. No. 2017/20, 6-26-17](#) ; [Ord. No. 2018/7, 3-12-18](#))

ORDINANCE 2024/ _____

TEXT AMENDMENT TO ARTICLE 1 (GENERAL PROVISIONS), DIVISION 1.3 (APPLICABILITY AND JURISDICTION), SECTION 1.3.50 (EXEMPTIONS) OF THE COMMUNITY DEVELOPMENT CODE (CDC) TO PROVIDE EXEMPTIONS TO ADDRESS COUNTY PUBLIC SERVICES USES

WHEREAS, County Council amended Section 1.3.50 (Exemptions) of the Community Development Code (CDC) to adopt Section 1.3.50.F (County public service uses) in 2020; and

WHEREAS, this adoption allows public service uses to be located in certain areas of the county irrespective of prevailing zoning district regulations due to unique nature of certain public service uses; and

WHEREAS, this adoption also stated that a public hearing before County Council is required; and

WHEREAS, Beaufort County Staff has requested to provide more oversight and public input but requiring public service exemptions to receive a public hearing before Planning Commission; and

WHEREAS, the Beaufort County Planning Commission considered the request on September 5, 2024, voting ____ to recommend that County Council ____ the request; and

WHEREAS, County Council now wishes to amend the Community Development Code (CDC) to require a public hearing before Planning Commission whenever Section 1.3.50. F is practiced.

NOW, THEREFORE be it ordained by County Council in a meeting duly assembled as follows:

The Community Development Code is hereby amended to require a public hearing before Planning Commission in the case of exempting public service uses from adhering to the prevailing zoning district regulations. Section 1.3. 50 of the Community Development Code is hereby amended to reflect the language depicted in Exhibit A.

Ordained this ____ day of _____, 2024

Joseph Passiment, Chairman

Sarah Brock, Clerk to Council

Exhibit A

1.3.50 - Exemptions

- A. The provisions of this Development Code shall not require formal subdivision of land as a result of actions taken by the State of South Carolina and its political subdivisions to acquire land or interests in land for public right-of-way and easements.
- B. County Council, public utilities, or County agencies may be exempt from the provisions of this Development Code when an emergency exists such that it is impossible to submit to the normal procedures and standards of this Development Code and quick and instant action is necessary to secure the public health, safety, or welfare. The County Council shall ratify such exemption after the fact at its next regularly scheduled meeting, and shall base its ratification on specified findings of fact related to the emergency involved.
- C. A public utility or public infrastructure installation (water, sewer, roads, gas, stormwater, telephone, cable, etc.) is exempt from the standards of this Development Code, except:
 - 1. Thoroughfare standards, in Division 2.9 (Thoroughfare Standards);
 - 2. Wetland standards, in Section 5.11.30 (Tidal Wetlands), and Section 5.11.40 (Non-Tidal Wetlands);
 - 3. River Buffer standards, in Section 5.11.60 (River Buffer);
 - 4. Tree Protection standards, in Section 5.11.90 (Tree Protection);
 - 5. Stormwater management standards, in Section 5.12.30 (Stormwater Standards);
 - 6. Utility standards, in Section 4.1.210 (Regional (Major) Utility);
 - 7. Wireless communication facilities standards, in Section 4.1.320 (Wireless Communications Facility).
 - 8. Historic Preservation standards, in Division 5.10 (Historic Preservation).
- D. The Department of Defense shall be exempt from the standards of this Development Code.
- E. The paving of dirt roads are deemed not to constitute "development" and shall be exempt from the standards of this Development Code if the action meets one of the following conditions:
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 - 2. Private dirt roads with adequate existing stormwater conveyance systems where the project is not related to a pending or proposed development of adjacent land, and the proposed paving meets the Thoroughfare Construction Specifications in Section 2.9.80. Private dirt roads without adequate existing stormwater conveyance systems will be required to construct a conveyance system per the County's Stormwater Best Management Practices (BMP) Manual but will not be required to meet the Effective Impervious Values in Table 5.12.30.A or provide Retention/Detention Facilities.
- F. **County public service uses.** Due to the unique nature of certain county public service uses and the need to locate these uses in certain areas of the county irrespective of prevailing zoning district regulations, Beaufort County may establish in any zoning district any public service use authorized to county government by S.C. Code §4-9-30, as amended, or any other statute or law of the State of South Carolina; provided that all public service uses meet the following requirements:
 - 1. The use shall meet the applicable requirements in Article 5 (Supplemental to Zones) of the Community Development Code.
 - 2. **Public hearing for county public service uses.** Prior to the granting of a zoning compliance for county public service uses, a site plan in accordance with standards contained herein must be

submitted and approved. The Beaufort County Planning Commission will hold a public hearing on the matter at least 15 days' notice of the time and place of which will be published in a newspaper of general circulation in Beaufort County. Notice will be given by adequately posting the properties affected, with at least one notice being visible from each public thoroughfare that abuts the property, at least 15 days prior to the public hearing. The Beaufort County Planning Commission will, after conducting the public hearing, provide a recommendation to the County Council with findings of fact regarding compliance with the Beaufort County Comprehensive Plan. Upon the Planning Commission's recommendation being received, ~~and~~. The Beaufort County Council will hold a public hearing on the matter at least 15 days' notice of the time and place of which will be published in a newspaper of general circulation in Beaufort County. Notice will be given by adequately posting the properties affected, with at least one notice being visible from each public thoroughfare that abuts the property, at least 15 days prior to the public hearing. Based on the review of the planning commission's recommendation, information presented at the public hearings, and probable impact of such uses on contiguous uses and conditions, the Council may elect to deny the request in favor of a more acceptable site elsewhere, approve the use or approve the use with conditions and/or restrictions.



BEAUFORT COUNTY COUNCIL

AGENDA ITEM SUMMARY

Item 11.

ITEM TITLE:
COMPREHENSIVE PLAN AMENDMENT TO ADD THE BEAUFORT COUNTY HOUSING IMPACT ANALYSIS AS AN APPENDIX TO THE 2040 COMPREHENSIVE PLAN
MEETING NAME AND DATE:
Community Services and Land Use Committee Meeting, September 9, 2024
PRESENTER INFORMATION:
Robert Merchant, AICP, Director, Beaufort County Planning and Zoning (10 minutes needed for item discussion)
ITEM BACKGROUND:
In 2023, Act 57 of the South Carolina General Assembly amended SC Code §6-4-12 to allow Accommodations Tax Revenue (ATAX) to be eligible to support workforce housing. However, to enable state ATAX funds to be eligible for workforce housing, the County must complete and adopt a Housing Impact Analysis to the Comprehensive Plan.
PROJECT / ITEM NARRATIVE:
This analysis includes a review of costs, prices, availability of financing, general housing costs, development standards, and the impact of the ordinance on households.
FISCAL IMPACT:
Not applicable
STAFF RECOMMENDATIONS TO COUNCIL:
Staff recommends approval.
OPTIONS FOR COUNCIL MOTION:
Motion to approve, modify, or deny the application as submitted.* *Council's decision must be based on the standards in Section 7.3.20 C of the Community Development Code (Attachment A to this AIS) and must clearly state the factors considered in making its decision and the basis or rationale for the decision. (7.4.90 B.3). These factors are as follows: <ol style="list-style-type: none">1. Whether capital investments, population trends, land committed to development, density, use, or other conditions have changed that justify the amendment;2. Whether the proposed amendment is consistent with the Comprehensive Plan's goals and policies;3. Whether the proposed amendment is necessary to respond to state and/or federal legislation;4. Whether the proposed amendment would result in development that is compatible with surrounding land uses;5. Whether and the extent to which the proposed amendment would affect the capacities of public facilities and services, including roads, utilities, law enforcement, fire, EMS, schools, parks and recreation, solid waste, and drainage facilities; and

6. *Whether, and the extent to which, the proposed amendment would result in negative impacts to natural resources.*

Attachment A.

CDC Section 7.3.20 B.7 Comprehensive Plan Amendment provides:

The County Council's decision shall be based on the standards in Subsection 7.3.20.C.

CDC Section 7.3.20 Code Text Amendment Review Standards.

The advisability of amending the Comprehensive Plan is a matter committed to the legislative discretion of the County Council and is not controlled by any one factor. In determining whether to adopt or deny the proposed amendment, the County Council shall weigh the relevance of and consider the following:

1. Whether capital investments, population trends, land committed to development, density, use, or other conditions have changed that justify the amendment;
2. Whether the proposed amendment is consistent with the Comprehensive Plan's goals and policies;
3. Whether the proposed amendment is necessary to respond to state and/or federal legislation;
4. Whether the proposed amendment would result in development that is compatible with surrounding land uses;
5. Whether and the extent to which the proposed amendment would affect the capacities of public facilities and services, including roads, utilities, law enforcement, fire, EMS, schools, parks and recreation, solid waste, and drainage facilities; and
6. Whether, and the extent to which, the proposed amendment would result in negative impacts to natural resources.

CDC Section 7.4.90 B.3 provides:

County Council's decision shall clearly state the factors considered in making the decision and the basis or rationale for the decision.

COMPREHENSIVE PLAN AMENDMENT REQUESTS

I MOVE THAT WE GRANT/(DENY) THE REQUEST FOR THE COMPREHENSIVE PLAN AMENDMENT FOR THE FOLLOWING REASONS **(STATE ALL THAT SUPPORT YOUR MOTION).**

THE REQUEST:

1. CAPITAL INVESTMENTS, POPULATION TRENDS, LAND COMMITTED TO DEVELOPMENT, DENSITY, USE, OR OTHER CONDITIONS HAVE/ (HAVE NOT) CHANGED THAT JUSTIFY THE AMENDMENT; _____
2. IS/ (IS NOT) CONSISTENT WITH THE COMPREHENSIVE PLAN'S GOALS AND POLICIES; _____
3. IS/ (IS NOT) NECESSARY TO RESPOND TO STATE AND/OR FEDERAL LEGISLATION; _____
4. WOULD/ (WOULD NOT) RESULT IN DEVELOPMENT THAT IS COMPATIBLE WITH SURROUNDING LAND USES; _____
5. WOULD NOT/ (WOULD) AFFECT THE CAPACITIES OF PUBLIC FACILITIES AND SERVICES, INCLUDING ROADS, UTILITIES, LAW ENFORCEMENT, FIRE, EMS, SCHOOLS, PARKS AND RECREATION, SOLID WASTE, AND DRAINAGE FACILITIES; _____
6. WOULD NOT/ (WOULD) RESULT IN NEGATIVE IMPACTS TO NATURAL RESOURCES; _____



MEMORANDUM

TO: Beaufort County Planning Commission

FROM: Robert Merchant, AICP, Beaufort County Planning and Zoning Department

DATE: July 15, 2024

SUBJECT: COMPREHENSIVE PLAN AMENDMENT TO ADD THE BEAUFORT COUNTY HOUSING IMPACT ANALYSIS AS AN APPENDIX TO THE 2040 COMPREHENSIVE PLAN

STAFF REPORT:

A. BACKGROUND:

Case No.

CDPA-000041-2024

Proposed Amendment:

Addition of the Beaufort County Housing Impact Analysis to the 2040 Comprehensive Plan

B. SUMMARY AND BACKGROUND:

In 2023, Act 57 of the South Carolina General Assembly amended SC Code §6-4-12 to allow Accommodations Tax Revenue (ATAX) to be eligible to support workforce housing. The new law allows up to 15% of both state and local ATAX to be used to support workforce housing for those earning between 30%-120% Area Median Income (AMI). However, to enable state ATAX funds to be eligible for workforce housing, the County must complete and adopt a Housing Impact Analysis to the Comprehensive Plan. This analysis must include a review of costs, prices, availability of financing, general housing costs, development standards, and the impact of the ordinance on households.

C. CODE TEXT AMENDMENT REVIEW STANDARDS: In determining whether to adopt or deny the proposed amendment, the County Council shall weigh the relevance of and consider the following:

1. Whether capital investments, population trends, land committed to development, density, use, or other conditions have changed that justify the amendment;

Yes, affordable housing is a documented growing need for the County as the population of residents and range amongst income has increased.

2. Whether the proposed amendment is consistent with the Comprehensive Plan's goals and policies;

Yes, this addition will enable the County to tap into funding and assist with the implementation of the goals set forth in the Housing section of the Comprehensive Plan.

3. Whether the proposed amendment is necessary to respond to state and/or federal legislation;

Yes, this analysis was completed in response to an amendment to SC Code §6-4-12. This amendment, also known as Act 57, allows 15% of both local and state ATAX to be used to support workforce housing.

4. Whether the proposed amendment would result in development that is compatible with surrounding land uses;

Yes, all the projects would follow the standards set forth in the Community Development Code.

5. Whether and the extent to which the proposed amendment would affect the capacities of public facilities and services, including roads, utilities, law enforcement, fire, EMS, schools, parks and recreation, solid waste, and drainage facilities; and

Yes, it will affect public facilities and services in areas as any development does. However, it will help job retention for those within these workforces.

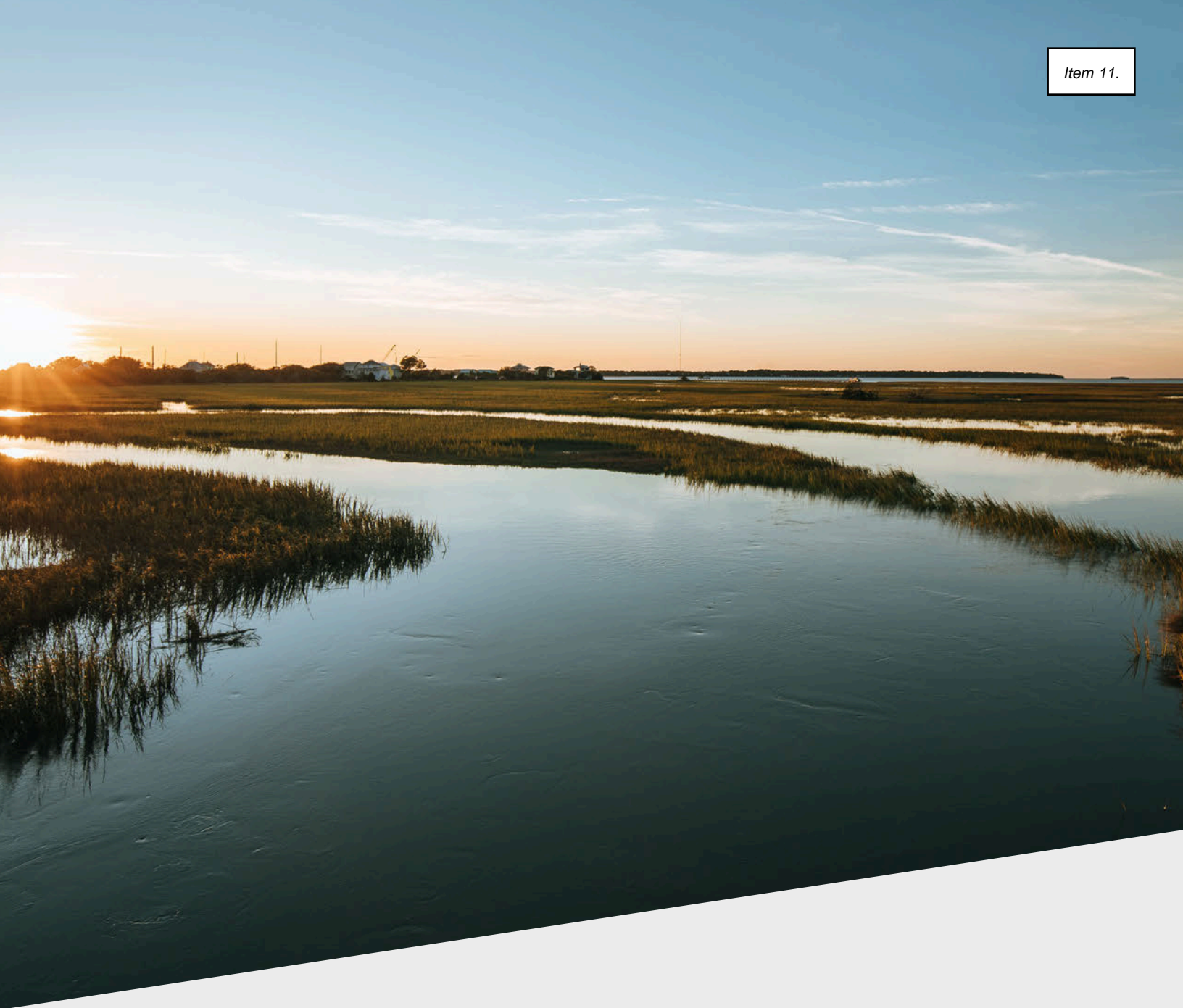
6. Whether, and the extent to which, the proposed amendment would result in negative impacts to natural resources.

No, any development on the site would be required to adhere to the natural resource protection, tree protection, wetland protection, and stormwater standards in the Community Development Code and the Stormwater BMP Manual.

D. RECOMMENDATION: Staff recommends approval.

E. ATTACHMENTS:

- Beaufort County Housing Impact Analysis



HOUSING IMPACT ANALYSIS

JUNE 2024 // PREPARED BY TOGETHER CONSULTING



Beaufort County
SOUTH CAROLINA

Beaufort County Housing Impact Analysis

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Acknowledgements

The following information outlined within this Housing Impact Analysis was made possible thanks to several resources and analysis in past planning and research efforts, various local, state and community data resources, and feedback from local housing partners, developers and realtors.

Community Partners:

- Hilton Head Area Realtors Association
- Beaufort Jasper Realtors Association
- Lowcountry Council of Governments
- Hilton Head Area Home Builder Association
- Beaufort Chamber of Commerce
- Local Builders and Developers

County Staff:

- John Robinson, Interim County Administrator
- Thomas Keaveny, II, Beaufort County Attorney
- Chuck Atkinson, Assistance County Administrator for Development Services
- Robert Merchant, Planning & Zoning Department Director
- Christine Webb, Director of Compliance, Standards & Internal Controls
- Elizabeth Anderson, Planner

County Council:

- Joe Passiment, Chairman
- Larry McElynn, Vice-Chairman
- Gerald Dawson, District 1
- David Bartholomew, District 2
- York Glover, District 3
- Alice Howard, District 4
- Anna Maria Tabernik, District 6
- Logan Cunningham, District 7
- Paula Brown, District 8
- Mark Lawson, District 9
- Thomas Reitz, District 11

Consultants:

Tammie Hoy Hawkins

Together Consulting

Design Support: Virginia Howat



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CONSULTING
impact social change



Executive Summary

In November 2021, Beaufort County Council adopted the County's 2040 Comprehensive Plan. As part of this Plan, the County highlighted affordable housing as a critical need within their overall Housing Element. Prior to the adoption of this plan, the County commissioned a 2017 Housing Needs Assessment conducted by the Bowen Research group. The study was a deep dive into the County's housing market including current conditions, trends, and growth patterns along with an evaluation of projected housing needs over the next 5-year period. The Assessment was finalized in 2018. Much of the data referenced in this Housing Impact Analysis is derived from this Study along with insights from the County's 2040 Comprehensive Plan and complimented by more recent local and national data sources. Although the Bowen Study is over five years old, much of the analysis and trends are still relevant today and many of the predictions established in the 2018 plan have been realized and in some cases, have accelerated even more than anticipated, especially as it relates to housing affordability.

Within both documents, several strategies were recommended to the County for implementation to address the growing demand for more affordable housing to meet the needs of its residents and workforce. The County has already implemented several of these recommendations including but not limited to helping to establish a regional housing trust fund to support more financing and funding for affordable workforce housing, as well as offering various incentives to developers building affordable housing such as density bonuses where feasible and impact fee waivers for certain qualifying projects. Although these are valuable programs to support affordable housing production and preservation, the County has limited funding and financial resources to support the amount of affordable housing needed across the County footprint. The County receives limited federal or state funding for housing, therefore they must define local revenue sources to fill financing gaps. With the recent passage of Act 57 of the 2023 South Carolina General Assembly, amending SC Code 6-4-12, to allow Accommodations Tax Revenue (ATAX) to be eligible to support workforce housing, the County now has a new opportunity to increase local funding to support affordable housing projects.

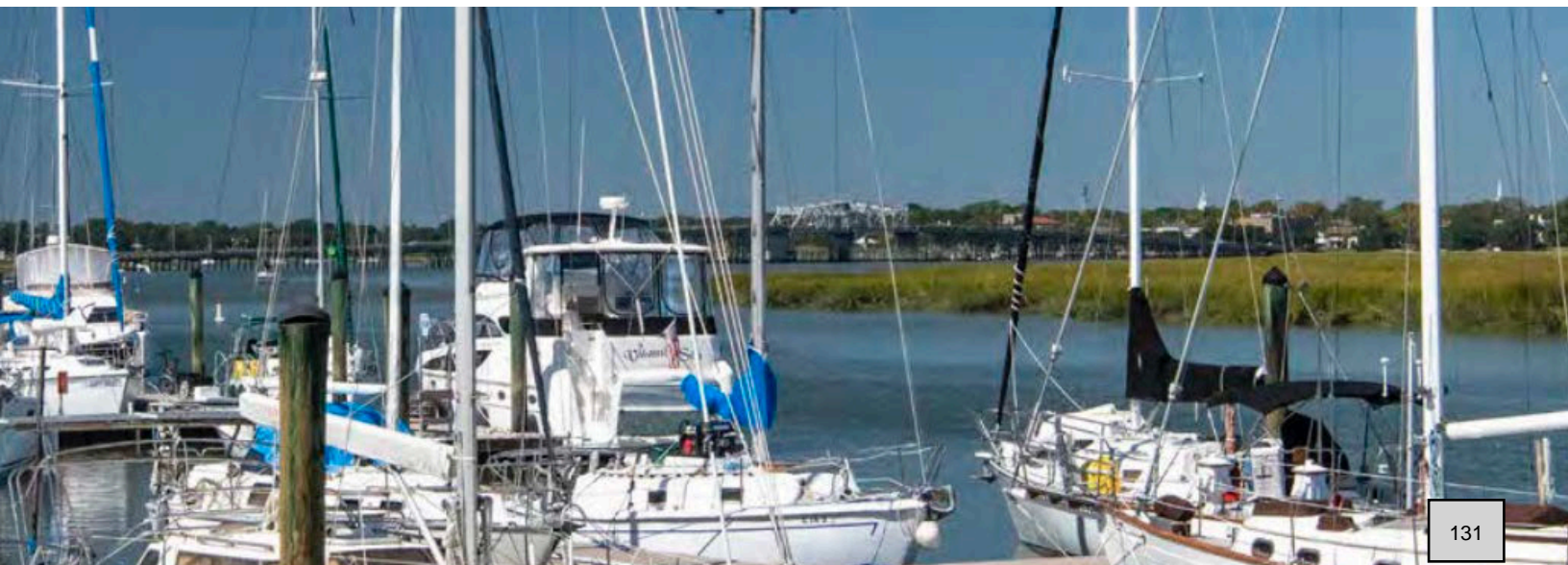
This new law allows up to 15% of both local and state ATAX to be used to support workforce housing for those individuals earning between 30% and 120% Area Median Income (AMI). To enable the state ATAX funds to be eligible for workforce housing, the County must complete, as required by amended Section 6-4-12 of South Carolina law, a Housing Impact Analysis (HIA).

This analysis must include an overview of the following key data points and considerations:

- The cost of developing, constructing, rehabilitating, improving, maintaining, or owning single family or multifamily dwellings,
- A review of the purchase prices of new homes or the fair market value of existing homes,
- The cost and availability of financing to purchase or develop housing,
- General housing costs; including a brief summary indicating reasonable cost estimates,
- A review of density, location, setback, size, or height development on a lot, parcel, land division, or subdivision that might impact housing; and
- An analysis of the relative impact of the ordinance on low- and moderate-income households.

This Housing Impact Analysis (HIA) must also be approved by the County Planning Commission, adopted as an amendment to County's Comprehensive Plan and approved by Council. The County is also required to provide the HIA to the members of the legislative body of the local government, the Department of Revenue, and the Tourism Expenditure Revenue Committee before an ordinance is considered by the legislative body. The Department of Revenue may not disburse any accommodations taxes to the local government for purposes of development of workforce housing unless and until the local government has provided the HIA to the parties mentioned above.

The following Beaufort County HIA takes into account insights from previous housing studies along with housing trend research over the past few years, while also highlighting current economic and housing conditions, emphasizing the growing demand for workforce housing across the County.



Introduction

The Beaufort County area is made up of a variety of diverse communities from resort areas to beach towns to urban cores to rural communities. These diverse community landscapes will require a variety of strategies when addressing housing needs. Many developments in the county are within city and town submarkets, but the County recognizes that affordable housing is a need that impacts everyone regardless of jurisdictional boundaries. The success of the overall community depends on the County working closely with each jurisdiction to address the housing needs of the diverse workforce.

The Beaufort County housing market has continued to grow over the past decade with an accelerated growth in residential construction totaling 19,857 units developed since 2010. Based on a recent housing market study conducted by Ronald Brown, Research & Analysis, 17,112 of those were single family homes and 2,745 were multifamily housing units, with the largest gain in multifamily in 2021. Prior to the last five years, there were few multifamily projects completed within the County. Although there have been recent housing development within the county, including two Low Income Housing Tax Credit (LIHTC) projects currently underway, there are still too few affordable housing rental options within the County to meet the growing demand.

The 2018 Bowen Housing Needs Assessment provided the County with a better understanding of market conditions at the time and outlined the projected changes expected over the coming years that could influence future housing needs. This Housing Needs Assessment is the most current housing study completed for the county, outside the County's Comprehensive Plan, completed in 2021. The Assessment focused on select sub-markets within Beaufort County, an evaluation of past, current and projected demographic characteristics, employment trends, economic drivers, and all major housing components within the market (for-sale/ownership and rental housing) including housing costs verses area incomes. Several key recommendations from the assessment included regional strategies that would not only support Beaufort County unincorporated residents but all submarket jurisdictional partners' workforce housing needs.

One specific recommendation led to a deep dive study by the Asakura Robinson consulting group on creating a regional housing trust fund which led to the formal creation of the Beaufort Jasper Housing Trust. The new Fund became an official nonprofit in 2023 and hired its first Executive Director in April 2024.



The Assessment also evaluated factors that were affecting housing market conditions, development barriers, and affordability. All of these factors are also key components as part the Act 57's required Housing Impact Analysis. It is important to stress that the following document is a moment in time snapshot of the economic and housing market conditions in Beaufort County over the last few years along with an analysis of current market trends. The housing market within the County and the submarket communities are not static and continue to shift daily.

The goal of the Housing Impact Analysis is to provide an overview for the growing demand for workforce housing and make a clear connection between the economic need for housing and the community's workforce. In addition, the Analysis dives into what the County is already doing to support workforce housing including funding committed and also local policy efforts to remove barriers to workforce housing.

:



Background

Affordable housing is a growing concern for Beaufort County. The 2018 Bowen study indicated a need for over 6,000 total new housing units for rental and ownership over a five year period to meet the existing and projected demand, with the greatest need for the lowest income households, along with a significant need for moderate-income households. The study recommended that future rental housing development should consider a variety of rent and income-eligibility levels, and there is an equal need for more home-ownership housing priced under \$200,000, primarily due to projected household growth and limited supply.

These are pre-pandemic estimates. The demand has accelerated over the past five years due to in-migration of new residents and expanded growth in the region. Based on the Department of Housing and Urban Development's annual median incomes, the 2023 median income for a family of four in Beaufort County, was \$111,300 - up by almost 30% from previous years. Considerable growth in income is due to the influx of new residents that either retired to the area or remote workers bringing higher salaries to the region post-pandemic, which also explains the growth in senior population. A 2024 Beaufort Chamber Economic Report indicated that Beaufort ranked 10th out of all counties in population growth for South Carolina. The same Economic Report also indicated that Beaufort County households' rank higher than the state average for mortgage holders and renters that are cost-burdened.

In addition to the completion of the 2018 Bowen Housing Needs Assessment and the Asakura Robinson's Housing Trust Fund Analysis, Beaufort County completed their 2040 Comprehensive Plan in November 2021. The Comprehensive Plan acknowledges that the County is closely linked to its municipalities and adjacent counties, sharing roads, waterways, habitats, and open spaces which do not follow jurisdictional boundaries. Therefore the County share many community connections with the other areas between where people live, work, worship, and play throughout the region. This requires that high levels of cooperation and collaboration be maintained within the region so that local identities can be expressed within a framework of shared goals regarding infrastructure, environmental protection, growth, economic development, and affordable housing.

Within the Comprehensive Plan, the County highlights core strategies to include the investment in new public infrastructure, creating incentives for affordable housing, and focusing on balanced development that mitigates environmental harm, so future generations will be able to enjoy the quality of life and economic prosperity offered by Beaufort County's unique landscape and culture. As part of the Housing Element within the Comprehensive Plan, the County's goal is to promote quality, affordable housing available and accessible to all residents.

The lack of quality affordable housing was identified as a growing challenge for the County and the submarkets within the county. These challenges are not just the lack of affordable housing options for families but an increasing issue for the growing senior population, many of which are still working, but also live on fixed incomes with little options for housing that is affordable. Based on the Comprehensive Plan, the greatest projected growth by household age group is expected to occur among seniors, which creates the need for more senior-based housing, health care and programs, assisted living facilities and continuing care facilities. Many of these facilities require an extensive, diverse workforce to support residents, many of which earn lower incomes. In many cases workers find it difficult to find affordable housing near these senior communities and have to drive- -often long distances- -to get to their workplace, which congests roadways, utilizes land for parking, and lengthens the workday.

Although Act 57 allows the County to utilize ATAX funding to support workforce housing that supports households up to 120% of the area median income, the County through its Comprehensive Plan and Development Code has defined affordable housing and prioritized the following populations below:

- Owner occupied affordable housing unit: A dwelling unit where at least one occupant is an owner, and where all occupants have, in the aggregate, household income less than or equal to one hundred (100%) percent of the area median income (AMI) for owner occupied units. Area median income (AMI) shall be determined annually by the United States Department of Housing and Urban Development (HUD) as adjusted by the Beaufort County Human Services Department or its successor. At the time of this report, Beaufort County AMI for a family of four was \$111,300.
- Rental affordable housing unit: A dwelling unit, where occupants have, in the aggregate, household income less than or equal to eighty (80%) percent of the area median income (AMI) for rental units. AMI shall be determined annually by HUD as adjusted by the Beaufort County Human Services Department or its successor.
- Qualified household: Households where occupants have, in the aggregate, a household income less than or equal to one hundred (100%) percent of the AMI for owner occupied units, and a household income less than or equal to eighty (80%) percent of the AMI for rental units.
- Initial maximum allowable sales price: An amount equal to three (3) times one hundred (100%) percent of the AMI plus any subsidy available to the buyer.
- Affordable rent: Affordable rent is based on an amount not to exceed thirty (30%) percent of eighty (80%) percent of the AMI as published annually by HUD based on household size, inclusive of a utility allowance. Utility allowances are as provided by HUD guidelines.



With a focus on serving these populations, the County's Comprehensive Plan also indicated the County will need to play an active role in affordable housing solutions in order to build a sustainable future for tourism and other major industries, protect its military bases, and continue to be a desirable place to live for people of all income levels.

A comprehensive affordable housing approach will:

- Foster the creation of affordable housing near jobs, services, and public transit.
- Reduce regulatory barriers to the creation of affordable housing.
- Establish an ongoing funding source to address housing needs.
- Partner with non-profit agencies and the private sector.
- Work regionally to address affordable housing needs.

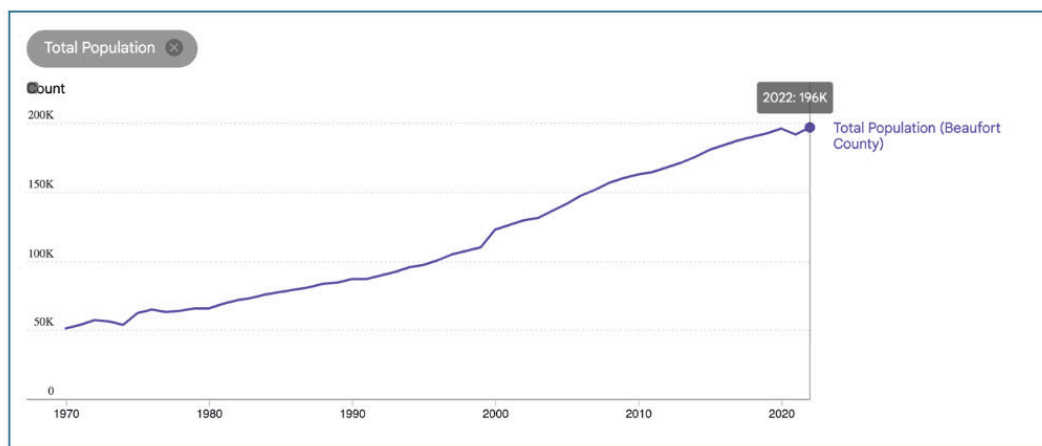


Population Analysis

Beaufort County population growth over the past decade has had a significant impact on the overall availability of housing - accelerating the need for more housing at all income levels particularly for low- and moderate-income households more burdened by escalating prices. The Bowen report indicated from 2000 to 2010, Beaufort County population increased by 41,298, or by 34.2%, and added an additional 25,216 (15.5%) people between 2010 and 2017. At the time of the study completion in 2018, the total population was estimated at 187,445 with a projected increase to 225,359 by 2027. (See Bowen Chart below)

	Total Population – Long Term (10-Year) Projections			
	2017 (Estimated)	2027 (Projected)	Change 2017-2027	
			Number	Percent
Beaufort County	187,445	225,359	37,914	20.2%
Beaufort	12,010	14,162	2,152	17.9%
Bluffton	18,889	24,749	5,860	31.0%
Hilton Head	37,797	44,837	7,040	18.6%
Port Royal	11,958	13,800	1,842	15.4%
Northern Unincorporated	26,842	31,928	5,056	18.8%
Southern Unincorporated	44,325	53,265	8,940	20.2%
Unincorporated Islands	19,570	23,362	3,792	19.4%

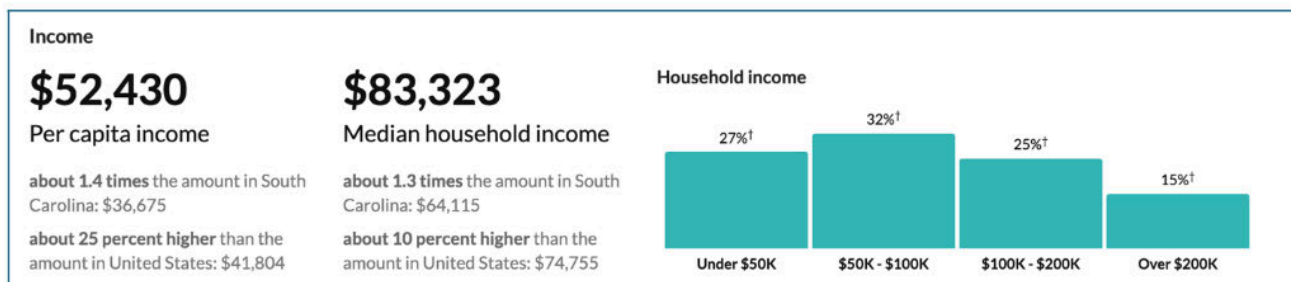
2022 data from US Census, via datacommons.org indicated the County population at 196,000, approximately 4.5% increase over the 5-year period. According to worldpopulationreview.com, the estimated population of Beaufort County, South Carolina in 2024 is 201,811, which is a 1.42% increase from the previous year. The county's population has grown 23.93% since 2010, when it was 162,843. The County continues to grow on the pace as predicted by the Bowen report.



Year	Population	Growth
2024	201,811	2,832
2023	198,979	2,832
2022	196,147	4,150
2021	191,997	4,182

Source: world population review

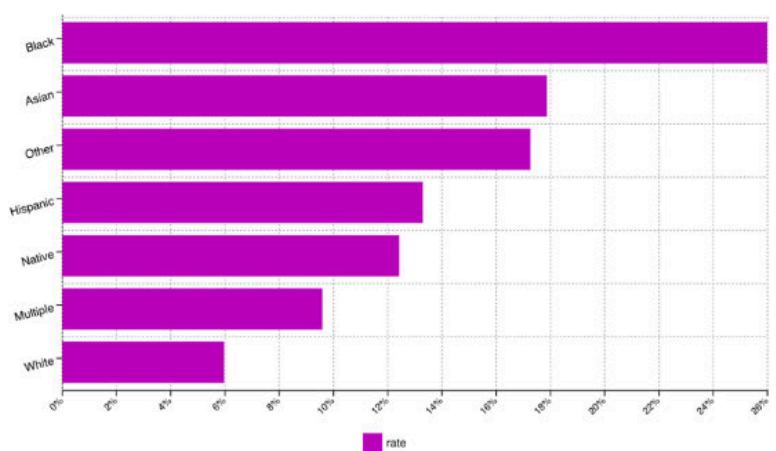
Like Beaufort County, adjacent coastal communities are growing just as rapidly, which has an impact on housing stock and availability for housing options near employment centers in Beaufort. In March 2024, The State paper indicated, most of South Carolina's 46 counties gained population in 2023, but 10 of them grew faster than the rest. Of those, Jasper County had the biggest population gains at 4.87% year-over-year. It was followed closely by Berkeley County at 4.19%. Horry County came in third with a 3.74% increase in 2023. Much of the population growth to South Carolina are households moving from higher cost markets like the northeast and midwestern cities, which has also impacted the area's median income growth.



With the in-migration of higher income households, existing residents are feeling the increased pressure on the housing market and finding it more difficult to afford housing within the County. In 2023, HUD indicated that 100% of the Area Median Income (AMI) for a family of four was \$111,300. Yet a significant portion of the major industry workforce earn less than 80% of the AMI.

Many working families live below the poverty line in Beaufort County, and the poverty rate among those that worked full-time for the past 12 months was 2.84%. Among those working part-time, it was 8.86%. 26% of Black households in Beaufort County live below the poverty line, while the white population living below poverty was 5.97%. Although poverty continues to be an issue, Beaufort County has seen a growth in higher income households due to in-migration post Covid-19.

Beaufort County, South Carolina Poverty by Race



ACS 2022 1-year

Table universe: Households

Column →	Beaufort County, SC	South Carolina	United States
Less than \$10,000	3.9% ±1.2%	6.1% ±0.3%	5.5% ±0%
\$10,000 to \$14,999	3% ±1.5%	4.2% ±0.3%	3.7% ±0%
\$15,000 to \$19,999	2.2% ±1%	3.7% ±0.2%	3.2% ±0%
\$20,000 to \$24,999	2.3% ±1%	4.1% ±0.3%	3.6% ±0%
\$25,000 to \$29,999	2.4% ±1.1%	3.9% ±0.3%	3.5% ±0%
\$30,000 to \$34,999	3.5% ±1.6%	4.8% ±0.3%	3.8% ±0%
\$35,000 to \$39,999	3.5% ±1.5%	4.3% ±0.2%	3.5% ±0%
\$40,000 to \$44,999	2.5% ±1%	4.3% ±0.2%	3.8% ±0%
\$45,000 to \$49,999	3.8% ±1.3%	4% ±0.3%	3.4% ±0%
\$50,000 to \$59,999	5.5% ±1.4%	7.5% ±0.3%	6.9% ±0%
\$60,000 to \$74,999	10.2% ±2%	9.9% ±0.4%	9.4% ±0.1%
\$75,000 to \$99,999	16.6% ±2.8%	13.5% ±0.4%	12.8% ±0%
\$100,000 to \$124,999	9.7% ±1.9%	9.3% ±0.4%	9.9% ±0.1%
\$125,000 to \$149,999	6.8% ±1.6%	6.2% ±0.3%	7% ±0%
\$150,000 to \$199,999	8.8% ±1.9%	6.6% ±0.3%	8.7% ±0%
\$200,000 or more	15.3% ±2.5%	7.5% ±0.3%	11.5% ±0.1%

The ACS 2022 1-year analysis here shows a high percentage (over 15%) of those households earn over \$200,000/year, about 2 times the state average, with a significant percentage of the overall population earning less than \$100,000. The following chart indicates that close to 9% of the households in Beaufort County moved from another state, some for retirement and some because of the ability to work remotely.

Geographical mobility

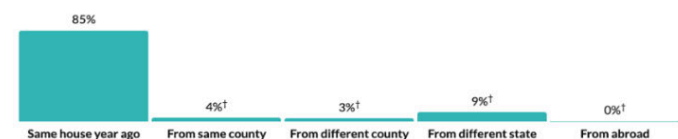
15.5%

Moved since previous year

about 20 percent higher than the rate in South Carolina: 13.5%

about 25 percent higher than the rate in United States: 12.6%

Population migration since previous year



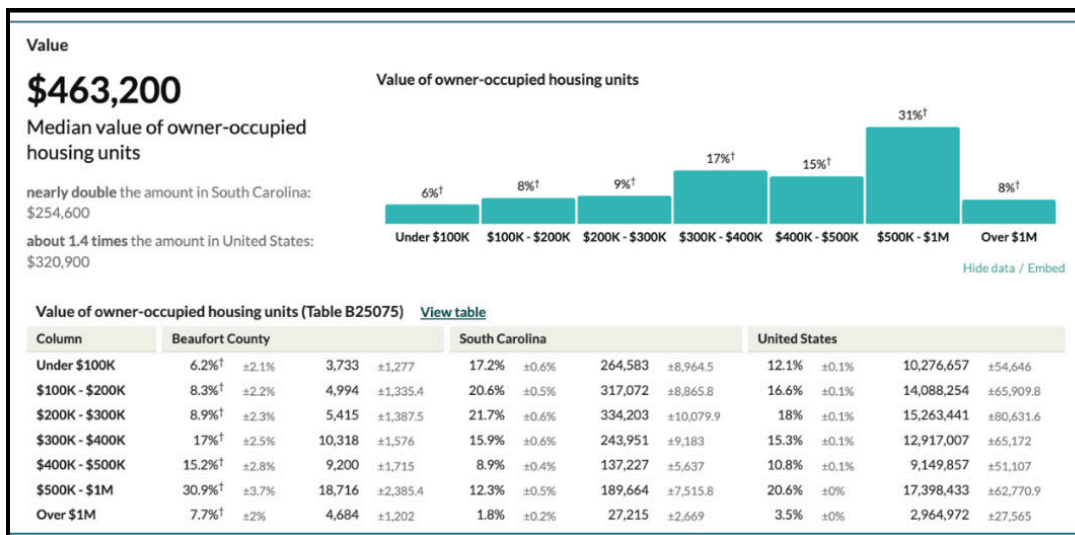
[Hide data / Embed](#)

Population migration since previous year (Table B07003) [View table](#)

Column	Beaufort County	South Carolina	United States
Same house year ago	84.5% ±2.6% 165,124 ±5,171	86.6% ±0.4% 4,524,995 ±23,382	87.5% ±0.1% 288,415,900 ±187,620
From same county	3.6%† ±1.3% 7,054 ±2,447	5.5% ±0.3% 287,907 ±16,565	6.2% ±0% 20,438,756 ±139,808
From different county	3%† ±1.7% 5,762 ±3,225	3.3% ±0.2% 173,504 ±11,001	3.2% ±0% 10,593,140 ±96,624
From different state	8.7%† ±1.6% 16,897 ±3,141	4.2% ±0.3% 219,707 ±13,055	2.5% ±0% 8,230,953 ±67,325
From abroad	0.3%† ±0.2% 519 ±349	0.4%† ±0.1% 22,215 ±3,837	0.7% ±0% 2,141,842 ±43,237

With the growth in population, in particular, with the in-migration of higher-income households to the area, housing prices have significantly escalated. The 2022 Census Reporter indicated a median value of \$463,200 for owner-occupied housing in Beaufort County, and 31% of all homes are valued between \$500,000-\$1M, more than double the rate of homes in this range for South Carolina as a whole. (The median home value for South Carolina is \$254,600 and \$320,900 for the United States.)

As predicted in the Bowen study, continued demand for housing and escalating prices in the area is making it more difficult for many working families to afford stable housing options in the region, particularly for workers in tourism and service sectors.



Economic and Employment Analysis

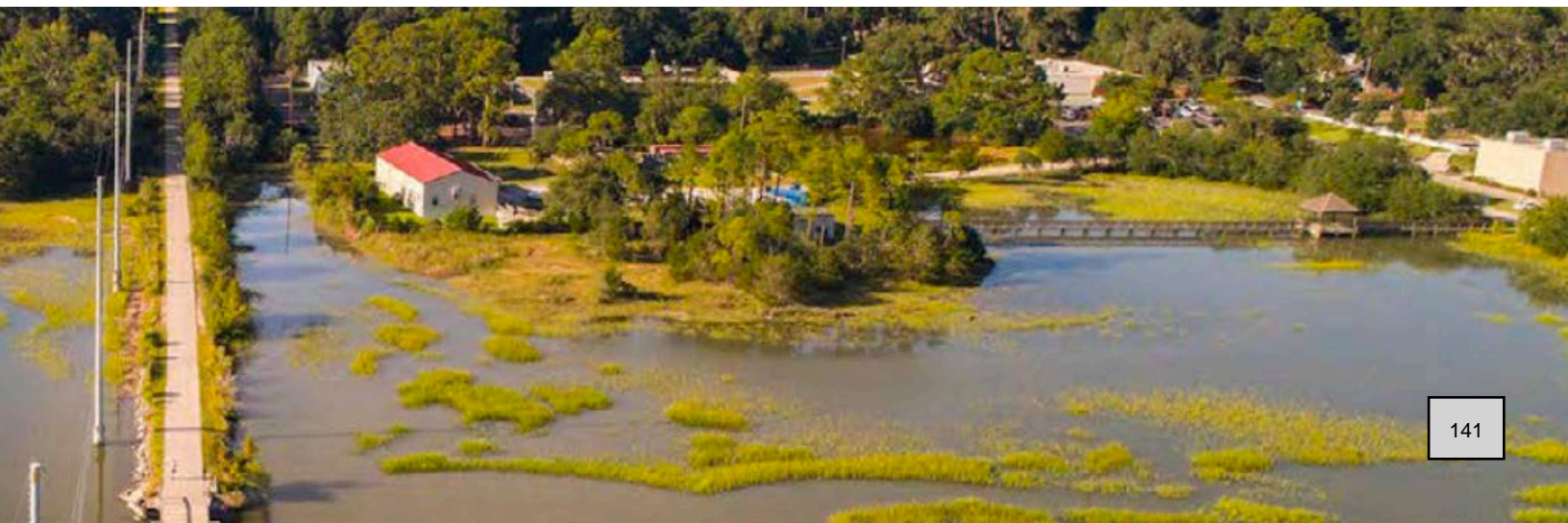
Economic Summary

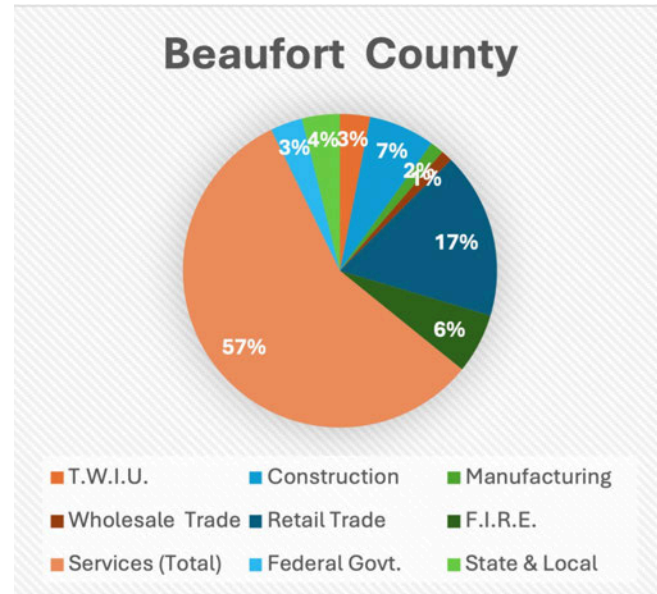
The local Beaufort County economy is diverse but greatly influenced by tourism and nearby military bases. The three largest industry sectors in the county include Accommodations & Food Service (20.1%), Retail Trade (16.0%) and Health Care & Social Assistance (13.0%).

Beaufort County experiences a significant amount of tourism throughout the year due to its coastal location and the fact that it is the home of the Parris Island Marine Corps Recruitment Depot and the Marine Corps Air Station Beaufort. Between these two Marine installations and the family visitation and graduation ceremonies, they bring in nearly 200,000 visitors alone annually. The three previously mentioned industry sectors are also heavily-supported by tourism, and although the County is seeking to diversify the county's economy, tourism is still a lead employer for the area and will continue to be in the long-term. (Bowen)

Public and private sectors continue to invest in the local economy to spur economic growth in existing industries while cultivating the growth of new employment sectors. Based on the Bowen report, many of the new business openings and expansions reported fell within the service industry (as do the three largest job sectors for Beaufort County), which typically have low- to moderate wages, and should be considered when evaluating current and future housing development needs.

During interviews with employers as part of the Bowen study, employers indicated that a significant number of new job creation was anticipated to occur within positions at \$50,000 annual wages or less, as seven (7) of the 21 employers anticipate 10 to 50 new jobs to be created over the next five years in this annual wage range, further exacerbating the need for more affordable housing to match these income levels. The 2024 Chart below shows over 57% of the County's workforce within the Service Sector and 17% in Retail.



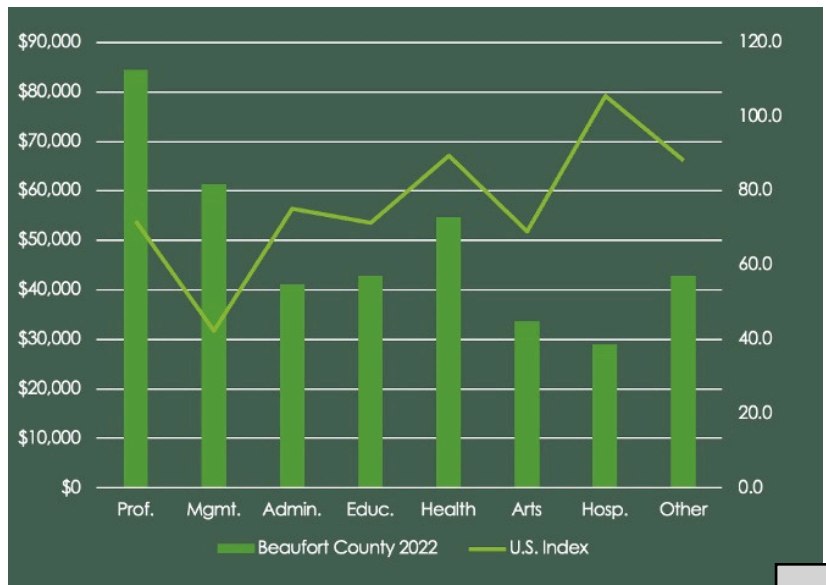


The following charts were shared as part the of Beaufort Chamber's 2024 Data dashboard presentation.

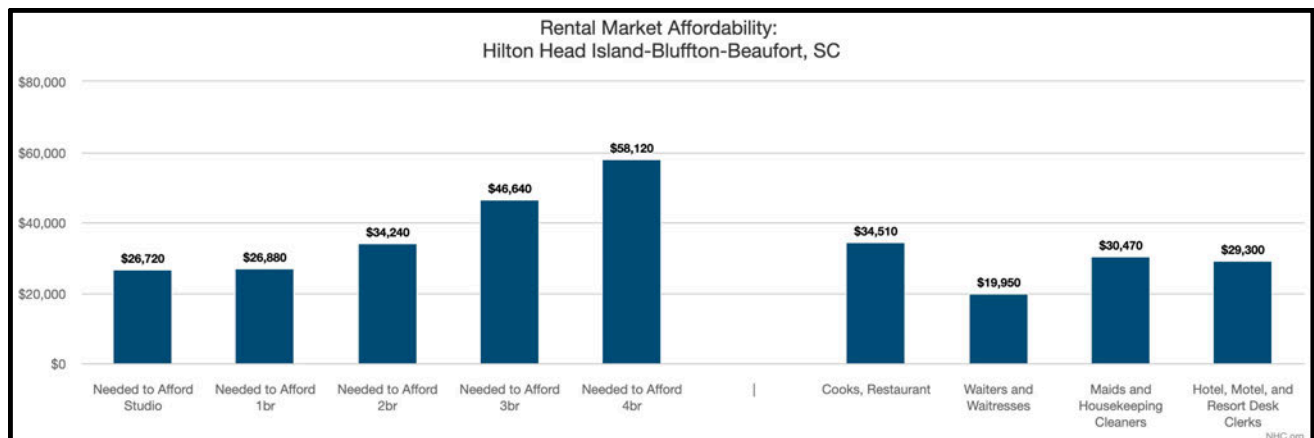
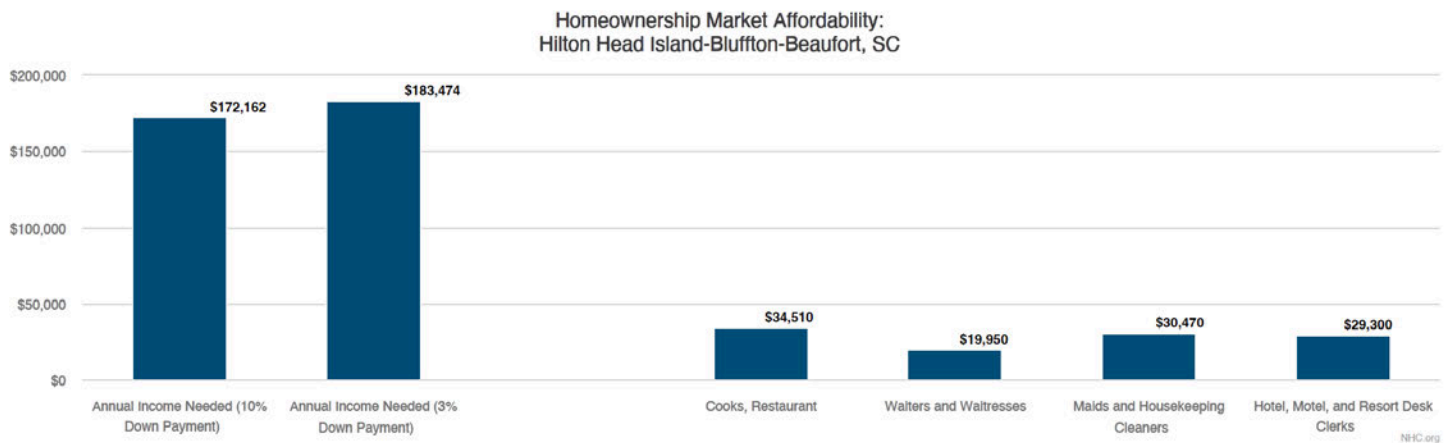
Employment in Beaufort County by Sectors

Based on this chart, the highest participation employment sectors in the County tend to produce the lowest wages for its workers, with hospitality being the lowest paid sector but one of the top three employment sectors. Hospitality workers on average are making less than \$30,000/year, and other service sectors have lower incomes as well including administrators and educators. As part of the Bowen study, several employment sectors were interviewed. Teachers that responded to the survey stated they barely earn enough to afford rent and that they must work additional jobs and/or live with roommates to afford housing in Beaufort County.

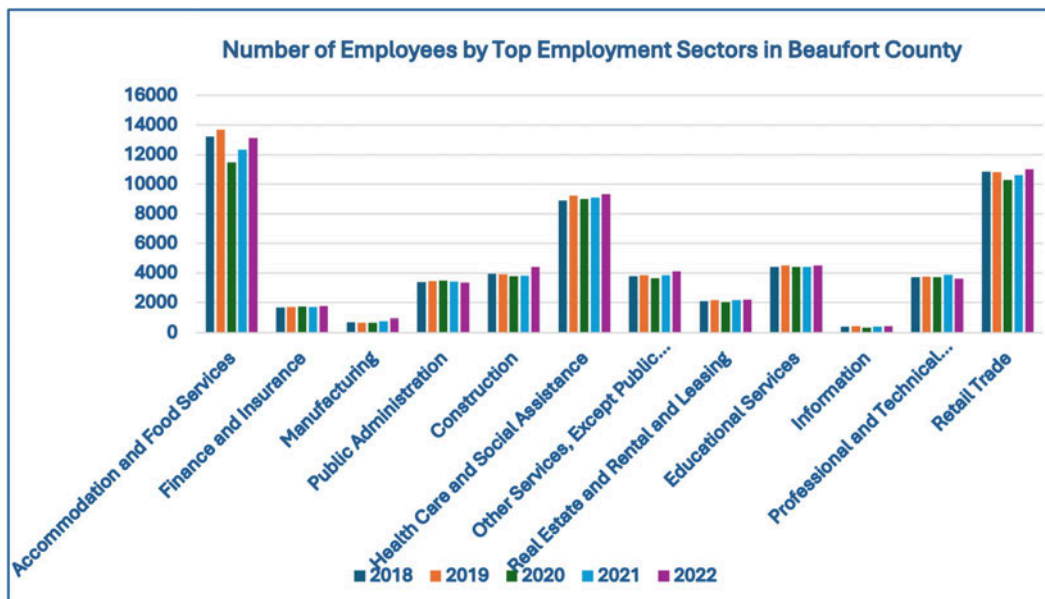
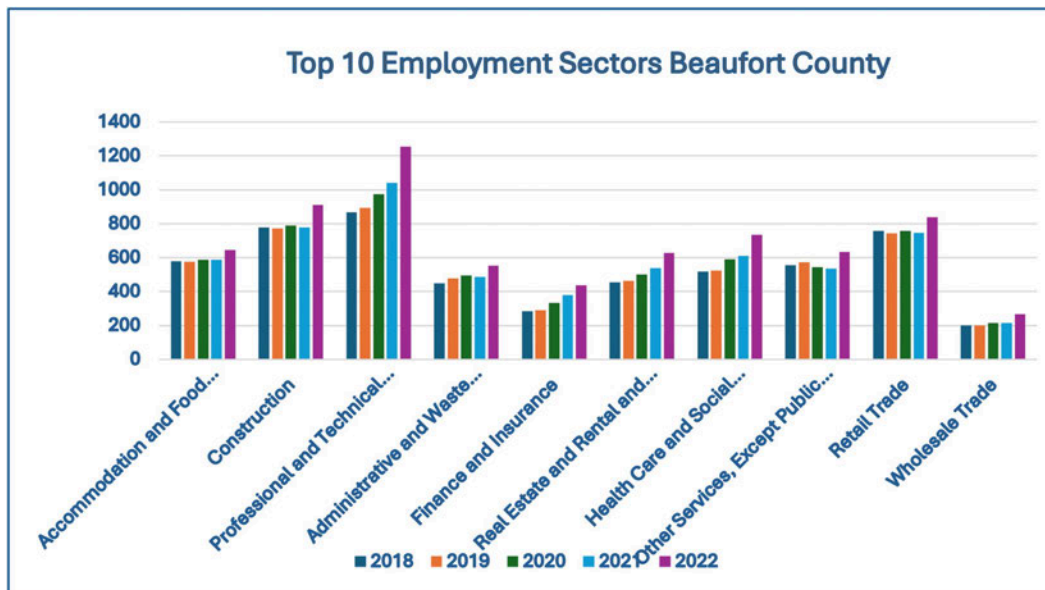
Teachers also stated that wages have not increased at the same rate as housing and utilities, demonstrating the affordability problem is especially pronounced for beginning teachers, who have a low starting salary. As indicated in the Beaufort Chamber chart, average salaries for those in the education sector was just over \$40,000 in 2022.



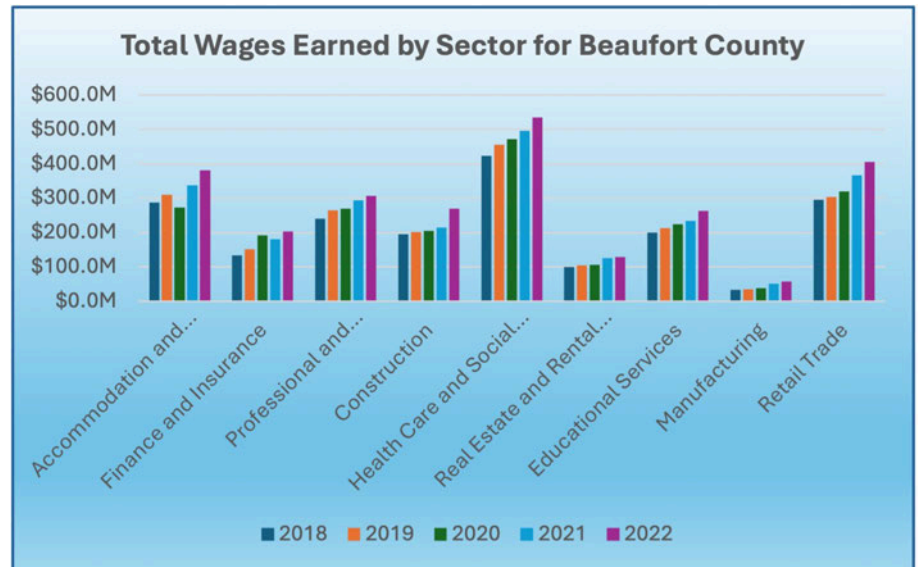
Based on the County's and the US Department of Housing and Urban Development's definition of affordable housing, a household that spends more than 30% of their income on housing - or more than three times their annual salary on buying a home, they are considered "cost-burdened". The following charts from the National Housing Conference's Paycheck to Paycheck analysis indicates that households need to earn over \$172,000 to afford the average home in Beaufort County and over \$46,000 to afford an average 3-bedroom apartment. The chart also highlights a significant gap between what income is needed and what - for example - employees in the service sector actually earn. None of the tourism positions listed below can afford a 2 bedroom apartment based on this analysis.



The 2024 Lowcountry Community Indicators Report - created by the Lowcountry Council of Governments (LCOG) in partnership with the Community Foundation of the Lowcountry (CFL) - is a centralized community resource highlighting key community indicators and trends in the lowcountry region including Beaufort County and its submarket municipalities within the County. The chart below created from the data in the report shows the top 10 employment sectors in Beaufort County and their establishment growth over a five-year period from 2018-2022. Accommodation and Food Service continues to be one of the number one employment sectors – employing over 13,000 residents - along with Retail, and Health Care, Professional Service, and Construction as additional top employment sectors.

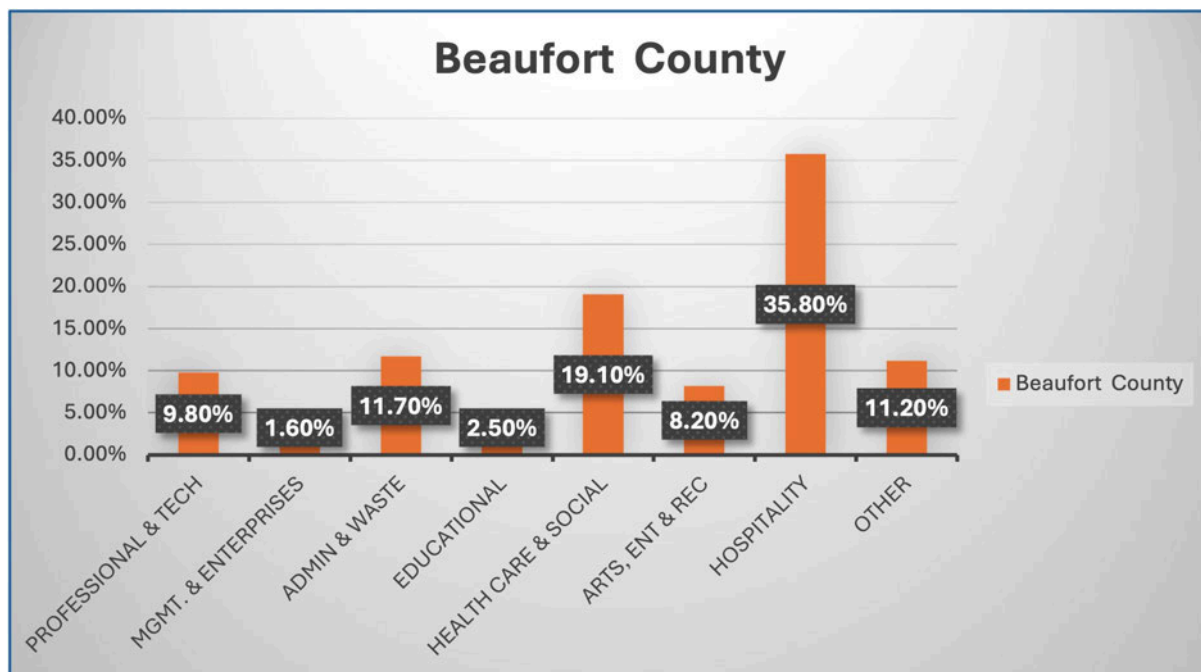


In addition to the significant number of individuals employed within these service sectors as highlighted above, the recent Beaufort Area Chamber of Commerce 2024 Data Dashboard report below indicated overall hospitality as one of the largest grossing employers in the County with Accommodations and Hospitality creating close to \$400M in area earnings just third to Health Care at \$500M and Retail at \$400M. A significant percentage of the County's economy comes from these three service sectors.



The recent Beaufort Area Chamber of Commerce 2024 Data Dashboard report indicated overall hospitality as one of the largest employers in the County.

Service Sector Employment Breakdown: over 35% of the workforce is in Hospitality.



The US Bureau of Labor Statistics May 2023 employment data below shows the average salary for the Beaufort Hilton Head area for overall leisure and hospitality which included food service and accommodations. The average salary based on the most recent data reported for the area was \$29,872, which was slightly higher than 2021 by 5.7%, but is nowhere near enough in annual wages to afford the current housing options within the County.

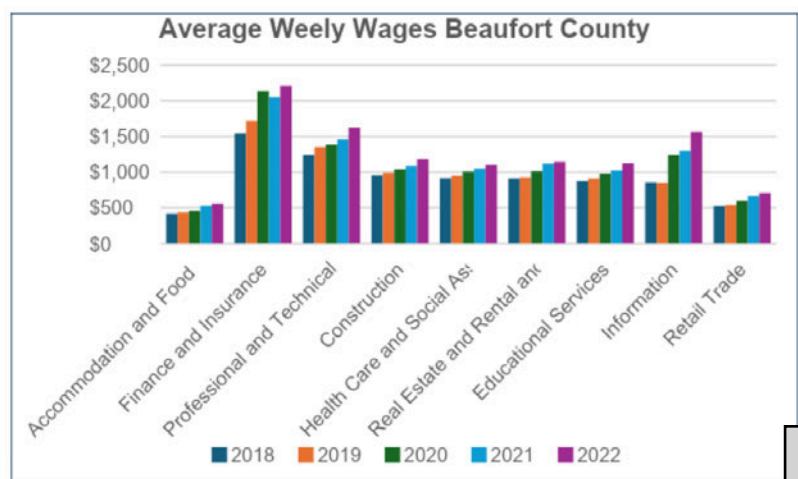
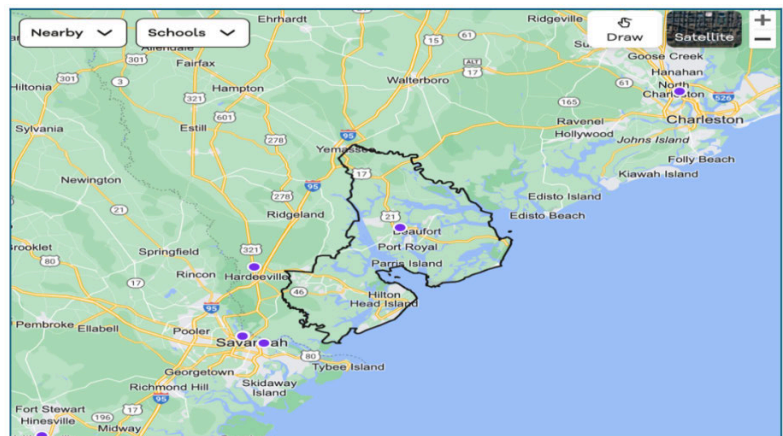
Private, 1026 Leisure and hospitality, Beaufort County, South Carolina

Annual averages 2021 - 2022 , All establishment sizes

Source: Quarterly Census of Employment and Wages - Bureau of Labor Statistics

Summary Change Table Hide					
From: <input type="text" value="2021"/>	Annual Establishments	Annual Average Employment	Total Annual Wages	Annual Average Weekly Wage	Annual Wages per Employee
To: <input type="text" value="2022"/>					
2021 Levels	738	14,934	422,047,609	\$543	\$28,260
2022 Levels	765	16,069	480,014,187	\$574	\$29,872
Level Change From 2021 to 2022	27	1,135	57,966,578	\$31	\$1,612
Percent Change From 2021 to 2022	3.7%	7.6%	13.7%	5.7%	5.7%

Based on the US Department of Housing and Urban Development, a family should spend no more than 30% of the monthly salary for rental housing and no more than three times their annual salary of on homeownership to not be considered "cost-burdened". As mentioned earlier, the County also follows this threshold for their housing initiatives and programs. Based on this standard, a person working in the leisure and hospitality sector should spend no more than \$89,610 on buying a home and no more than \$746.80 for rent, yet - based on recent housing market data -there are few if any available options at these price points, with long waiting lists for government subsidized or assisted housing further depleting affordable options for workers. When conducting a search on Realtor.com for apartments in Beaufort County at \$750/month rent, only one available listing was found from WODA Cooper - an affordable housing developer who has been working in the region for the past few years. The only other options in this price range were found outside of Beaufort County.



As show on the previous page's Average Weekly Wage Chart Accommodation and Food Services incomes have remained relatively stagnant. The LCOG indicators report on average weekly income for this sector is about \$500/week compared to other major employment sectors in the region. With these low incomes and no affordable rental options, workers are forced to commute even further outside of the County to seek housing options.

Employment Analysis:

The 2018 Bowen Housing Needs Assessment highlighted that key workforce sectors struggle to identify affordable housing options in the market for their employees. The area's strongest sector is tourism and entertainment/hospitality whose workers are the greatest housing cost -burdened, due to lower salaries. As mentioned in the study, this sector depends on workers that can live on a lower wage. Therefore, a big challenge for these employees is the lack of affordable housing options throughout Beaufort County. There are few affordable housing choices across the County especially near job centers, therefore employees are forced to commute longer distances to employment opportunities. Interviews with local sources in the 2018 study, indicated the lack of affordable and moderate-income housing in the area is a deterrent to new companies interested in moving to the area, due to the uncertainty of available housing for their employees.

A recent market analysis conducted by Ronald Brown Research & Analysis for an affordable housing project submitted to the state for low-income housing tax credit project (LIHTC) for Beaufort County indicated a large percentage of workers commuting from several other counties to work in the area. The study highlighted that hospitality and service sector employers depend on low to moderate income workers who may have to drive longer distances for housing options. As noted in this chart from the Analysis, several workers are commuting from as far as Charleston and Dorchester Counties as well as Chatham County, GA. Adjacent county Jasper County has the greatest numbers of commuters. As Jasper County continues to grow many of these worker may choose to work in Jasper verses Beaufort as more jobs and businesses come to this area where many workers already live, which could mean a decline in workers for Beaufort County businesses.

Working in Beaufort County 41,534

Where Beaufort County residents are commuting to:

Charleston County, SC	2,909
Chatham County, GA	2,849
Jasper County, SC	2,664
Richland County, SC	1,612
Greenville County, SC	1,214
Lexington County, SC	868
Horry County, SC	676
Berkeley County, SC	549
Spartanburg County, SC	495
Elsewhere	6,472

Where Beaufort County workers are commuting from:

Jasper County, SC	4,105
Chatham County, GA	1,901
Charleston County, SC	1,708
Dorchester County, SC	1,129
Hampton County, SC	901
Berkeley County, SC	858
Colleton County, SC	801
Orangeburg County, SC	706
Richland County, SC	693
Elsewhere	7,665

Cost Burdened:

As part of the Bowen report analysis, researchers conducted extensive outreach and analysis on the existing availability of both subsidized and unsubsidized affordable housing and determined at the time there were virtually no vacant units among the surveyed Tax Credit and government subsidized rental product that is intended to provide affordable housing in the County, and a relatively small inventory of for-sale product was priced under \$200,000.

As a result, many lower-income households have to choose from various market-rate rental or higher priced for-sale housing alternatives that are not considered affordable to many of these households. Households that are “cost-burdened” (typically paying 30% or more of their income towards housing costs) or “severe cost-burdened” (typically paying 50% or more towards housing costs) often find it difficult paying for both their housing and meeting other financial obligations. The same study conducted by T Ronald Brown in 2023 indicated close to 50% of area’s renters are considered cost-burdened.

Table 17 - Household Income, Renter Households

Income	Overburdened Renters			
	Number	Percent	Number	Percent
Up to \$10,000	443	9.3	201	9.2
\$10,000 - \$19,999	337	7.1	303	13.9
\$20,000 - \$34,999	466	9.8	428	19.7
\$35,000 - \$50,000	730	15.4	574	26.4
\$50,000 - \$75,000	901	19.0	473	21.7
\$75,000 - \$100,000	790	16.6	126	5.8
\$100,000 and over	1,087	22.9	71	3.3
Total	4,754		2,176	

Source: 2016 to 2020 American Community Survey; T.Ronald Brown: Research & Analysis

Even the most recent US Bureau of Labor Statistics report for the Beaufort Area for May 2023 , indicates employees in the Accommodations and Food Service sector are severely limited in housing choices based on median incomes. The following chart indicates what these employees in these key positions could afford without being considered cost-burdened. The chart shows both affordable rental and ownership ranges for each of these positions based on spending no more than 30% of their income on housing. The challenge for these employees is there are few housing options in the area within these price ranges, which will be highlighted in more detail in the Housing Market Chapter of this Housing Impact Analysis.

Select Accommodations and Food Service Positions				
May 2023 Occupation HHI-Bluffton-Beaufort Area	Hourly MEDIAN	Annual MEDIAN	Affordable Rental (30% Income)	Affordable Ownership (3x Annual Salary)
Food Service Managers	\$ 30.26	\$ 62,930.00	\$ 1,573.25	\$ 188,790.00
Lodging Managers	\$ 37.06	\$ 77,090.00	\$ 1,927.25	\$ 231,270.00
Chefs and Head Cooks	\$ 29.33	\$ 61,000.00	\$ 1,525.00	\$ 183,000.00
Cooks, Restaurant	\$ 16.59	\$ 34,510.00	\$ 862.75	\$ 103,530.00
Bartenders	\$ 8.78	\$ 18,270.00	\$ 456.75	\$ 54,810.00
Waiters and Waitresses	\$ 9.59	\$ 19,950.00	\$ 498.75	\$ 59,850.00
Dining Room and Cafeteria Attendants and Bartender Helpers	\$ 11.12	\$ 23,130.00	\$ 578.25	\$ 69,390.00
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$ 12.75	\$ 26,520.00	\$ 663.00	\$ 79,560.00
Landscaping and Groundskeeping Workers	\$ 17.56	\$ 36,520.00	\$ 913.00	\$ 109,560.00
First-Line Supervisors of Housekeeping and Janitorial Workers	\$ 21.93	\$ 45,620.00	\$ 1,140.50	\$ 136,860.00
Maids and Housekeeping Cleaners	\$ 14.65	\$ 30,470.00	\$ 761.75	\$ 91,410.00
Baggage Porters and Bellhops	\$ 11.78	\$ 24,510.00	\$ 612.75	\$ 73,530.00
Concierges	\$ 20.05	\$ 41,700.00	\$ 1,042.50	\$ 125,100.00
Hotel, Motel, and Resort Desk Clerks	\$ 14.09	\$ 29,300.00	\$ 732.50	\$ 87,900.00
*bls.gov				
<i>*Note these estimates are based on a one-person income</i>				

At the time of the Bowen study, among Beaufort County's renter households, a total of 9,370 (47.4%) were cost burdened and 3,883 (19.6%) were severely cost burdened. In South Carolina, these ratios are 45.7% and 23.3%, respectively. A total of 15,463 (33.5%) owner households were considered cost burdened, while 6,613 (14.3%) were severely cost burdened. This extensive study also highlighted that few new affordable housing units have been built within the County. The greatest shares of severe cost burdened renter households were in the City of Beaufort (21.8%) and the Northern Unincorporated (21.6%) submarkets, while the greatest share of severely cost burdened owner households are within the Town of Hilton Head Island (18.8%) and City of Beaufort (16.0%) submarkets.

As such, a key recommendation from the Bowen report was to preserve the existing stock of affordable housing and expand affordable housing alternatives as critical for the growth of Beaufort County's future housing plans. Early 2024, the County committed funding to the Coastal Community Development Corporation (CCDC), a new nonprofit focused on workforce housing to support increased preservation of affordable rental units.

With limited new affordable housing developments within the county leading to a community starved of affordable housing options for many years, preservation will be critical as the County plans for new affordable developments moving forward.



Based on analysis during the Bowen report - which identified and personally surveyed 60 multifamily rental housing projects containing a total of 5,963 units within the overall county, the last government subsidized affordable housing project was built before 2017. These projects have an overall 97.6% occupancy rate, indicating that there is limited availability among the multifamily rental housing supply and overwhelming demand from the community. The non-subsidized units (market-rate and non-Tax Credit) are 97.2% occupied, while the government subsidized units are 100.0% occupied. With 139 of the 142 vacant units identified in the market among the market rate supply, there were virtually no vacancies among affordable rentals that served low-income households through programs such as the Low-Income Housing Tax Credit (LIHTC) program or a government subsidy.

Government Subsidized			
Year Built	Projects	Units	Percent Share
Before 1970	-	-	-
1970 to 1979	7	421	51.8%
1980 to 1989	5	228	28.1%
1990 to 1999	2	68	8.4%
2000 to 2005	1	35	4.3%
2006 to 2010	-	-	-
2011 to 2015	1	60	7.4%
2016	-	-	-
2017*	-	-	-

*As of December

Based on Bowen interviews at the time with area apartment managers, many affordable rental properties maintain long wait lists, and a recent interview with staff at Beaufort County Health and Human Services indicated that they have over 1,000 individuals seeking housing at any given time. At the time of the study, the Beaufort Housing Authority indicated that over 1,100 families were on their waiting list for housing within the County. Since the Bowen study was completed, no additional low-income housing tax credit apartment communities have been approved within the County.



Housing Needs for Employees:

During the Bowen study, employers were asked to rank the degree of need (low, moderate and high) for housing for their employees in terms of product type. Respondents reported that the highest need based on product type are single-family homes (42.1%), multifamily apartments (31.6%) and duplex/townhomes (22.2%). It's notable that employers ranked the lowest need of housing by product type as mobile homes (63.2%), short-term/seasonal housing (47.4%) and dormitories/shared living (33.3%).

Employers were also asked to rank the degree of need for housing in terms of product pricing. Respondents reported that the highest need based on product pricing are entry level/workforce for-sale housing (below \$150,000), affordable rental housing (under \$750/month) and moderate market-rate rental housing (\$750-\$1,250/month) as the next greatest need. It's notable that employers ranked the lowest housing priority need by product pricing as higher-end market-rate rental housing (above \$1,250/month), higher-end for-sale housing (above \$250,000) and moderate for-sale housing (\$150,000-\$250,000) and the next greatest need.

In terms of addressing housing needs for employers in Beaufort County, employers were also asked to rank the level of importance for any future government housing programs, policies, or incentives that could be implemented to assist employees with the accessing affordable housing. Respondents ranked the most important focus areas as new housing development/redevelopment (57.9%), renter assistance (38.9%) and housing assistance for public employees (36.8%).



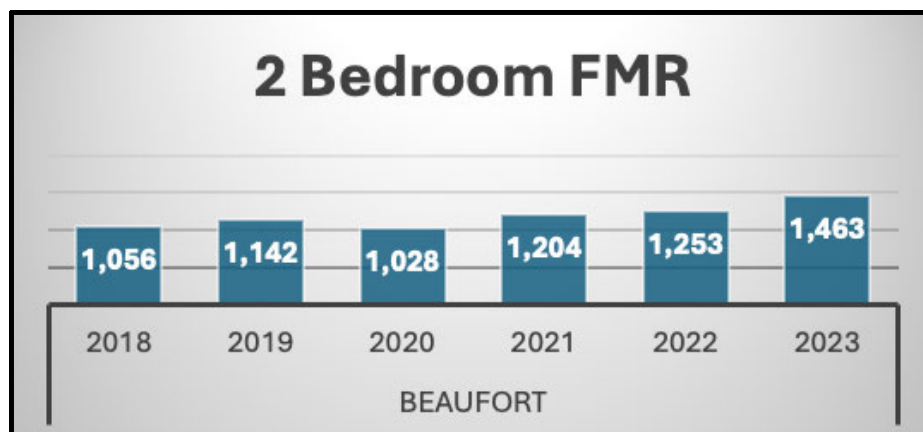
Housing Market Analysis/Conditions

Rental Market

The 2018 Bowen study indicated the lack of housing was most prevalent among housing that serves moderate-income households, (generally earning between 80% and 120% of AMI) and lower-income household segments (generally earning below 80% of AMI). While vacancy rates were low among all rental housing segments, there were very few vacancies among product that serves lower-income households through Tax Credit projects that had an overall vacancy rate of just 0.3% and government-subsidized product - with a vacancy rate of 0.0%. As mentioned earlier, according to the Beaufort County Housing Authority, the wait list for households to get a Housing Choice Voucher consists of approximately 1,100 households.

Feedback from area stakeholders and employers interviewed as part of the Bowen study indicated that affordable rental housing for low- to moderate-income households and - in particular - the service industry (i.e. retail, hospitality, restaurant workers, etc.) and public service workers (i.e. police officers, fire fighters and teachers) should be an area of focus for future housing development. The Bowen report also recommended that future housing plans address affordable rental housing for households with incomes between 80% and 120% of AMI and lower-income households earning up to 80% of AMI. Despite these recommendations, post 2018, little affordable housing has been added to the market over the past five years due to the lack of new tax credit or subsidized projects being approved, and the loss of existing naturally occurring affordable rental housing (NOAH), creating an even bleaker outlook for Beaufort County's affordable rental market today.

According to the recent Lowcountry Community Indicators Report by LCOG, fair market rent for a 2-bedroom apartment was \$1,463 in 2023 (which requires at least \$58,520 annual salary (approximately \$28/hour) – a 39% increase since 2018 and a 17% increase just since 2022.

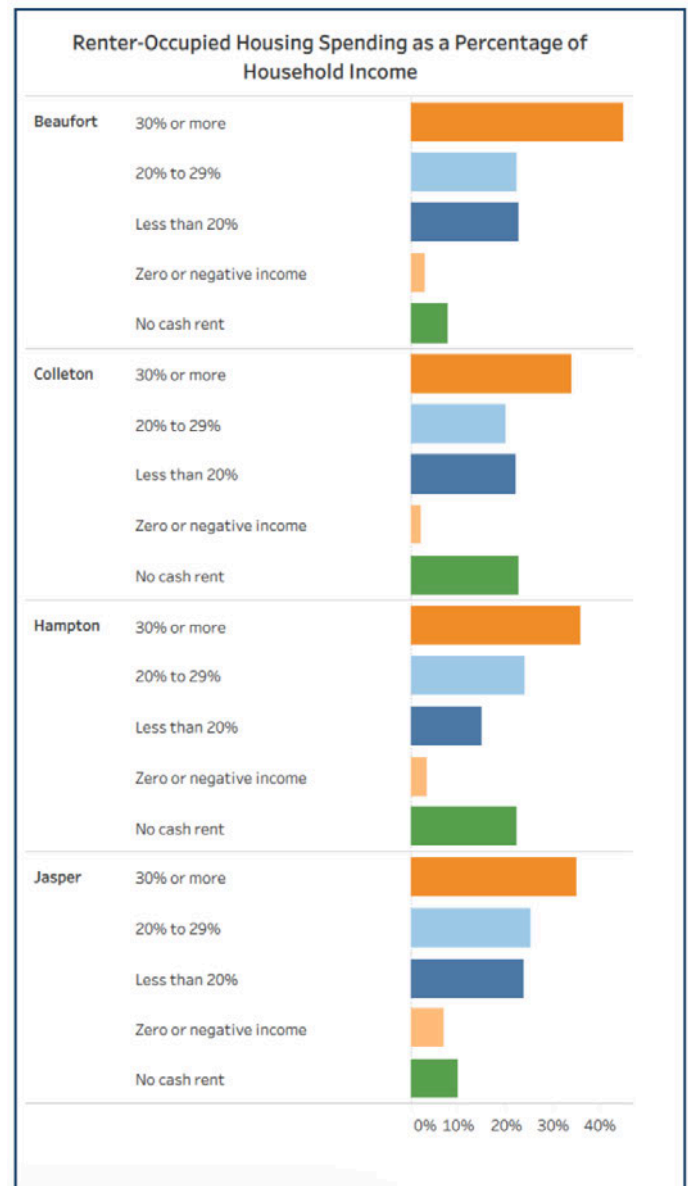


Over 64% of all rental units are priced above \$1,000/month, and 45% of renters in Beaufort County are cost-burdened and spending more than 30% of their monthly income on housing – the highest in the four-county region including Colleton, Hampton, and Jasper Counties. Furthermore, a December 2023 Market Study for a Low-Income Housing Tax Credit (LIHTC) development in the Town of Bluffton found that the median renter income for Bluffton and Beaufort County was \$36,889 and \$49,177 respectively, between \$16,000 and \$9,000 less than what is needed to afford a 2-bedroom FMR unit in Beaufort County.

Compared to other adjacent counties, the chart to the right shows Beaufort County as the most cost-burdened community in the region based on the recent LCOG report, with Jasper and Hampton Counties not far behind.

The same 2023 Market Study of a Low-Income Housing Tax Credit (LIHTC) development in Bluffton found that – of the eligible renter households in that project market area – as many as 91.9% of the 40% AMI renter households, 78.6% of the 60% AMI renter households, and 57.4% of the 80% AMI renter households are cost-burdened and hence would benefit from affordable rental options. The study also found that by 2026 there will be a need of approximately 1,844 new units of affordable rentals – at the 40%, 60%, and 80% AMI ranges - in the Bluffton area and that the proposed 120-unit Livewell Terrace Apartments project will satisfy only 6% of that total demand. Two LIHTC projects currently underway in the County, Garden Oaks and Pintail Pointe, will provide approximately 370 affordable units, yet not nearly enough to meet growing demand.

In the 2024 recent LIHTC round no Beaufort County projects were submitted for final consideration.



While 2,234 affordable rental units have been created using LIHTC financing since 1988, additional funding sources will need to be leveraged in order to scale up affordable development to meet the growing demand in the Beaufort County region. South Carolina State Housing Finance did not offer a tax credit round in 2023 and will be accepting submissions for 2024 at the end of May. Beaufort County should stay involved in the 2025 QAP process to promote the county as a high demand area as the need for more housing continues to grow.

The Tischler Bise study revealed, Beaufort County will have 41,257 new permanent residents and 18,962 new housing units by 2029 – a 22% and 20% increase from 2019. However, only 25% of those new housing units are projected to be multi-unit structures which are more capable of housing this influx of new residents in higher-density developments. This is a concerning trend nationwide where multi-family affordable rentals are drastically underdeveloped. Beaufort County is no different where 2 Unit and 3-4 Unit residential structures saw a 59% and 17% decline in production from 2010 to 2022, and there has been only a marginal increase in production of 2% and 4% respectively from 2020 to 2022.

The following chart from the LCOG Indicators report highlights these discrepancies between single family and multifamily developments in Beaufort County since 2000.

		2000	2010	2020	2022	Change 2000-2010	Change 2010-2020	Change 2020-2022
Beaufort	1-Unit, detached	34,893	53,717	62,665	63,327	53.9%	16.7%	1.1%
	1-Unit, attached	3,279	4,782	6,469	5,296	45.8%	35.3%	-18.1%
	2 Units	1,052	1,486	617	627	41.3%	-58.5%	1.6%
	3-4 Units	2,759	3,314	2,749	2,848	20.1%	-17.0%	3.6%
	5-9 Units	2,956	5,508	5,201	5,163	86.3%	-5.6%	-0.7%
	10-19 Units	1,443	3,186	3,903	3,972	120.8%	22.5%	1.8%
	20 or more Units	5,035	7,796	9,522	8,357	54.8%	22.1%	-12.2%
	Mobile Homes	9,001	9,289	9,660	9,396	3.2%	4.0%	-2.7%

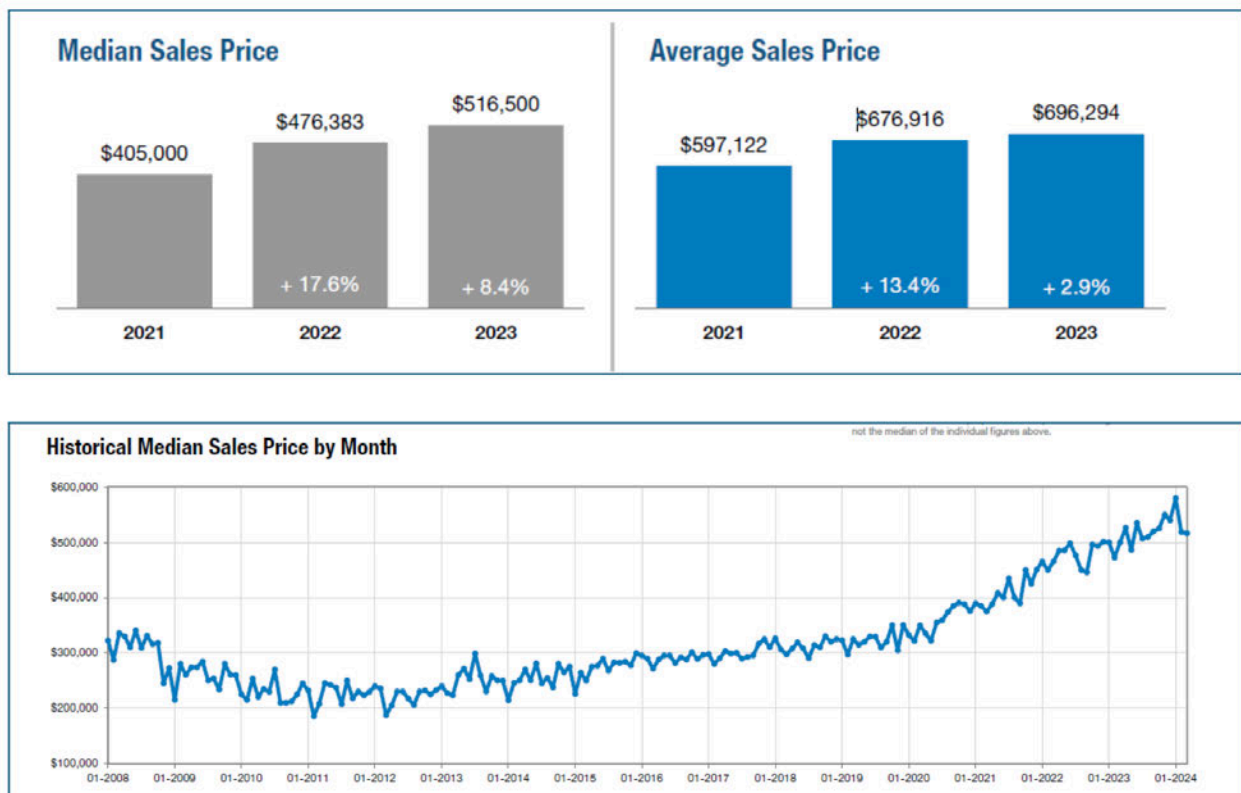
(<https://www.lowcountrycommunityindicators.org/>)



Homeownership

The 2018 Bowen study also pointed out at the time of the report that nearly three-fourths (70.4%) of the available for-sale product was priced at \$300,000 or higher, yet this price point is not affordable to half of the households in the county. At the time of the study, there were approximately 386 available for-sale housing units priced between \$150,000 and \$250,000, yet the number of households that would have enough income (\$50,000 to \$74,999) to afford this price range was estimated to grow to over 800 households over the five years. Therefore, the existing inventory of product priced between \$150,000 and \$250,000 was insufficient to meet the projected need in 2018, and this gap in available affordable housing stock has widened in the region post-pandemic.

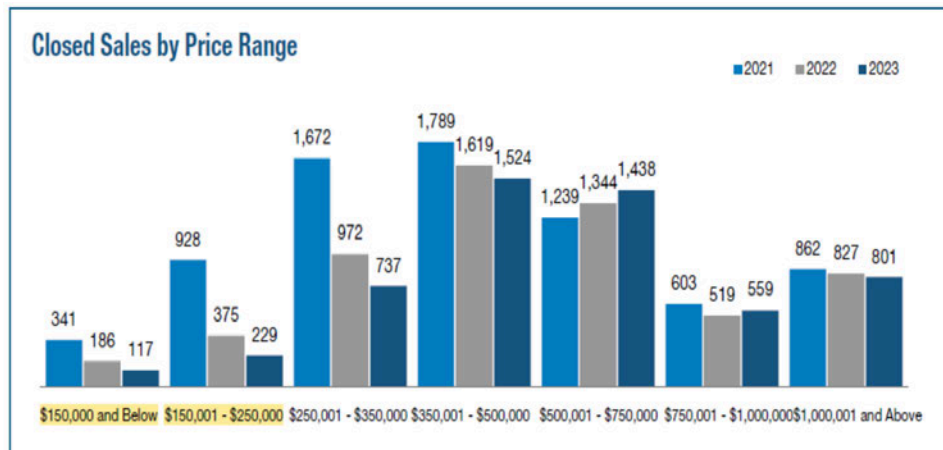
The Hilton Head Area Realtors Association, which tracks the county's housing market trends, estimated - as part of their 2023 Year-End Market Trend Analysis - a continued increase in the costs of homeownership for the Beaufort County region largely due to a 2-decade high mortgage rate increase – hovering around 7%, a historically-low housing inventory, and a continuing trend of increased sales prices. As shown below, the overall median sales price increased 8.4 percent to \$516,500 for the year – with detached home prices up 4.5 percent and attached home prices up 15.3 percent from 2022. Average sales prices, indicated in the chart below, were close to \$700,000 for the County. The Historical Median Sales price by month also shows this continued trend in escalating home prices.



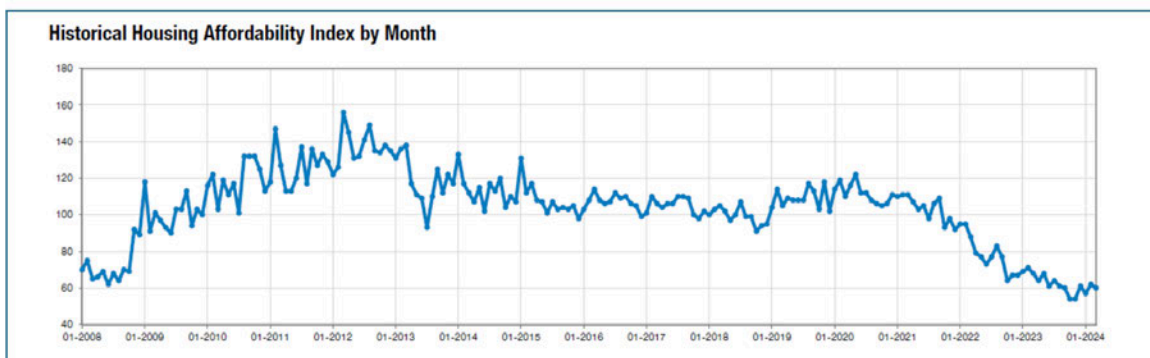
The number of housing units that sold below \$250,000 continued to decline in 2023 – consistent with a trend since 2021 – indicating a prolonged deficit in the affordable housing inventory for Beaufort County. The above graph shows that prices have continued to increase rather than stabilize. In the Bowen Housing Gap Estimates, they predicted a demand for a variety of product at a wide range of affordability levels, including housing for both low- and high-income households, from both rental and for-sale product. Without the introduction of a sufficient number of housing units, the already limited availability of housing units will become scarcer.

The Closed Sales Chart shows a 65% and 75% decline in homes sold below \$150,000 and between \$150,001 and \$250,000 – respectively - since 2021, which is consistent with the Bowen study predictions due to limited inventory below \$300,000.

Recent data from March 2024 shows little improvement in the affordable sales inventory from March 2023 with no change in the number of new single-family listings at \$150,000 or below and only a 5 unit increase for those properties listed between \$150,001 and \$250,000.

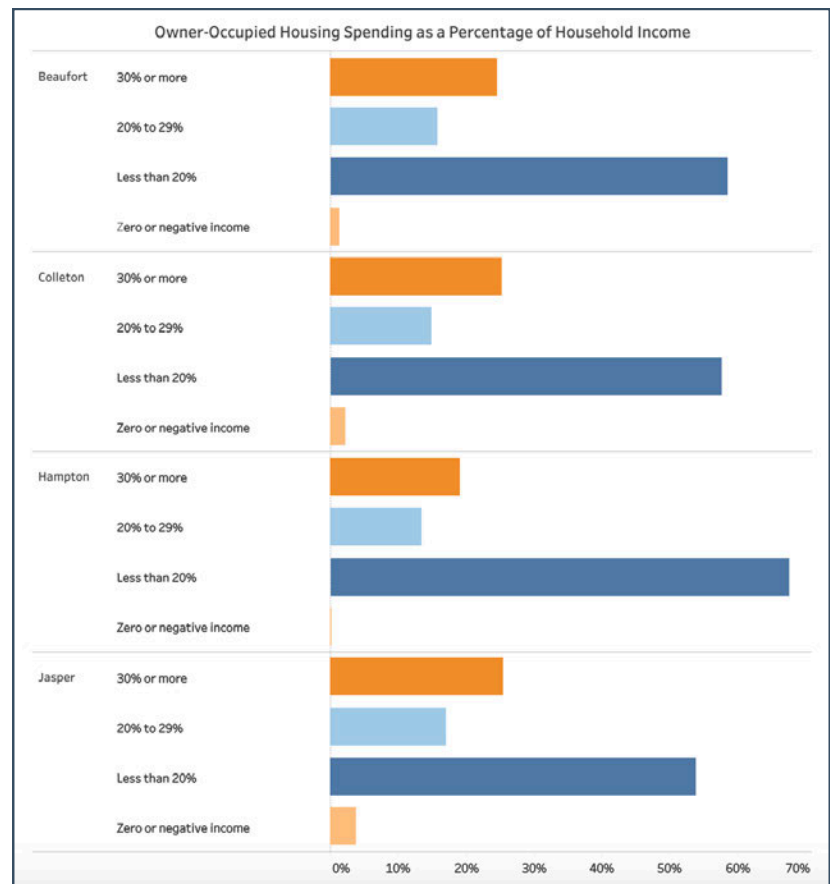
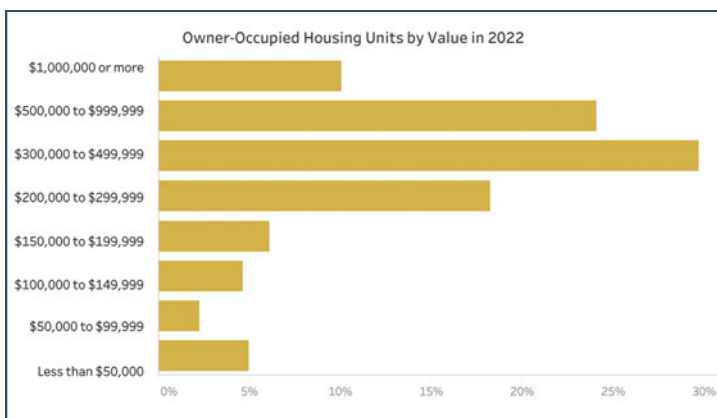


In addition, the Housing Affordability Index – a measure of the necessary median household income to qualify for the purchase of median-priced home in a region – has continued to decline for Beaufort County since 2022. With a higher number meaning greater affordability, the Index is currently at 60 - a 12% decline from last year, a 32% total decline since 2022, and a notable decline even from the time the Bowen study was completed in 2018.






2022 data from the Lowcountry Council of Governments also confirms that 1 in 4 Beaufort County homeowners are cost-burdened for housing - spending 30% or more of their monthly income on housing-related expenses – while 70% of those homeowners have monthly mortgages of \$1,500 or more. Meanwhile, median household income decreased by .5% in 2022 – when adjusted for inflation. Jasper and Colleton counties are not far behind in terms of homeowners that are cost-burdened as both are also close to 30% of households spending more than 30% of their income on housing. This report also shows very few ownership opportunities below \$200,000 compared to higher end homes within Beaufort County as highlighted below.

Despite the paucity of affordable homeownership opportunities, March 2024 key data metrics below shows overall inventory of homes on the market in Beaufort County increased 45% with months' supply of inventory increasing by 55% - to 3.4 months – since March 2023, a promising upward trend in overall housing stock that could drive down home prices in the future as supply grows.



Key Metrics	Historical Sparkbars	03-2023	03-2024	Percent Change	YTD 2023	YTD 2024	Percent Change
Inventory of Homes for Sale		1,016	1,469	+ 44.6%	--	--	--
Months Supply of Inventory		2.2	3.4	+ 54.5%	--	--	--

Additional data from the Beaufort Jasper Realtors Association (BJRA) indicates that pricing continues to escalate even with an increase in inventory. The following charts show increased median sales price up +1.8% from March 2023 to 2024, the average sales price up +4.5% for the same period in the first quarter of 2024, and the affordability index declining 6.2% over the same period. Pending sales for March 2024 were also up 18.7% from 2023. So, despite a growth in inventory and increased sales it is mainly higher priced homes selling with few below the \$200,000 sales price.

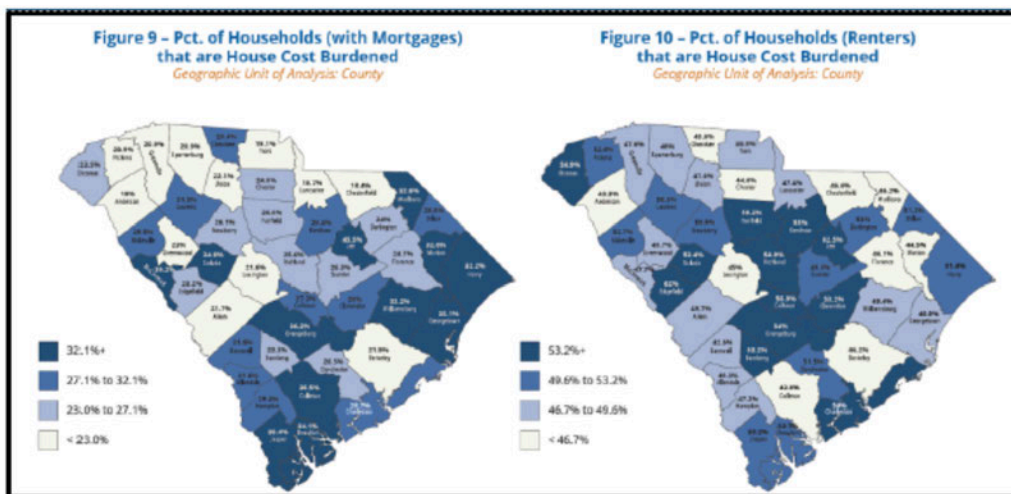
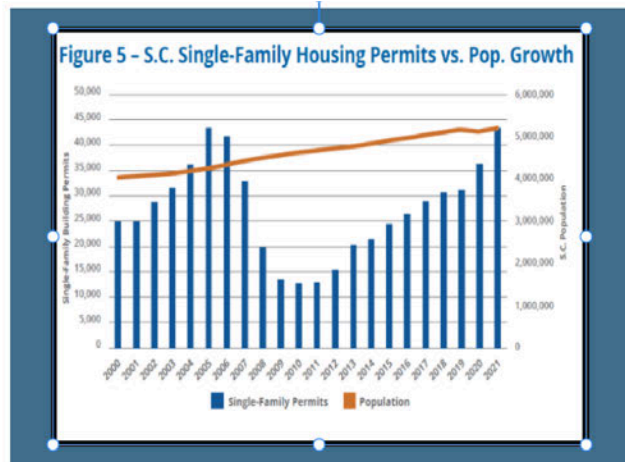
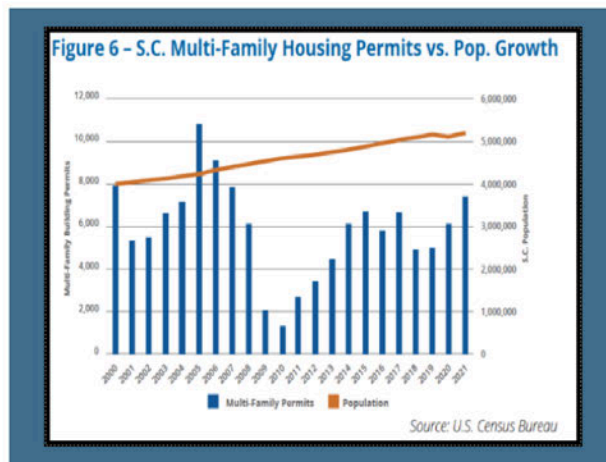
Key Metrics	Historical Sparkbars			03-2023	03-2024	Percent Change	YTD 2023	YTD 2024	Percent Change
	03-2022	03-2023	03-2024						
Median Sales Price				\$390,000	\$396,990	+ 1.8%	\$385,000	\$400,000	+ 3.9%
Average Sales Price				\$460,192	\$465,126	+ 1.1%	\$457,432	\$477,947	+ 4.5%
Housing Affordability Index				81	76	- 6.2%	82	76	- 7.3%

Housing Market Conditions

Although the South Carolina population continues to have strong growth, building has not kept up. The 2023 Palmetto State Housing Study published by SC State Housing indicated that a decade of underbuilding has culminated in a shortage of housing inventory. South Carolina's population has grown steadily at an average annual rate of roughly 1.2% from 2002 to 2021 (compared to 0.8% for the overall US), and in 2023 its population grew the fastest in the nation – at a 1.7% increase from the previous year. Yet, the average annual growth rate in the number of new housing permits in South Carolina dropped by nearly half after the Great Recession of 2008.

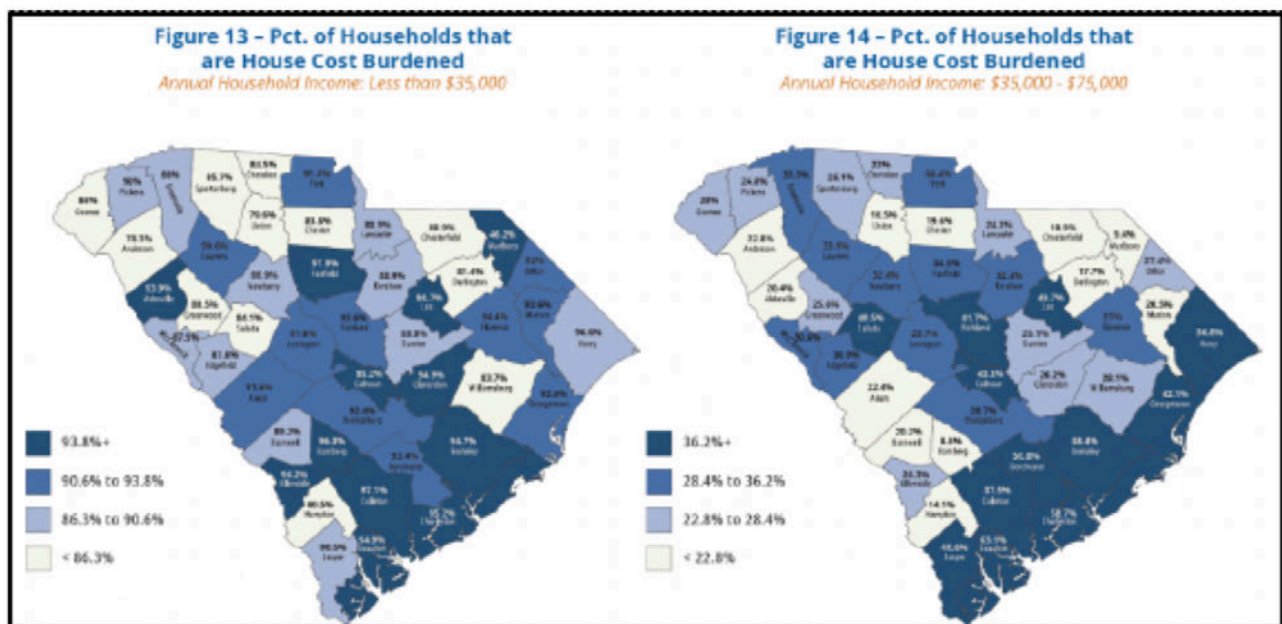
The decline includes both single and multi-family housing, thereby creating gaps in the supply and demand for housing and escalating the cost of housing due to the shortage of supply. The lack of housing inventory in South Carolina is especially pronounced among lower price points. Although a lack of demand in the immediate aftermath of the Great Recession helped temporarily increase the availability of entry-level homes, the number of homes sold in South Carolina for less than \$100,000 has decreased by 14.8 percent each year since 2014. (2023 Palmetto Study) The decrease in supply is most pronounced in coastal regions of South Carolina. In 2022, the percentage of homes sold in South Carolina for under \$100,000 fell below 5 percent for the first time. The 2023 Palmetto Housing Study, as shown in the charts below, reveals that South Carolina's housing market is imbalanced due to high demand and low inventory levels. This imbalance has resulted in affordability challenges for many South Carolinians.

As mentioned earlier, housing affordability is usually measured by examining the extent to which families are considered to be housing cost-burdened, therefore approximately 50 percent of renting households and 25 percent of households with a mortgage are housing cost-burdened in South Carolina. Examining housing cost burdens by county reveals that renters are most likely to be cost-burdened in the Midlands and coastal regions of South Carolina. By contrast, households with mortgages are most likely to be cost-burdened in the Pee Dee and coastal regions, as shown in Figures 9 and 10. On average, housing cost burdens across the state are higher for renters than they are for households with mortgages.



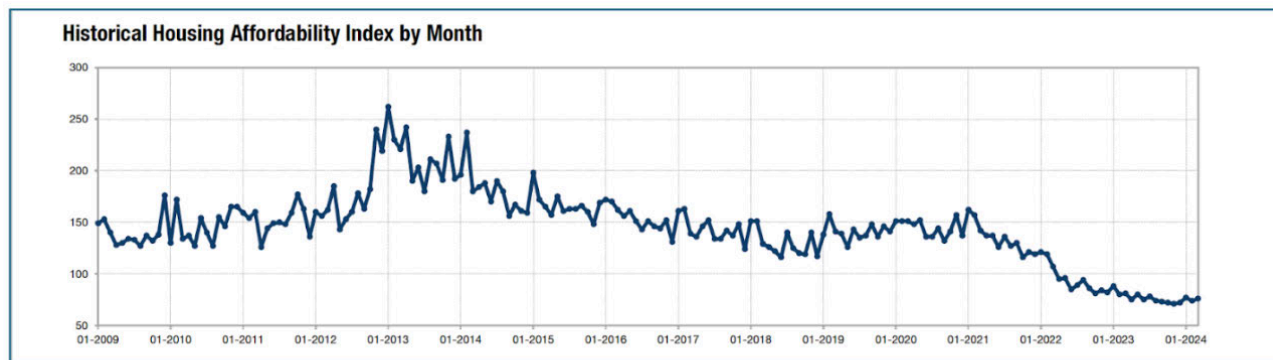
Housing affordability is often considered to be a challenge that is either mostly or exclusively concentrated among households with lower income. Approximately 90% of South Carolina's lower income households, defined as those earning less than \$35,000 annually are estimated to be housing cost-burdened based on the 2023 Palmetto Housing Study. However, in South Carolina there is also a significant population base of middle-income households that also face affordability challenges. Specifically, this study estimates that more than one-third (34.5%) of households earning between \$35,000 and \$75,000 annually are also housing cost-burdened by traditional measures. Existing statewide workforce housing initiatives are often designed for this population.

The cost burden for this segment of the population is especially high in coastal South Carolina as shown in Figures 13 and 14. The data demonstrates that housing affordability is nearly a universal challenge for lower-income and working-class families and households. Policies directed at improving housing affordability should also include attainable housing programs and new inventory for middle-income families -including individuals often employed as teachers, first responders, and health care support workers.



Escalating real estate costs are not the only barrier to homeownership. Increased mortgage rates continue to limit affordable home buying opportunities for families. Since August 2023, interest rates have risen to as high as 8% depending on the loan type, the amount of down payment provided and also takes into consideration a varying credit score between 580-800. These variables make home buying more difficult for lower income households that have limited downpayment and lower credit scores.

The affordability index (the lower the number the less affordable a market) for Beaufort and Jasper counties collectively continues to decline making the impact on housing options for Beaufort workers even more challenging as neighboring counties are also seeing a decline in affordability. The chart below shows significant regional decline in affordability even since the 2018 Bowen study. As mentioned earlier many workers commute from Jasper County to work in Beaufort, yet housing pricing are increasing in that market as well creating a broader regional housing crisis.



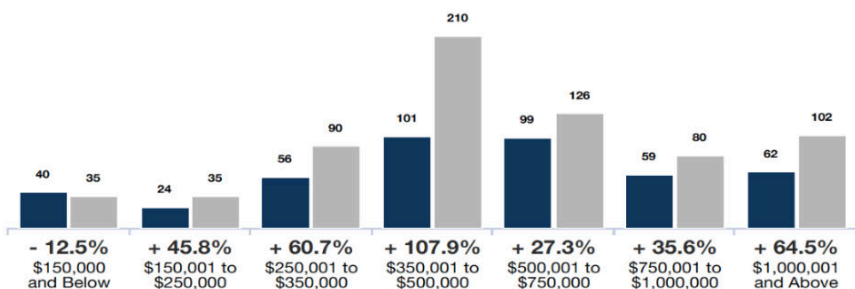
*Beaufort-Jasper County Realtors Association (BJRA)

Even more telling in the loss of regional affordability is the March BJRA Housing Supply Overview which indicated that for the 12-month period spanning April 2023 through March 2024 pending sales in the Beaufort-Jasper County REALTORS® region were down 0.1 percent overall, but the price range with the largest pending sales gain were for homes \$1,000,001 and above, where sales rose 38.5 percent.

Inventory of Homes for Sale

By Price Range

■ 3-2023 ■ 3-2024



With a per capita income of \$72,142 (BEA, 2022) and a median home sales prices of \$522,500 based on a recent Redfin 2024 report, the typical homebuyer in Beaufort County has very little opportunity to buy an affordable home that meets their budget. A \$200,000 home could cost a household \$1,754/month – assuming a 3% down payment and \$449/month in property taxes, homeowners insurance, and private mortgage insurance (PMI). [Nerd wallet] This monthly payment would also depend on the buyer's credit score. Therefore, the average resident (based on above per capita income) in Beaufort County could barely afford a \$200,000 home.

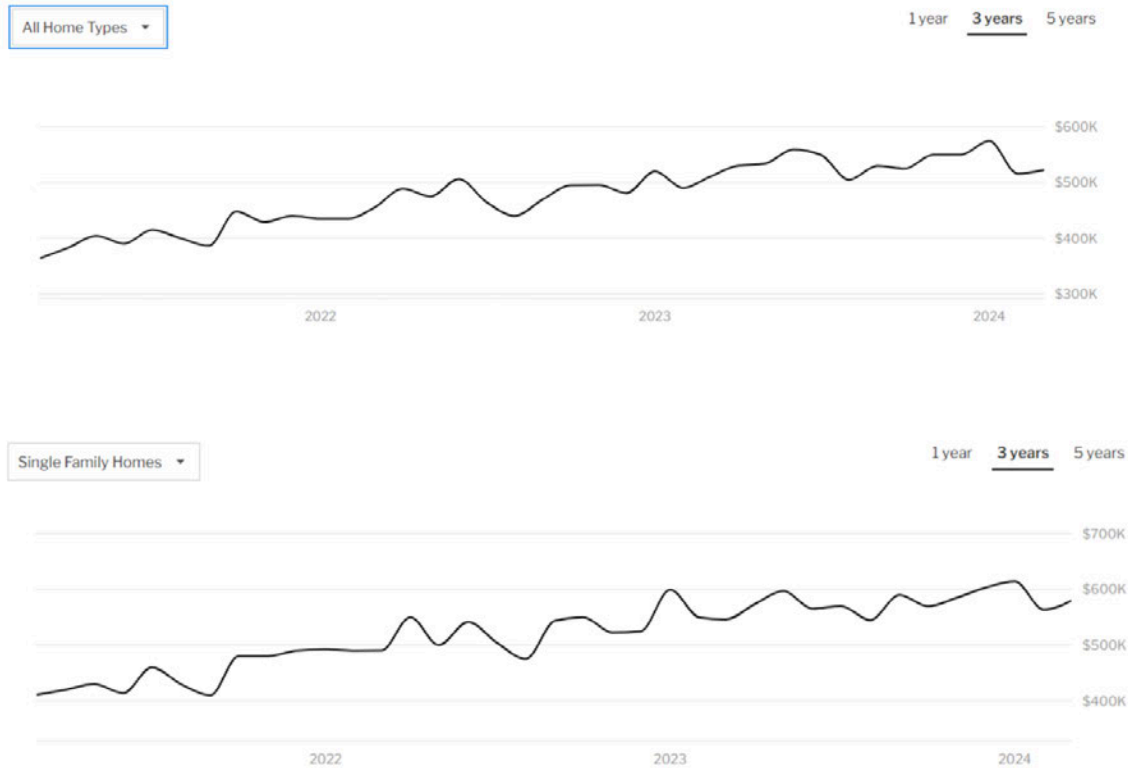
Based on Nerdwallet.com, current mortgage rates on average for the area are over 7 % for a 30-year fixed mortgage and 6.50% for a 15-year fixed mortgage, but - as mentioned - this depends on downpayment and credit score. Many lower income workers do not have significant savings for a down payment and may have credit issues making it harder for them to transition to ownership, especially if they are already cost-burdened and paying higher rents. The below chart shows mortgage interest based on current Annual Percentage Rates (APR).

Current mortgage and refinance interest rates		
Product	Interest Rate	APR
30-Year Fixed Rate	7.08%	7.13%
20-Year Fixed Rate	6.85%	6.91%
15-Year Fixed Rate	6.54%	6.62%
10-Year Fixed Rate	6.42%	6.50%

In addition to a limited pipeline of newly planned affordable homeownership options for the area and the low inventory of existing housing units, increased cost in wind and flood insurance are also impacting overall household's costs in Beaufort County. In some cases, insurance costs have doubled for residential and commercial properties, pricing people out of their homes. For the rental market, insurance premiums are passed along to renters by apartment owners therefore increasing the cost of rent for many families, while incomes have not kept up with housing costs. In some cases, rental property owners have converted their "previously affordable" rental properties into higher cost luxury apartments or short-term rentals, taking them out of the affordable housing inventory.

In March 2024, Beaufort County home prices were up 2.6% compared to last year, selling for a median price of \$523K. On average, homes in Beaufort County sell after 50 days on the market compared to 38 days last year. There were 495 homes sold in March this year, up slightly from 463 last year. (Redfin.com). Based on this recent data pulled from Redfin calculations of home data from MLS listings and public records the following charts show the continued rise in housing cost over the last 3-year.

The Charts include 1) All Home Types listed (villas, condos, townhomes and detached) and 2) Single Family Homes separately. The chart below shows overall housing types (condos, townhomes and single-family ownership) showing a trend of 43% increase in median sale price from 2021 to 2024. For single-family homes, the 3-year trend shows a 41% increase.



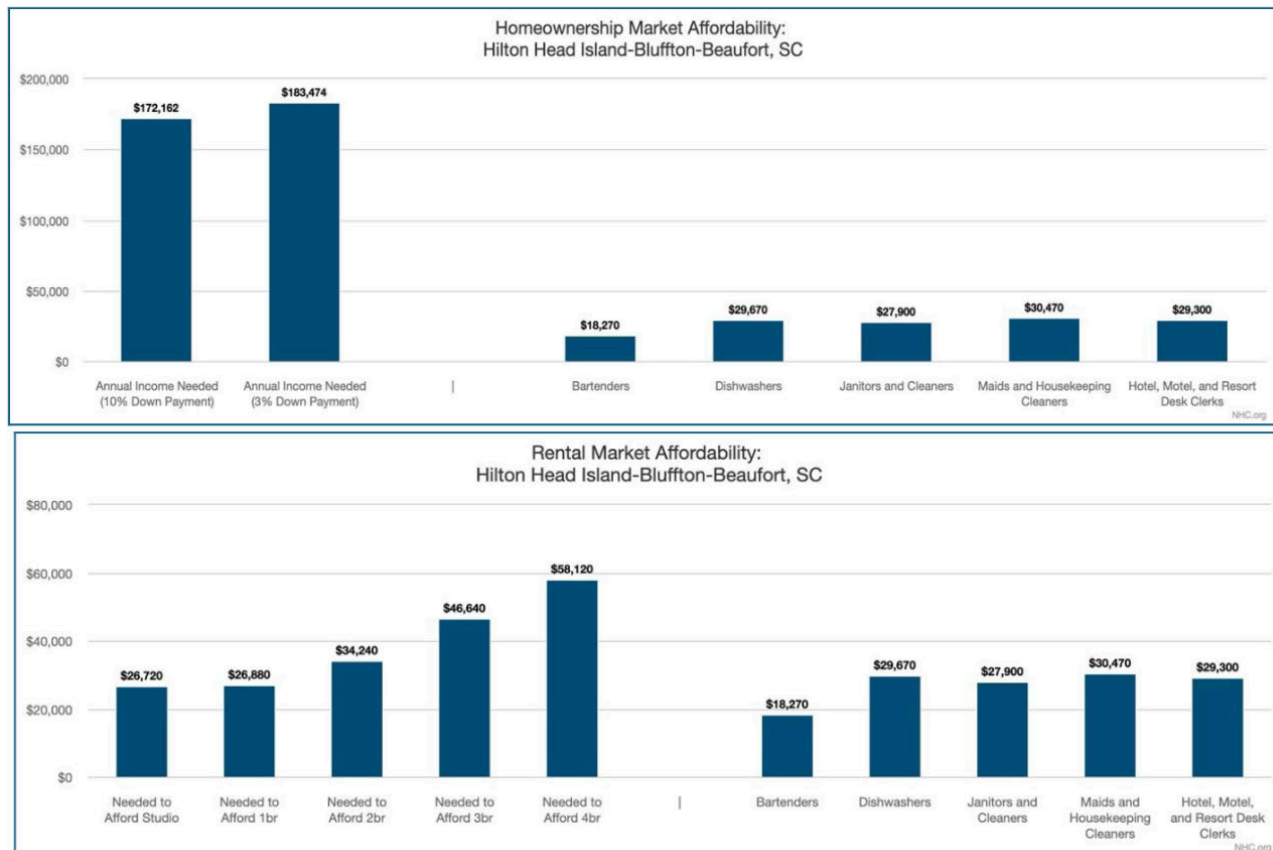
Beaufort County's housing costs is significantly higher compared to many neighboring cities and counties. The overall cost of living in Beaufort County is approximately 3% lower than the National average yet 6% higher than that of Savannah, GA and only 1% lower than that of Charleston, SC – two much-larger neighboring cities (Redfin). Next to Charleston, Beaufort is the most expensive market to buy in this comparison.

Location	Median Price	% Change from 2023 to 2024
Beaufort County	\$522,500	+ 2.6%
Horry County (Myrtle Beach)	\$328,000	+ 2.5%
Greenville County	\$352,495	+ 5.1%
Richland County (Columbia)	\$260,000	- .019%
Chatham County (Savannah)	\$366,000	+ 5.4%
Myrtle Beach	\$285,000	+ 14%
Charlotte MSA	\$402,000	+ 1.8%
Charleston	\$559,500	+ 7.6%

As evidenced in this chapter, there is a clear mismatch between housing that is available in the current market and the area incomes for some of the major workforce sectors. There continues to be few affordable housing options for the area's workforce with availability and affordability trending down. As highlighted in the National Housing Conference's Paycheck to Paycheck March 2024 Data Update for Beaufort County MSA areas, the qualifying income needed to afford a 2 Bedroom apartment at \$856/month in the Hilton Head Island-Bluffton-Beaufort, SC MSA is \$34,240 annually. All occupations shown in the table below do not produce enough annual income for the worker to afford a 2 BR rental or purchase a 2 BR home in the Beaufort County area (NHC's Paycheck to Paycheck Data Update March, 2024, <https://nhc.org/paycheck-to-paycheck/#>) – essentially locking them out of a chance at housing affordability.

Many of these cost-burdened workers fill occupations critical to the greater Beaufort County's tourism and leisure industry including Bartenders, Waiters, Dishwashers, Janitors and Maids, and Hotel and Resort Clerks. Others like Substitute Teachers, Home Health Aides, Childcare Workers, and Laundry and Dry-cleaning Workers serve the resident population all year-long yet cannot afford to live affordably in the community they serve.

The charts below from the Paycheck-to-Paycheck affordability index provide several examples - specifically for the workers in the hospitality and accommodations sectors - on what they can afford based on median incomes for each position as well as what they need to earn to afford a median price home or apartment in the Beaufort area.



Other major employment sector positions are also included below to show the growing mismatch between what area workers earn and what they can afford. Tourism related workers are faced with the largest barriers to finding housing options that are affordable but as one can see from the chart below other major employment sectors are also struggling to find affordable options in the region.

Occupation	Area Median Income	3% down qualify	Afford to buy?	1 BR Rent Qualify	Afford Rent 1 BR?	2 BR Rent Qualify	Afford Rent 2 BR?
Substitute <u>Teachers, Short-Term</u>	\$32,470	\$183,474	No	\$26,880	Yes	\$34,240	No
Teaching <u>Assistants, Except Postsecondary</u>	\$23,980	\$183,474	No	\$26,880	No	\$34,240	No
Home Health and Personal Care Aides	\$29,750	\$183,474	No	\$26,880	Yes	\$34,240	No
Security Guards	\$32,940	\$183,474	No	\$26,880	Yes	\$34,240	No
Bartenders	\$18,270	\$183,474	No	\$26,880	No	\$34,240	No
Fast Food and Counter Workers	\$26,590	\$183,474	No	\$26,880	No	\$34,240	No
Waiters and Waitresses	\$19,950	\$183,474	No	\$26,880	No	\$34,240	No
Dishwashers	\$29,670	\$183,474	No	\$26,880	Yes	\$34,240	No
Janitors and <u>Cleaners, Except Maids and Housekeeping Cleaners</u>	\$27,900	\$183,474	No	\$26,880	Yes	\$34,240	No
Maids and Housekeeping Cleaners	\$30,470	\$183,474	No	\$26,880	Yes	\$34,240	No
Hairdressers, Hairstylists, and Cosmetologists	\$29,460	\$183,474	No	\$26,880	Yes	\$34,240	No
Childcare Workers	\$27,670	\$183,474	No	\$26,880	Yes	\$34,240	No
Cashiers	\$26,980	\$183,474	No	\$26,880	Yes	\$34,240	No
Retail Salespersons	\$29,710	\$183,474	No	\$26,880	Yes	\$34,240	No
Hotel, Motel, and Resort Desk Clerks	\$29,300	\$183,474	No	\$26,880	Yes	\$34,240	No
Receptionists and Information Clerks	\$31,780	\$183,474	No	\$26,880	Yes	\$34,240	No
Laundry and Dry-Cleaning Workers	\$27,650	\$183,474	No	\$26,880	Yes	\$34,240	No
Parking Attendants	\$30,180	\$183,474	No	\$26,880	Yes	\$34,240	No
Stockers and Order Fillers	\$32,890	\$183,474	No	\$26,880	Yes	\$34,240	No

Construction and Development Costs

Ownership Market Costs:

A recent article by Today's Homeowner, highlighted that in South Carolina it could cost anywhere from \$150.92/sq.ft. for craftsman-style bungalow to \$603.60/sq.ft. for high-end plantation-style home. This same article highlighted an acre of farmland in South Carolina averages around \$2,830. However, urban lots cost significantly higher at \$500,000 per acre in most cities. These costs will vary depending on where in South Carolina a developer is building; urban vs rural, inland vs coastal etc. Beaufort County includes all these land typologies within the County. Although the submarket town/cities within Beaufort County have smaller populations than places like Charleston and Greenville, the urban cores within the County, like the City of Beaufort and Town of Bluffton, have all seen higher land cost along with construction costs. The County has unincorporated areas adjacent to these towns as well as quite a bit of rural areas that could have more affordable land but may have higher infrastructure costs. One developer interviewed shared it can cost over a \$1M per acre for land in the Island areas (pending location and infrastructure needs) and approximately \$340/sq. ft. for 3 story stick-built building. Another example shared included 2,000 sq.ft. 3-bedroom modular units priced at \$320,000/unit including site work but not land.

The Today's Homeowner article also pointed out the following average per square foot cost based on type of housing:

- **Craftsman Style Beach Cottage: \$150.92- \$188.65/sq.ft.** This type of home is very popular in Beaufort County due to its proximity to the ocean. Most of these types of homes have an average floor area of about 1,850 square feet indicating construction costs anywhere from \$278,500 to \$348,200.
- **Mid-Range Home: \$188.65- \$415.03/sq.ft.** This is for a Lowcountry cottage home typology with wrap around porches and southern design which is a common architectural style for many mid-range homes in the Beaufort area. Most of these types of homes with an average floor area of 1,850 square foot range between \$348,200 to \$766,145.
- **High-End or Luxury Home: \$415.03-\$603.68/sq.ft.** This type of home is typically considered a Plantation-style home usually found in upscale neighborhoods, especially in areas like Beaufort County and their adjacent jurisdictions like Hilton Head Island and Port Royal. Most of these types of homes vary in square footage and tend to be larger homes with high end finishes and amenities so can range anywhere from \$766,145 to \$1,111,400.

Several individual costs that make up these varying construction estimates include framing, exterior work, utilities, interior and finishing costs along with foundational work and labor costs. The costs will vary greatly depending on the type of materials selected and the current pricing for commodities like lumber and concrete. Labor shortages can also play a significant role in the final cost of construction.

	Craftsman-Style	Mid-Range	High-End/ Plantation Style
Charleston	\$175.00	\$262.50	\$700.00
Columbia	\$120.00	\$180.00	\$480.00
Myrtle Beach	\$159.00	\$238.50	\$636.00
Greenville	\$90.00	\$135.00	\$360.00
Hilton Head Island	\$111.08	\$166.62	\$444.32
Sumter	\$118.46	\$177.69	\$473.84
Spartanburg	\$97.00	\$145.50	\$388.00
Florence	\$80.00	\$120.00	\$320.00
Summerville	\$114.65	\$171.98	\$458.60
Beaufort	\$110.00	\$165.00	\$440.00

The chart above provides a good snapshot of estimated construction costs per square foot for various communities in South Carolina compared to the Beaufort area. It should be noted that these are industry-estimates, and each property and home can be significantly different per square foot based on design, location, final finishes and construction financing costs. For the purposes of this Housing Impact Analysis, the chart provides a baseline comparison to consider when evaluating what housing can be considered affordable. As a reminder, a household should spend no more than 30% of their household income or no more than 3 times their annual salary on a home purchase to be considered affordable.



Land Cost:

As mentioned earlier in this same article by Today's Homeowner, land prices vary drastically depending on the location of the property and can be well over \$500,000/acre in some of the coastal areas like Beaufort. In some cases, finding smaller lots can be the best option to keep housing more affordable or increasing density on a piece of land to allow for more units to maximize the value of the land. A smaller piece of land, around a fourth of an acre, may cost around \$125,000, translating to approximately 10,890 square feet, which is more than enough for a single-family home.

Other Construction Costs:

The article also mentioned site preparation can add between 3-8% to a project cost that is not included in typical construction costs and can vary greatly depending on the type of land the home is being built on. For example, in the Beaufort area, many homes must be built above the flood plain or have topology issues due to the proximity to the water or marshland, so they may require environmental mitigation efforts prior to being built or installed on stilts, etc. The cost of site work will also depend on the type of construction, the number of stories, and existing site conditions - creating a range between \$3.34 per square foot to a maximum of \$13.35 square foot.

In addition to building new affordable housing, the County is also interested in the preservation of housing. Both the Bowen Study and the Comprehensive plan included preservation as an important strategy to protect existing affordable housing stock and minimize potential displacement. As mentioned earlier there are few government-subsidized affordable housing units available within the County, which would be protected as affordable for longer- periods of time. Older existing apartments or villas, considered as "naturally occurring affordable housing or NOAH" due to their age, are also limited in the County. One developer shared a list of several properties throughout the county that might be considered relatively affordable or NOAH. These properties were listed between \$220,000-\$360,000 for 2 bedroom 2 bathroom just for acquisition, not taking into consideration repairs or improvements that might be necessary to preserve these units.

Other considerations on total development cost include pre-development and soft costs like professional service fees, architect, engineering, local approvals, permits and tap fees, etc.

Other Impediments to development:

Due to the Beaufort County's location along the coast, other environmental considerations play a huge role in increasing the cost of development, including but not limited to building code requirement to address natural disasters and protections, like seismic and wind zones that require engineered drawings and specified materials that help eliminate risks of home destruction in the event of a hurricane or earthquake.

Local Permitting and Impact Fees:

Although local permitting and impact fees can significantly increase the cost of housing development, the County has looked at where they can reduce or waive these fees for affordable housing developers. The County currently has an affordable housing impact fee waiver program that is described in more detail in the Removing Barriers Chapter of this analysis. The County is looking at other fee waivers and incentives they can implement to support increased affordable housing production, yet many of these fees are not under their control, like water and sewer tap fees or utility costs etc.

As part of the Bowen Housing Needs Assessment, researchers spoke to several developers about the cost of housing development as a barrier to ensuring more affordable options. The study mentioned that during one-on-one discussions with local affordable housing partners they indicated many obstacles that make it hard to develop more affordable housing in the County. One challenge is the high costs for infrastructure improvements and impact fees, finding the land to build and finding development partners willing to build affordable or mixed income housing, since costs have escalated so much over the past five years. Due to topography, wetland and environmental concerns, there is limited developable land in the County that is cost effective enough to make a significant impact on the demand for affordable housing.

Some recommendations that came from those meetings included partners suggesting the County consider more creative types of housing development (alternative types of housing), look at maximizing density where feasible, and consider mixed income where possible and commercial conversion as an option for under-utilized retail and commercial spaces - including repurposing older and dilapidated buildings that could be refurbished and made into affordable housing. The County has already looked at the conversion of older motels/hotels as an option for affordable housing and has a few projects underway within the County.

Insurance:

Related to some of the added costs due to environmental considerations, insurance costs are playing a significant role in affordability. In some communities in the Beaufort area insurance costs for both ownership and rental properties have increased over 100%. A recent 2024 article indicated that homeowners across the country are facing an insurance crisis and driving up housing costs, especially in weather vulnerable coastal communities like Beaufort. According to a survey conducted by Redfin Corp. about 72% of U.S. homeowners said their policy had increased over the past year, about 8% of those surveyed said their insurance company stopped offering coverage for their homes all together. Redfin expects homeowner insurance rates will continue to rise in communities like South Carolina, Florida and California that are more prone to natural and environmental disasters. Insurance marketplace Insurify Inc. projected homeowners' insurance would rise about 6% in 2024 after roughly 20% annual rate increases between 2021 and 2023, that would bring the average rate to \$2,522 annually by the end of the year.

Removing Barriers to Workforce Housing

Incentivizing Affordable Workforce Housing:

A key aspect of this Housing Impact Analysis is to understand both the local barriers to the preservation and production of affordable workforce housing along with the strategies and incentives the County may already offer to support housing solutions. The Bowen Study outlined several housing strategies including planning policies and funding ideas for the County to consider that could incentivize private developers to create more affordable housing within their projects. Based on these recommendations and recognizing the growing demand for workforce housing over the last few years, the County has already implemented several developer incentive programs to support an increase in affordable housing.

Beaufort County Development Code includes an entire chapter on encouraging affordable housing as a key element of the County's growth and development priorities. In Chapter 4 of the Development Code, County Council indicated that affordable housing is the essential foundation upon which to build a more sustainable future for Beaufort County and to grow a more competitive workforce to meet the challenges of our regional, state, and global economy.

County Council found that zoning regulations can be an effective tool for implementing the strategies to address the needs for affordable housing stock within Beaufort County. Within the Developer Incentives Chapter, the County identified certain incentives and zoning tools that can help facilitate and encourage the development of affordable housing types. Specifically, this chapter was intended to promote a diversity of housing stock by providing certain incentives and regulatory standards for the creation of affordable housing units in the C5 zoning district. The following highlights specific excerpts from the Development Code that Beaufort County has already committed to support the increased production of affordable workforce housing.



Developer Incentives:

Chapter 4 of the Beaufort County Code

Within this chapter the County outlines what is required for a developer to access density bonuses and impact fee exemptions for projects that commit to including affordable housing within a larger development project.

The number of owner-occupied affordable housing units and/or rental affordable housing units per development shall be one of the following at the election of the applicant:

- Thirty (30%) percent of the dwelling units, rounded up to the whole number, shall be restricted by deed as owner occupied affordable housing units and/or rental affordable housing units for a period of at least twenty (20) years; or
- Twenty (20%) percent of the dwelling units, rounded up to the whole number, shall be restricted by deed as owner occupied affordable housing units and/or rental affordable housing units for a period of at least twenty-five (25) years.

Density bonus. Housing developments or re-developments located within the Regional Center Mixed Use (CS) zone district may elect to development land in compliance with this chapter. As an incentive for development under this chapter, there shall be no maximum density or minimum lot size requirements.

Impact fees. Impact fees shall be reduced in proportion to the number of affordable housing units being provided in accordance with Beaufort County Code of Ordinances Section 82-32. A project approved under this chapter shall be determined to be a project that creates affordable housing for the purpose of exempting impact fees in proportion to the number of affordable housing units created. The following table indicates the percentage of discount available for Impact Fees for Affordable Housing:

Area Median Income (AMI)	Impact Fee Discount
Under 60%	100%
60% to 80%	60%
Over 80%	0%

The County commits a certain amount of funding annually into their Beaufort County Affordable Fund to support this incentive for affordable workforce housing projects based on project eligibility and available funding. Development impact fees may be subsidized, as long as funds are available in the Beaufort County Affordable Housing Fund, by up to 100 percent for housing a person or family earning 80 percent or less of the county's median family income. Criteria approved by county council will be used to provide guidance and should be reviewed prior to requesting assistance from the County.

Financing/Funding:

In addition to implementing several planning policies that can encourage developers to produce affordable workforce housing, the County has also committed funding to support financing solutions for development projects. One noteworthy strategy included leading the housing trust fund study that launched a regional housing trust fund. The County worked closely with other local jurisdictions and Jasper County to implement the Beaufort Jasper Housing Trust Fund (BJHT), which was officially incorporated in 2023. Participating jurisdictions signed an intergovernmental agreement, agreeing to the creation of the fund and a 10-year funding commitment, with the County being the largest contributor to the Fund initially.

Beaufort Jasper Housing Trust Fund

The housing trust fund mission is to assist in the financing and funding of affordable housing. The housing trust fund was supported originally with a one-time allocation from the American Rescue Funds from each participating jurisdiction. Subsequent annual funding will need to be determined by each government partner from a local source that their Councils identify.

The above incentives and financing tools are a just a few of the initiatives that the County has already implemented to support the preservation and production of affordable workforce housing efforts. The County is constantly seeking ways to support affordable housing, including looking at policy or regulatory tools that could encourage more affordable and mixed income housing. With the passage of Act 57, the County now has the opportunity to utilize a new funding source for workforce housing projects within the County. These funds will help compliment the County's existing programs to increase the production and preservation of workforce housing.



Image from Garden Oaks Apartments

In addition to the efforts mentioned above, the County is also investigating the following policy and strategies to support the growing need for more affordable housing.

Preserve Existing Affordable Housing

- Work with municipalities to develop conservation overlay zones or similar, to protect areas of naturally occurring affordable housing; an example would be the Oaklawn subdivision on Oaklawn Ave in the City of Beaufort.
- Prohibit new Short Term Rentals in single-family zoned neighborhoods unless the owner lives on the premises (i.e., prohibit new STRs on 6% property).
- Identify all LIHTC projects in the County; determine when the affordability period ends; develop options for extending affordability period or otherwise maintaining affordability.
- Consider establishing and/or funding local housing repair programs targeted at low-moderate income homeowners or income-restricted rental properties.

Promote New Affordable Housing

- Revise development codes in the County and municipalities to promote more missing middle housing by allowing 2 accessory dwelling units (ADUs) per lot and allowing 2- and 3-family dwellings in current single-family zones. Consider allowing 4-family dwellings and townhouses.
 - eliminate on-site parking requirements for ADUs
- Waive or reduce building permitting fees for ADUs where owner signs an affidavit that covenants do not preclude it being rented.
 - consider waiving or reducing building permit fees for other Missing Middle housing types indefinitely or for a limited period of time to stimulate interest in development
- Work with SC Building Codes Council to allow 3- and 4-unit structures to be built with alternatives to sprinklers.
- Work with municipalities to develop pre-reviewed plans for Missing Middle Housing, starting with ADUs.
- Advocate legislature for authority to adopt inclusionary housing ordinances.
- Advocate legislature for authority to adopt real estate transfer fee that could be used for affordable housing and open space preservation.
- Adjust all impact fees to be based on the true impact of the use; fees should be based on square footage of the unit and/or the number of bedrooms.
- Facilitate a developers training workshop similar to what is done by The Incremental Development Alliance, to educate contractors and developers on developing Missing Middle Housing.



Conclusion

The Bowen report emphasized the need for the County to support a balanced housing approach to meet the growing demand for diverse housing options with an emphasis on affordable workforce housing. As highlighted in this Analysis, while current housing shortages are more pronounced among lower-income households, the projected household growth among higher income households is significant. There is a need to provide housing to meet this population growth as well to avoid a “bottleneck effect”. When there is not sufficient housing stock in the market to meet diverse income growth, residents have few options to move into housing that meets their income, therefore they tend to stay in existing homes or rental units longer instead of upgrading to newer housing. When residents upgrade or move into a newer housing option, more affordable options are freed up for low to moderate income households to access. Additionally, when the housing market does not keep up with demand caused by population growth and limited housing stock, supply and demand market forces increase the overall cost of housing, making it difficult for low- and moderate-income families to find affordable housing.

The Bowen report also indicated projected growth to be robust among both renter- and owner-occupied households and among both younger and older adults, providing further evidence that future housing development will need to be diverse to meet the varied needs of each of these household segments. With the ongoing population growth as indicated in this analysis and the lack of available housing inventory, especially affordable options, the County is seeking diverse solutions to address the need for more affordable housing, with a focus on the growing workforce needs. The housing shortage is directly impacting the County’s ability to attract and retain employers and employees in some of the key business sectors mentioned in this Analysis, in particular within tourism related jobs. The County has already implemented several policies and programs to support the preservation and production of a broad spectrum of affordability levels and product types including some mentioned within this analysis.

With tourism continuing to be one of the top three employment sectors in the County, there is a clear nexus between the need for workforce housing solutions and the revenues generated by the tourism economy. The availability of ATAX to support workforce housing provides the County with a new revenue source to help with the development and implementation of additional solutions to meet the growing need for more affordable housing options.

The passage of Act 57 offers the County a new opportunity to increase financial resources available to support programs for affordable workforce housing opportunities. The County estimates a total State ATAX amount for FY2025 of about \$1,500,000. With the new law, the County could now use up to 15% of this tax revenue to support workforce housing efforts in addition to 15% of their local ATAX revenues, which could be a significant new resource to support affordable housing efforts in the County.

As outlined in Beaufort County's adopted 2040 Comprehensive Plan, the County is committed to a diverse community that balances growth, attracts business and employment opportunities, preserves the areas fragile environment, ensures affordable housing options, and maintains quality of life for all residents regardless of income. The County is also committed to investing in new public infrastructure, creating incentives for affordable housing, and focusing development on land of the highest suitability. Within the Housing Element of the 2040 Comprehensive Plan, the County's overarching goal is to promote quality, affordable housing available and accessible to all residents, while ensuring a mix of housing types available to residents of varying incomes, ages and abilities.

To address this growing workforce and housing mismatch as highlighted throughout this Housing Impact Analysis, Beaufort County will need to continue to play an active role in promoting affordable housing solutions. Efforts will need to include but are not limited to implementing additional planning and zoning policy incentives, enhance public/private partnerships with affordable housing developers and identify new and flexible funding sources that enable these projects to come to fruition.

The County through its comprehensive plan, has already committed to:

- Foster the creation of affordable housing near jobs, services and public transit.
- Reduce regulatory barriers to the creation of affordable housing.
- Establish an ongoing funding source to address housing needs.
- Partner with non-profit agencies and the private sector.
- Work regionally to address affordable housing needs.

To further support these commitments, the County is seeking the opportunity to increase funding sources for affordable workforce housing efforts through the adoption of this Housing Impact Analysis as an amendment to their 2040 Comprehensive Plan, enabling access to up to 15% of its Accommodation Tax (ATAX) revenue. Access to this new eligible source of funding can help stretch existing sources and leverage additional funding to support new housing programs and complement existing policy efforts.



Sources

- 2018 Bowen Beaufort County Housing Needs Assessment
- 2023 South Carolina Palmetto Housing Study
- 2040 Beaufort County Comprehensive Plan
- 2024 Lowcountry Council of Government, Community Indicators Report
- Beaufort Jasper Counties REALTORS Association
- Biz Journals
- Capital Improvement Plan and Development Impact Fee Study, Tischler Bise Study, 2020
- Hilton Head Island Area Realtors Association
- Island's of Beaufort
- Livewell Terrace Market Study, 2023 T Ronald Brown Research & Analysis
- March 2024 SC State Paper
- May 2023 Bureau of Labor Statistics
- May 2024 Construction Costs
- National Housing Conference
- Redfin 1
- Redfin 2
- South Carolina State Housing Finance
- Today's Homeowner
- US Census Reporter ACS 2022 1-Year estimates
- World Population Review



Appendix

South Carolina General Assembly
125th Session, 2023-2024

A57, R66, S284

STATUS INFORMATION

General Bill

Sponsors: Senators Davis, Turner, Jackson, Scott, Kimpson, Senn, Campsen and Sabb

Companion/Similar bill(s): 4213

Document Path: SR-0145KM23.docx

Introduced in the Senate on January 10, 2023

Introduced in the House on April 4, 2023

Last Amended on May 10, 2023

Currently residing in the Senate

Summary: Development of Workforce Housing

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
12/7/2022	Senate	Prefiled
12/7/2022	Senate	Referred to Committee on Finance
1/10/2023	Senate	Introduced and read first time (Senate Journal-page 178)
1/10/2023	Senate	Referred to Committee on Finance (Senate Journal-page 178)
3/22/2023		Scrivener's error corrected
3/22/2023	Senate	Committee report: Favorable Finance
3/24/2023		Scrivener's error corrected
3/28/2023	Senate	Read second time (Senate Journal-page 75)
3/30/2023	Senate	Amended (Senate Journal-page 13)
3/30/2023	Senate	Read third time and sent to House (Senate Journal-page 13)
3/30/2023	Senate	Roll call Ayes-34 Nays-6 (Senate Journal-page 13)
4/4/2023	House	Introduced and read first time (House Journal-page 9)
4/4/2023	House	Referred to Committee on Ways and Means (House Journal-page 9)
5/4/2023	House	Committee report: Favorable with amendment Ways and Means (House Journal-page 8)
5/9/2023	House	Debate adjourned (House Journal-page 27)
5/10/2023	House	Amended (House Journal-page 85)
5/10/2023	House	Read second time (House Journal-page 85)
5/10/2023	House	Roll call Yeas-80 Nays-29 (House Journal-page 88)
5/11/2023	House	Read third time and returned to Senate with amendments (House Journal-page 17)
5/11/2023	Senate	Concurred in House amendment and enrolled (Senate Journal-page 57)
5/11/2023	Senate	Roll call Ayes-41 Nays-2 (Senate Journal-page 57)
5/17/2023		Ratified R 66
5/19/2023		Signed By Governor
5/26/2023		Effective date 05/19/23
5/26/2023		Act No. 57

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[05/05/2023](#)

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[03/24/2023](#)

[03/30/2023](#)

[05/05/2023](#)

[05/10/2023](#)

(A57, R66, S284)

AN ACT TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 6-1-530, RELATING TO USE OF REVENUE FROM LOCAL ACCOMMODATIONS TAX, SO AS TO PROVIDE THAT THE DEVELOPMENT OF WORKFORCE HOUSING IS ONE OF THE PURPOSES FOR WHICH LOCAL ACCOMMODATIONS TAXES MAY BE USED; BY AMENDING SECTION 6-4-10, RELATING TO THE USE OF CERTAIN REVENUE FROM THE ACCOMMODATIONS TAX, SO AS TO PROVIDE THAT THE DEVELOPMENT OF WORKFORCE HOUSING IS ONE OF THE PURPOSES FOR WHICH THE FUNDS MAY BE USED; BY AMENDING SECTION 6-4-15, RELATING TO THE USE OF REVENUES TO FINANCE BONDS, SO AS TO PROVIDE THAT THE DEVELOPMENT OF WORKFORCE HOUSING IS ONE OF THE PURPOSES FOR WHICH BONDS MAY BE ISSUED; BY ADDING SECTION 6-4-12 SO AS TO REQUIRE A LOCAL GOVERNMENT TO PREPARE A HOUSING IMPACT ANALYSIS BEFORE USING SUCH FUNDS FOR WORKFORCE HOUSING; BY AMENDING SECTIONS 6-4-5 AND 6-1-510, RELATING TO DEFINITIONS, SO AS TO ADD CERTAIN DEFINITIONS; BY AMENDING SECTION 6-29-510, RELATING TO LOCAL PLANNING, SO AS TO REQUIRE THE PLANNING COMMISSION MUST SOLICIT INPUT FOR THE ANALYSIS FROM HOMEBUILDERS AND OTHER EXPERTS WHEN DEVELOPING A HOUSING ELEMENT FOR THE LOCAL COMPREHENSIVE PLAN; TO CREATE THE LAND DEVELOPMENT STUDY COMMITTEE TO EXAMINE CURRENT AND PROSPECTIVE METHODS TO PLAN FOR AND MANAGE LAND DEVELOPMENT; AND TO REQUIRE A REPORT DETAILING THE EFFECTS OF THIS ACT ON TOURISM AND WORKFORCE HOUSING.

Be it enacted by the General Assembly of the State of South Carolina:

Local accommodations tax for workforce housing

SECTION 1. Section 6-1-530(A) of the S.C. Code is amended to read:

(A) The revenue generated by the local accommodations tax must be

used exclusively for the following purposes:

(1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;

(2) tourism-related cultural, recreational, or historic facilities;

(3) beach access, renourishment, or other tourism-related lands and water access;

(4) highways, roads, streets, and bridges providing access to tourist destinations;

(5) advertisements and promotions related to tourism development;

(6) water and sewer infrastructure to serve tourism-related demand;

or

(7) development of workforce housing, which must include programs to promote home ownership. However, a county or municipality may not expend or dedicate more than fifteen percent of its annual local accommodations tax revenue for the purposes set forth in this item. The provisions of this item are no longer effective after December 31, 2030.

State accommodations tax for workforce housing

SECTION 2. Section 6-4-10(4) of the S.C. Code is amended to read:

(4)(a) The remaining balance plus earned interest received by a municipality or county must be allocated to a special fund and used for tourism-related expenditures. This section does not prohibit a municipality or county from using accommodations tax general fund revenues for tourism-related expenditures.

(b) The funds received by a county or municipality which has a high concentration of tourism activity may be used to provide additional

county and municipal services including, but not limited to, law enforcement, traffic control, public facilities, and highway and street maintenance, as well as the continual promotion of tourism. The funds must not be used as an additional source of revenue to provide services normally provided by the county or municipality but to promote tourism and enlarge its economic benefits through advertising, promotion, and providing those facilities and services which enhance the ability of the county or municipality to attract and provide for tourists.

“Tourism-related expenditures” include:

(i) advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;

(ii) promotion of the arts and cultural events;

(iii) construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities;

(iv) the criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;

(v) public facilities such as restrooms, dressing rooms, parks, and parking lots;

(vi) tourist shuttle transportation;

(vii) control and repair of waterfront erosion, including beach renourishment;

(viii) operating visitor information centers;

(ix) development of workforce housing, which must include programs to promote home ownership. However, a county or municipality may not expend or dedicate more than fifteen percent of its annual local accommodations tax revenue for the purposes set forth in

this item (4)(b)(ix). The provisions of this item (4)(b)(ix) are no longer effective after December 31, 2030.

(c)(i) Allocations to the special fund must be spent by the municipality or county within two years of receipt. However, the time limit may be extended upon the recommendation of the local governing body of the county or municipality and approval of the oversight committee established pursuant to Section 6-4-35. An extension must include provisions that funds be committed for a specific project or program.

(ii) Notwithstanding the provisions of subsubitem (i), upon a two-thirds affirmative vote of the membership of the appropriate local governing body, a county or municipality may carry forward unexpended allocations to the special fund beyond two years provided that the county or municipality commits use of the funds exclusively to the control and repair of waterfront erosion, including beach renourishment or development of workforce housing, which must include programs to promote home ownership. The county or municipality annually shall notify the oversight committee, established pursuant to Section 6-4-35, of the basic activity of the committed funds, including beginning balance, deposits, expenditures, and ending balance.

(d) In the expenditure of these funds, counties and municipalities are required to promote tourism and make tourism-related expenditures primarily in the geographical areas of the county or municipality in which the proceeds of the tax are collected where it is practical.

Bonds for workforce housing

SECTION 3. Section 6-4-15 of the S.C. Code is amended to read:

Section 6-4-15. A municipality or county may issue bonds, enter into other financial obligations, or create reserves to secure obligations to finance all or a portion of the cost of constructing facilities, all of which must fulfill the purpose of this chapter, for civic activities, the arts, cultural events, or workforce housing that includes programs to promote home ownership. The annual debt service of indebtedness incurred to finance the facilities or lease payments for the use of the facilities may be provided from the funds received by a municipality or county from the accommodations tax in an amount not to exceed the amount received by the municipality or county after deduction of the accommodations tax funds dedicated to the general fund and the advertising and promotion fund. However, none of the revenue received by a municipality or county from the accommodations tax may be used to retire outstanding bonded indebtedness unless accommodations tax revenue was obligated for that purpose when the debt was incurred.

Housing impact analysis

SECTION 4. Chapter 4, Title 6 of the S.C. Code is amended by adding:

Section 6-4-12. (A) If a local government intends to use the funds for the development of workforce housing, then the local government shall prepare a housing impact analysis prior to giving second reading to the ordinance.

(B) The analysis required by subsection (A) must include:

(1) information about the effect of the ordinance on housing, including the effect of the ordinance on each of the following:

(a) the cost of developing, construction, rehabilitating, improving, maintaining, or owning single-family or multifamily

dwellings;

(b) the purchase price of new homes or the fair market value of existing homes;

(c) the cost and availability of financing to purchase or develop housing;

(d) housing costs; and

(e) the density, location, setback, size, or height development on a lot, parcel, land division, or subdivision; and

(2) an analysis of the relative impact of the ordinance on low- and moderate-income households.

(C) The following applies to information on housing costs required to be included in the analysis conducted pursuant to subsection (B)(1)(d):

(1) the analysis must include reasonable estimates of the effect of the ordinance on housing costs, expressed in dollar amounts. The local government shall include a brief summary of, or worksheet demonstrating, the computations used in determining the dollar amounts. However, if the local government determines that it is not possible to make an estimate expressed in dollar amounts, then the analysis must include a statement setting forth the reasons for the local government's determination; and

(2) the analysis must include descriptions of both the immediate effect and, to the extent ascertainable, the long-term effect of the ordinance on housing costs.

(D) Except as otherwise provided in this section, a housing impact analysis required pursuant to this section must be based on costs associated with the development, construction, financing, purchasing, sale, ownership, or availability of a median-priced single-family residence. However, the analysis may include estimates for larger developments as part of an analysis of the long-term effects of the

ordinance.

(E) A local government may request information from any state agencies, local units of government, universities or colleges, organizations, or individuals as necessary to prepare a housing impact analysis pursuant to this section.

(F) The local government shall provide the housing impact analysis for an ordinance to the members of the legislative body of the local government, the Department of Revenue, and the Tourism Expenditure Revenue Committee before the ordinance is considered by the legislative body. The Department of Revenue may not disburse any accommodations taxes to the local government for purposes of development of workforce housing unless and until the local government has provided the housing impact analysis to the parties required pursuant to this subsection.

Definitions

SECTION 5. Section 6-4-5 of the S.C. Code is amended to read:

Section 6-4-5. As used in this chapter:

(1) “County area” means a county and municipalities within the geographical boundaries of the county.

(2) “Cultural”, as it applies to members of advisory committees in Section 6-4-25, means persons actively involved and familiar with the cultural community of the area including, but not limited to, the arts, historical preservation, museums, and festivals.

(3) “Hospitality”, as it applies to members of the committees in item (2), means persons directly involved in the service segment of the travel and tourism industry including, but not limited to, businesses that

primarily serve visitors such as lodging facilities, restaurants, attractions, recreational amenities, transportation facilities and services, and travel information and promotion entities.

(4) “Travel” and “tourism” mean the action and activities of people taking trips outside their home communities for any purpose, except daily commuting to and from work.

(5) “Housing costs” for housing occupied by the owner means:

(a) the principal and interest on a mortgage loan that finances the purchase of the housing;

(b) the closing costs and other costs associated with a mortgage loan;

(c) mortgage insurance;

(d) property insurance;

(e) utility-related costs;

(f) property taxes; and

(g) if the housing is owned and occupied by members of a cooperative or an unincorporated cooperative association, fees paid to a person for managing the housing.

(6) “Housing costs” for rented housing means:

(a) rent; and

(b) utility-related costs, if not included in the rent.

(7) “Ordinance” means an ordinance adopted pursuant to Section 6-29-530.

(8) “Utility-related costs” means costs related to power, heat, gas, light, water, and sewage.

(9) “Workforce housing” means residential housing for rent or sale that is appropriately priced for rent or sale to a person or family whose income falls within thirty percent and one hundred twenty percent of the median income for the local area, with adjustments for household size,

according to the latest figures available from the United States Department of Housing and Urban Development (HUD).

Definition

SECTION 6. Section 6-1-510 of the S.C. Code is amended by adding:

(4) “Workforce housing” means residential housing for rent or sale that is reasonably and appropriately priced for rent or sale to a person or family whose income falls within thirty percent and one hundred twenty percent of the median income for the local area, with adjustments for household size, according to the latest figures available from the United States Department of Housing and Urban Development (HUD).

Local comprehensive plan

SECTION 7. Section 6-29-510(D)(6) of the S.C. Code is amended to read:

(6) a housing element which considers location, types, age, and condition of housing, owner and renter occupancy, and affordability of housing. This element includes an analysis to ascertain nonessential housing regulatory requirements, as defined in this chapter, that add to the cost of developing affordable housing but are not necessary to protect the public health, safety, or welfare and an analysis of market-based incentives that may be made available to encourage development of affordable housing, which incentives may include density bonuses, design flexibility, and streamlined permitting processes. The planning commission must solicit input for this analysis from homebuilders,

developers, contractors, and housing finance experts when developing this element;

Land Development Study Committee

SECTION 8. (A) There is created the Land Development Study Committee to examine current and prospective methods to plan for and manage land development in South Carolina.

(B) The study committee must be comprised of three members of the Senate appointed by the President of the Senate and three members of the House of Representatives appointed by the Speaker of the House. Staff from the Senate and House of Representatives shall assist the study committee.

(C) The members of the study committee shall seek assistance from governmental agencies including the South Carolina Building Codes Council, the South Carolina Housing Authority, and the South Carolina Department of Agriculture, and from members of the private sector including, but not limited to, the Homebuilders Association of South Carolina, Habitat for Humanity South Carolina, the Realtors Association of South Carolina, the Municipal Association of South Carolina, the South Carolina Association of Counties, South Carolina Land Trust, Conservation Voters of South Carolina, the South Carolina Chapter of the American Planning Association, and the Manufactured Housing Institute of South Carolina.

(D) The study committee shall provide a report to the General Assembly by December 31, 2023, at which time the study committee shall dissolve.

Report

SECTION 9. Before the beginning of the 2030 Legislative Session, the Director of the Department of Parks, Recreation and Tourism, in consultation with the Secretary of Commerce and the Commissioner of Agriculture, shall issue a report to the General Assembly detailing the effects on tourism and workforce housing resulting from the codified provisions of this act.

Time effective

SECTION 10. This act takes effect upon approval by the Governor.

Ratified the 17th day of May, 2023.

Approved the 19th day of May, 2023.

ORDINANCE 2024/_____

COMPREHENSIVE PLAN AMENDMENT TO ADD THE BEAUFORT COUNTY HOUSING IMPACT ANALYSIS AS AN APPENDIX TO THE 2040 COMPREHENSIVE PLAN

WHEREAS, Beaufort County Council adopted the 2040 Comprehensive Plan in November 2021, wherein housing was incorporated as a major theme; and

WHEREAS, the South Carolina General Assembly amended SC Code §6-4-12 to allow Accommodations Tax Revenue (ATAX) to be eligible to support workforce housing; and

WHEREAS, the new law requires that the County must complete and adopt a Housing Impact Analysis to the Comprehensive Plan in order to be eligible to enable state ATAX funds; and

WHEREAS, it is required that the analysis must include a review of costs, prices, availability of financing, general housing costs, development standards, the impact of the ordinance on the households; and

WHEREAS, the Beaufort County Housing Impact Analysis achieves this requirement; and

WHEREAS, the Beaufort County Planning Commission considered the request on September 5, 2024, voting ____ to recommend that County Council ____ the request; and

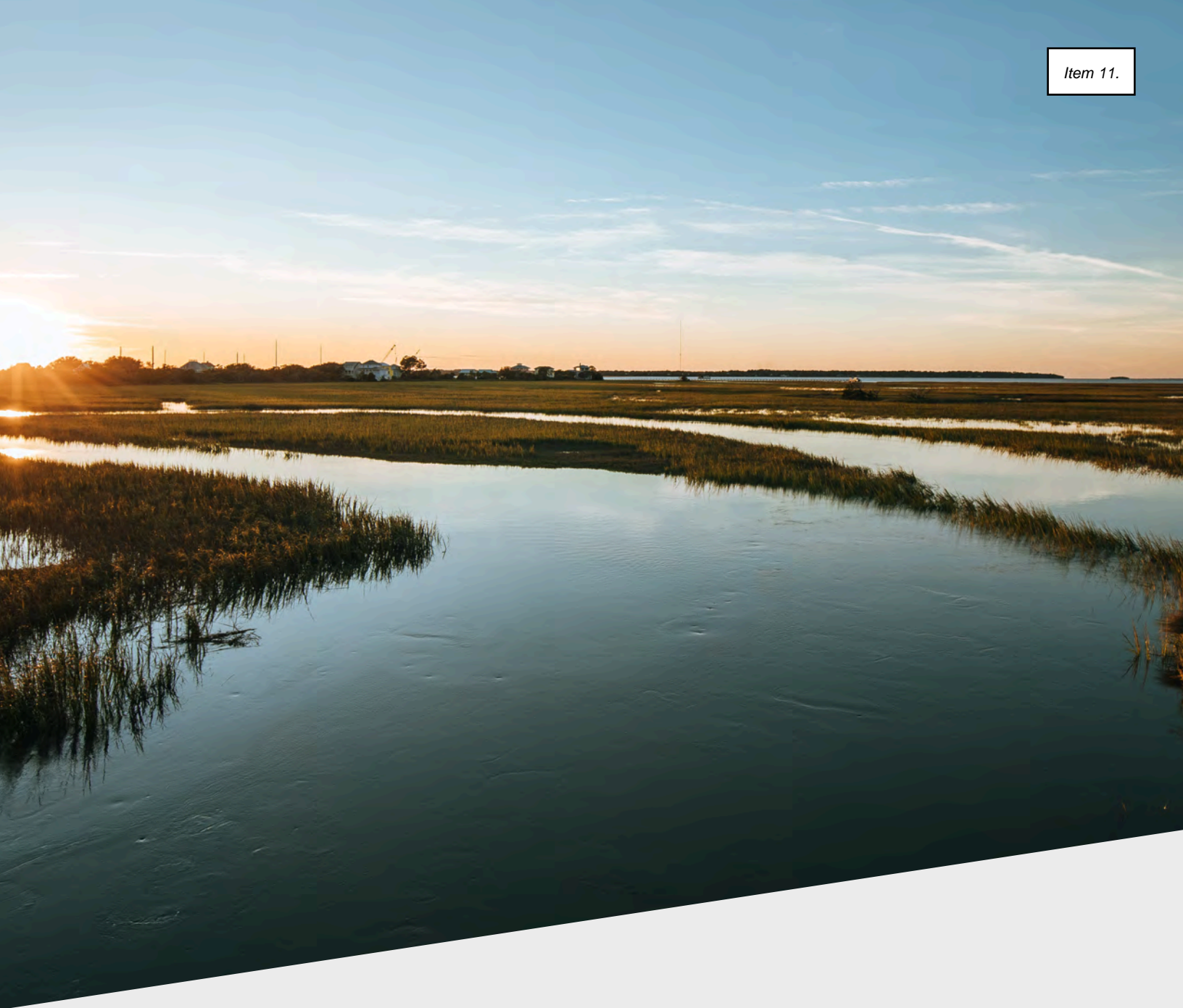
WHEREAS, County Council now wishes to amend the Beaufort County 2040 Comprehensive Plan to add the Beaufort County Housing Impact Analysis as an appendix.

NOW, THEREFORE, BE IT ORDAINED that Beaufort County Council, duly assembled, does hereby authorize, an ordinance amending the Beaufort County 2040 Comprehensive Plan to add the Beaufort County Housing Impact Analysis as an appendix.

Ordained this ____ day of _____, 2024

Joseph Passiment, Chairman

Sarah Brock, Clerk to Council



HOUSING IMPACT ANALYSIS

JUNE 2024 // PREPARED BY TOGETHER CONSULTING



Beaufort County
SOUTH CAROLINA

Beaufort County Housing Impact Analysis

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Acknowledgements

The following information outlined within this Housing Impact Analysis was made possible thanks to several resources and analysis in past planning and research efforts, various local, state and community data resources, and feedback from local housing partners, developers and realtors.

Community Partners:

- Hilton Head Area Realtors Association
- Beaufort Jasper Realtors Association
- Lowcountry Council of Governments
- Hilton Head Area Home Builder Association
- Beaufort Chamber of Commerce
- Local Builders and Developers

County Staff:

- John Robinson, Interim County Administrator
- Thomas Keaveny, II, Beaufort County Attorney
- Chuck Atkinson, Assistance County Administrator for Development Services
- Robert Merchant, Planning & Zoning Department Director
- Christine Webb, Director of Compliance, Standards & Internal Controls
- Elizabeth Anderson, Planner

County Council:

- Joe Passiment, Chairman
- Larry McElynn, Vice-Chairman
- Gerald Dawson, District 1
- David Bartholomew, District 2
- York Glover, District 3
- Alice Howard, District 4
- Anna Maria Tabernik, District 6
- Logan Cunningham, District 7
- Paula Brown, District 8
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- Thomas Reitz, District 11

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Executive Summary

In November 2021, Beaufort County Council adopted the County's 2040 Comprehensive Plan. As part of this Plan, the County highlighted affordable housing as a critical need within their overall Housing Element. Prior to the adoption of this plan, the County commissioned a 2017 Housing Needs Assessment conducted by the Bowen Research group. The study was a deep dive into the County's housing market including current conditions, trends, and growth patterns along with an evaluation of projected housing needs over the next 5-year period. The Assessment was finalized in 2018. Much of the data referenced in this Housing Impact Analysis is derived from this Study along with insights from the County's 2040 Comprehensive Plan and complimented by more recent local and national data sources. Although the Bowen Study is over five years old, much of the analysis and trends are still relevant today and many of the predictions established in the 2018 plan have been realized and in some cases, have accelerated even more than anticipated, especially as it relates to housing affordability.

Within both documents, several strategies were recommended to the County for implementation to address the growing demand for more affordable housing to meet the needs of its residents and workforce. The County has already implemented several of these recommendations including but not limited to helping to establish a regional housing trust fund to support more financing and funding for affordable workforce housing, as well as offering various incentives to developers building affordable housing such as density bonuses where feasible and impact fee waivers for certain qualifying projects. Although these are valuable programs to support affordable housing production and preservation, the County has limited funding and financial resources to support the amount of affordable housing needed across the County footprint. The County receives limited federal or state funding for housing, therefore they must define local revenue sources to fill financing gaps. With the recent passage of Act 57 of the 2023 South Carolina General Assembly, amending SC Code 6-4-12, to allow Accommodations Tax Revenue (ATAX) to be eligible to support workforce housing, the County now has a new opportunity to increase local funding to support affordable housing projects.

This new law allows up to 15% of both local and state ATAX to be used to support workforce housing for those individuals earning between 30% and 120% Area Median Income (AMI). To enable the state ATAX funds to be eligible for workforce housing, the County must complete, as required by amended Section 6-4-12 of South Carolina law, a Housing Impact Analysis (HIA).

This analysis must include an overview of the following key data points and considerations:

- The cost of developing, constructing, rehabilitating, improving, maintaining, or owning single family or multifamily dwellings,
- A review of the purchase prices of new homes or the fair market value of existing homes,
- The cost and availability of financing to purchase or develop housing,
- General housing costs; including a brief summary indicating reasonable cost estimates,
- A review of density, location, setback, size, or height development on a lot, parcel, land division, or subdivision that might impact housing; and
- An analysis of the relative impact of the ordinance on low- and moderate-income households.

This Housing Impact Analysis (HIA) must also be approved by the County Planning Commission, adopted as an amendment to County's Comprehensive Plan and approved by Council. The County is also required to provide the HIA to the members of the legislative body of the local government, the Department of Revenue, and the Tourism Expenditure Revenue Committee before an ordinance is considered by the legislative body. The Department of Revenue may not disburse any accommodations taxes to the local government for purposes of development of workforce housing unless and until the local government has provided the HIA to the parties mentioned above.

The following Beaufort County HIA takes into account insights from previous housing studies along with housing trend research over the past few years, while also highlighting current economic and housing conditions, emphasizing the growing demand for workforce housing across the County.



Introduction

The Beaufort County area is made up of a variety of diverse communities from resort areas to beach towns to urban cores to rural communities. These diverse community landscapes will require a variety of strategies when addressing housing needs. Many developments in the county are within city and town submarkets, but the County recognizes that affordable housing is a need that impacts everyone regardless of jurisdictional boundaries. The success of the overall community depends on the County working closely with each jurisdiction to address the housing needs of the diverse workforce.

The Beaufort County housing market has continued to grow over the past decade with an accelerated growth in residential construction totaling 19,857 units developed since 2010. Based on a recent housing market study conducted by Ronald Brown, Research & Analysis, 17,112 of those were single family homes and 2,745 were multifamily housing units, with the largest gain in multifamily in 2021. Prior to the last five years, there were few multifamily projects completed within the County. Although there have been recent housing development within the county, including two Low Income Housing Tax Credit (LIHTC) projects currently underway, there are still too few affordable housing rental options within the County to meet the growing demand.

The 2018 Bowen Housing Needs Assessment provided the County with a better understanding of market conditions at the time and outlined the projected changes expected over the coming years that could influence future housing needs. This Housing Needs Assessment is the most current housing study completed for the county, outside the County's Comprehensive Plan, completed in 2021. The Assessment focused on select sub-markets within Beaufort County, an evaluation of past, current and projected demographic characteristics, employment trends, economic drivers, and all major housing components within the market (for-sale/ownership and rental housing) including housing costs verses area incomes. Several key recommendations from the assessment included regional strategies that would not only support Beaufort County unincorporated residents but all submarket jurisdictional partners' workforce housing needs.

One specific recommendation led to a deep dive study by the Asakura Robinson consulting group on creating a regional housing trust fund which led to the formal creation of the Beaufort Jasper Housing Trust. The new Fund became an official nonprofit in 2023 and hired its first Executive Director in April 2024.



The Assessment also evaluated factors that were affecting housing market conditions, development barriers, and affordability. All of these factors are also key components as part the Act 57's required Housing Impact Analysis. It is important to stress that the following document is a moment in time snapshot of the economic and housing market conditions in Beaufort County over the last few years along with an analysis of current market trends. The housing market within the County and the submarket communities are not static and continue to shift daily.

The goal of the Housing Impact Analysis is to provide an overview for the growing demand for workforce housing and make a clear connection between the economic need for housing and the community's workforce. In addition, the Analysis dives into what the County is already doing to support workforce housing including funding committed and also local policy efforts to remove barriers to workforce housing.

:



Background

Affordable housing is a growing concern for Beaufort County. The 2018 Bowen study indicated a need for over 6,000 total new housing units for rental and ownership over a five year period to meet the existing and projected demand, with the greatest need for the lowest income households, along with a significant need for moderate-income households. The study recommended that future rental housing development should consider a variety of rent and income-eligibility levels, and there is an equal need for more home-ownership housing priced under \$200,000, primarily due to projected household growth and limited supply.

These are pre-pandemic estimates. The demand has accelerated over the past five years due to in-migration of new residents and expanded growth in the region. Based on the Department of Housing and Urban Development's annual median incomes, the 2023 median income for a family of four in Beaufort County, was \$111,300 - up by almost 30% from previous years. Considerable growth in income is due to the influx of new residents that either retired to the area or remote workers bringing higher salaries to the region post-pandemic, which also explains the growth in senior population. A 2024 Beaufort Chamber Economic Report indicated that Beaufort ranked 10th out of all counties in population growth for South Carolina. The same Economic Report also indicated that Beaufort County households' rank higher than the state average for mortgage holders and renters that are cost-burdened.

In addition to the completion of the 2018 Bowen Housing Needs Assessment and the Asakura Robinson's Housing Trust Fund Analysis, Beaufort County completed their 2040 Comprehensive Plan in November 2021. The Comprehensive Plan acknowledges that the County is closely linked to its municipalities and adjacent counties, sharing roads, waterways, habitats, and open spaces which do not follow jurisdictional boundaries. Therefore the County share many community connections with the other areas between where people live, work, worship, and play throughout the region. This requires that high levels of cooperation and collaboration be maintained within the region so that local identities can be expressed within a framework of shared goals regarding infrastructure, environmental protection, growth, economic development, and affordable housing.

Within the Comprehensive Plan, the County highlights core strategies to include the investment in new public infrastructure, creating incentives for affordable housing, and focusing on balanced development that mitigates environmental harm, so future generations will be able to enjoy the quality of life and economic prosperity offered by Beaufort County's unique landscape and culture. As part of the Housing Element within the Comprehensive Plan, the County's goal is to promote quality, affordable housing available and accessible to all residents.

The lack of quality affordable housing was identified as a growing challenge for the County and the submarkets within the county. These challenges are not just the lack of affordable housing options for families but an increasing issue for the growing senior population, many of which are still working, but also live on fixed incomes with little options for housing that is affordable. Based on the Comprehensive Plan, the greatest projected growth by household age group is expected to occur among seniors, which creates the need for more senior-based housing, health care and programs, assisted living facilities and continuing care facilities. Many of these facilities require an extensive, diverse workforce to support residents, many of which earn lower incomes. In many cases workers find it difficult to find affordable housing near these senior communities and have to drive- -often long distances- -to get to their workplace, which congests roadways, utilizes land for parking, and lengthens the workday.

Although Act 57 allows the County to utilize ATAX funding to support workforce housing that supports households up to 120% of the area median income, the County through its Comprehensive Plan and Development Code has defined affordable housing and prioritized the following populations below:

- Owner occupied affordable housing unit: A dwelling unit where at least one occupant is an owner, and where all occupants have, in the aggregate, household income less than or equal to one hundred (100%) percent of the area median income (AMI) for owner occupied units. Area median income (AMI) shall be determined annually by the United States Department of Housing and Urban Development (HUD) as adjusted by the Beaufort County Human Services Department or its successor. At the time of this report, Beaufort County AMI for a family of four was \$111,300.
- Rental affordable housing unit: A dwelling unit, where occupants have, in the aggregate, household income less than or equal to eighty (80%) percent of the area median income (AMI) for rental units. AMI shall be determined annually by HUD as adjusted by the Beaufort County Human Services Department or its successor.
- Qualified household: Households where occupants have, in the aggregate, a household income less than or equal to one hundred (100%) percent of the AMI for owner occupied units, and a household income less than or equal to eighty (80%) percent of the AMI for rental units.
- Initial maximum allowable sales price: An amount equal to three (3) times one hundred (100%) percent of the AMI plus any subsidy available to the buyer.
- Affordable rent: Affordable rent is based on an amount not to exceed thirty (30%) percent of eighty (80%) percent of the AMI as published annually by HUD based on household size, inclusive of a utility allowance. Utility allowances are as provided by HUD guidelines.



With a focus on serving these populations, the County's Comprehensive Plan also indicated the County will need to play an active role in affordable housing solutions in order to build a sustainable future for tourism and other major industries, protect its military bases, and continue to be a desirable place to live for people of all income levels.

A comprehensive affordable housing approach will:

- Foster the creation of affordable housing near jobs, services, and public transit.
- Reduce regulatory barriers to the creation of affordable housing.
- Establish an ongoing funding source to address housing needs.
- Partner with non-profit agencies and the private sector.
- Work regionally to address affordable housing needs.

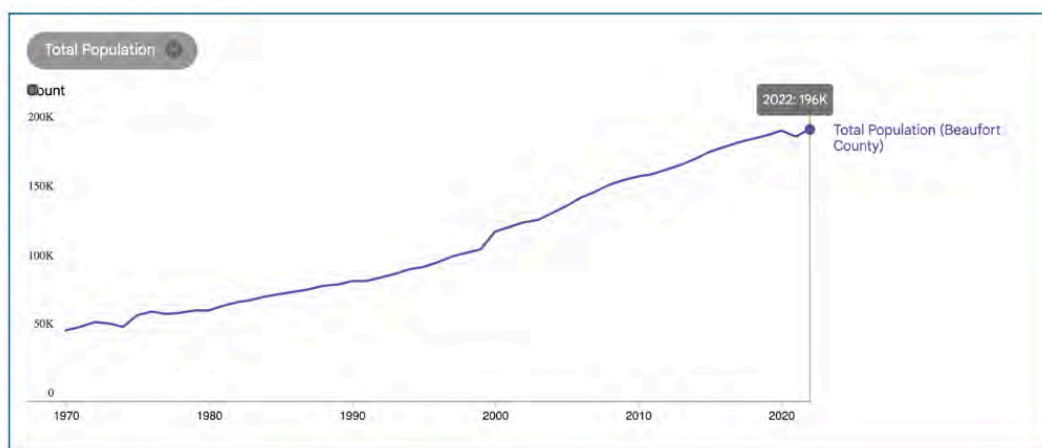


Population Analysis

Beaufort County population growth over the past decade has had a significant impact on the overall availability of housing - accelerating the need for more housing at all income levels particularly for low- and moderate-income households more burdened by escalating prices. The Bowen report indicated from 2000 to 2010, Beaufort County population increased by 41,298, or by 34.2%, and added an additional 25,216 (15.5%) people between 2010 and 2017. At the time of the study completion in 2018, the total population was estimated at 187,445 with a projected increase to 225,359 by 2027. (See Bowen Chart below)

	Total Population – Long Term (10-Year) Projections			
	2017 (Estimated)	2027 (Projected)	Change 2017-2027	
			Number	Percent
Beaufort County	187,445	225,359	37,914	20.2%
Beaufort	12,010	14,162	2,152	17.9%
Bluffton	18,889	24,749	5,860	31.0%
Hilton Head	37,797	44,837	7,040	18.6%
Port Royal	11,958	13,800	1,842	15.4%
Northern Unincorporated	26,842	31,928	5,056	18.8%
Southern Unincorporated	44,325	53,265	8,940	20.2%
Unincorporated Islands	19,570	23,362	3,792	19.4%

2022 data from US Census, via datacommons.org indicated the County population at 196,000, approximately 4.5% increase over the 5-year period. According to worldpopulationreview.com, the estimated population of Beaufort County, South Carolina in 2024 is 201,811, which is a 1.42% increase from the previous year. The county's population has grown 23.93% since 2010, when it was 162,843. The County continues to grow on the pace as predicted by the Bowen report.



Year	Population	Growth
2024	201,811	2,832
2023	198,979	2,832
2022	196,147	4,150
2021	191,997	4,182

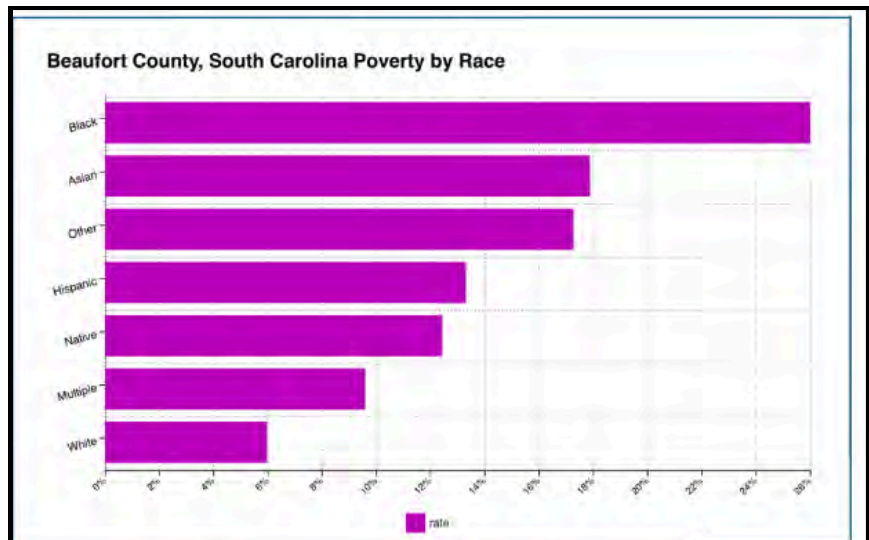
Source: world population review

Like Beaufort County, adjacent coastal communities are growing just as rapidly, which has an impact on housing stock and availability for housing options near employment centers in Beaufort. In March 2024, The State paper indicated, most of South Carolina's 46 counties gained population in 2023, but 10 of them grew faster than the rest. Of those, Jasper County had the biggest population gains at 4.87% year-over-year. It was followed closely by Berkeley County at 4.19%. Horry County came in third with a 3.74% increase in 2023. Much of the population growth to South Carolina are households moving from higher cost markets like the northeast and midwestern cities, which has also impacted the area's median income growth.



With the in-migration of higher income households, existing residents are feeling the increased pressure on the housing market and finding it more difficult to afford housing within the County. In 2023, HUD indicated that 100% of the Area Median Income (AMI) for a family of four was \$111,300. Yet a significant portion of the major industry workforce earn less than 80% of the AMI.

Many working families live below the poverty line in Beaufort County, and the poverty rate among those that worked full-time for the past 12 months was 2.84%. Among those working part-time, it was 8.86%. 26% of Black households in Beaufort County live below the poverty line, while the white population living below poverty was 5.97%. Although poverty continues to be an issue, Beaufort County has seen a growth in higher income households due to in-migration post Covid-19.

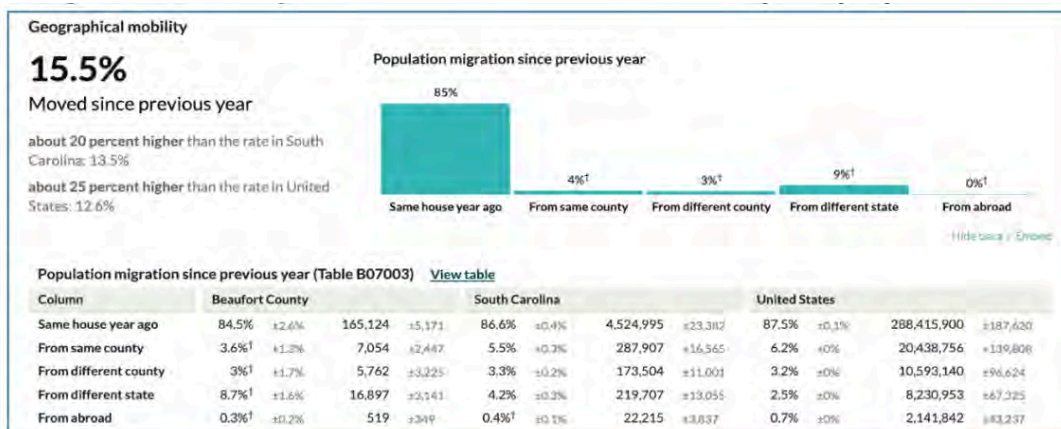


ACS 2022 1-year

Table universe: Households

Column	Beaufort County, SC	South Carolina	United States
Less than \$10,000	3.9% ±1.2%	6.1% ±0.3%	5.5% ±0%
\$10,000 to \$14,999	3% ±1.5%	4.2% ±0.3%	3.7% ±0%
\$15,000 to \$19,999	2.2% ±1%	3.7% ±0.2%	3.2% ±0%
\$20,000 to \$24,999	2.3% ±1%	4.1% ±0.3%	3.6% ±0%
\$25,000 to \$29,999	2.4% ±1.1%	3.9% ±0.3%	3.5% ±0%
\$30,000 to \$34,999	3.5% ±1.6%	4.8% ±0.3%	3.8% ±0%
\$35,000 to \$39,999	3.5% ±1.5%	4.3% ±0.2%	3.5% ±0%
\$40,000 to \$44,999	2.5% ±1%	4.3% ±0.2%	3.8% ±0%
\$45,000 to \$49,999	3.8% ±1.3%	4% ±0.3%	3.4% ±0%
\$50,000 to \$59,999	5.5% ±1.4%	7.5% ±0.3%	6.9% ±0%
\$60,000 to \$74,999	10.2% ±2%	9.9% ±0.4%	9.4% ±0.1%
\$75,000 to \$99,999	16.6% ±2.8%	13.5% ±0.4%	12.8% ±0%
\$100,000 to \$124,999	9.7% ±1.7%	9.3% ±0.4%	9.9% ±0.1%
\$125,000 to \$149,999	6.8% ±1.6%	6.2% ±0.3%	7% ±0%
\$150,000 to \$199,999	8.8% ±1.9%	6.6% ±0.3%	8.7% ±0%
\$200,000 or more	15.3% ±2.5%	7.5% ±0.3%	11.5% ±0.1%

The ACS 2022 1-year analysis here shows a high percentage (over 15%) of those households earn over \$200,000/year, about 2 times the state average, with a significant percentage of the overall population earning less than \$100,000. The following chart indicates that close to 9% of the households in Beaufort County moved from another state, some for retirement and some because of the ability to work remotely.



With the growth in population, in particular, with the in-migration of higher-income households to the area, housing prices have significantly escalated. The 2022 Census Reporter indicated a median value of \$463,200 for owner-occupied housing in Beaufort County, and 31% of all homes are valued between \$500,000-\$1M, more than double the rate of homes in this range for South Carolina as a whole. (The median home value for South Carolina is \$254,600 and \$320,900 for the United States.)

As predicted in the Bowen study, continued demand for housing and escalating prices in the area is making it more difficult for many working families to afford stable housing options in the region, particularly for workers in tourism and service sectors.



Economic and Employment Analysis

Economic Summary

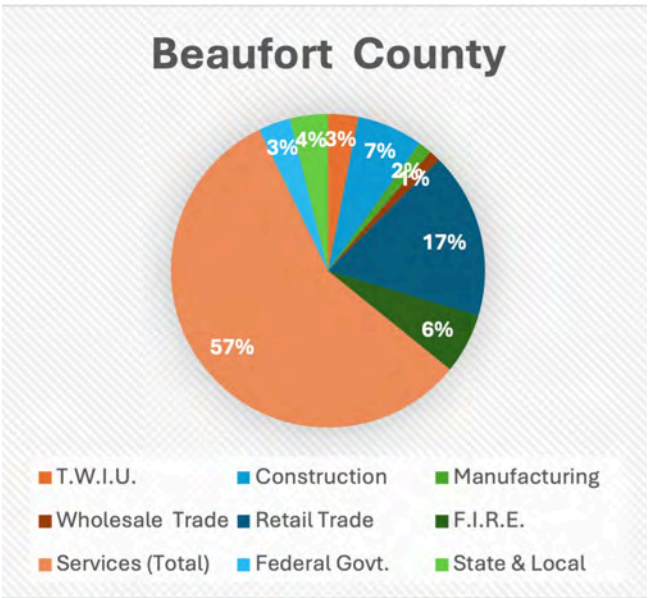
The local Beaufort County economy is diverse but greatly influenced by tourism and nearby military bases. The three largest industry sectors in the county include Accommodations & Food Service (20.1%), Retail Trade (16.0%) and Health Care & Social Assistance (13.0%).

Beaufort County experiences a significant amount of tourism throughout the year due to its coastal location and the fact that it is the home of the Parris Island Marine Corps Recruitment Depot and the Marine Corps Air Station Beaufort. Between these two Marine installations and the family visitation and graduation ceremonies, they bring in nearly 200,000 visitors alone annually. The three previously mentioned industry sectors are also heavily-supported by tourism, and although the County is seeking to diversify the county's economy, tourism is still a lead employer for the area and will continue to be in the long-term. (Bowen)

Public and private sectors continue to invest in the local economy to spur economic growth in existing industries while cultivating the growth of new employment sectors. Based on the Bowen report, many of the new business openings and expansions reported fell within the service industry (as do the three largest job sectors for Beaufort County), which typically have low- to moderate wages, and should be considered when evaluating current and future housing development needs.

During interviews with employers as part of the Bowen study, employers indicated that a significant number of new job creation was anticipated to occur within positions at \$50,000 annual wages or less, as seven (7) of the 21 employers anticipate 10 to 50 new jobs to be created over the next five years in this annual wage range, further exacerbating the need for more affordable housing to match these income levels. The 2024 Chart below shows over 57% of the County's workforce within the Service Sector and 17% in Retail.



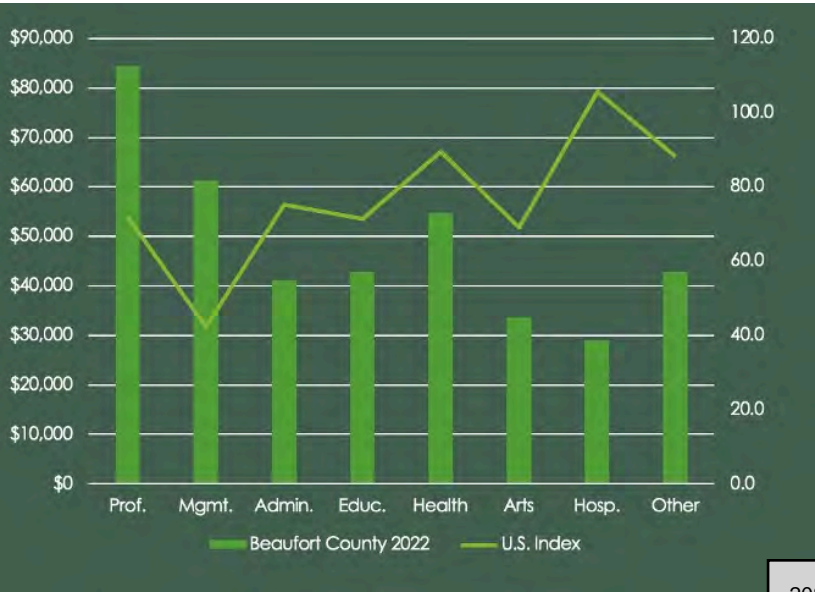


The following charts were shared as part the of Beaufort Chamber's 2024 Data dashboard presentation.

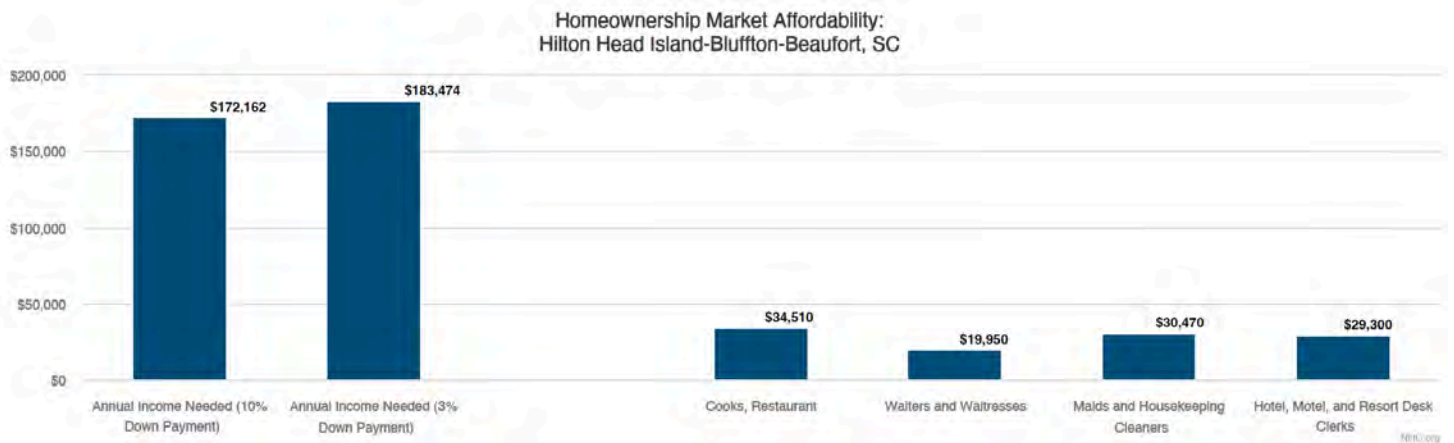
Employment in Beaufort County by Sectors

Based on this chart, the highest participation employment sectors in the County tend to produce the lowest wages for its workers, with hospitality being the lowest paid sector but one of the top three employment sectors. Hospitality workers on average are making less than \$30,000/year, and other service sectors have lower incomes as well including administrators and educators. As part of the Bowen study, several employment sectors were interviewed. Teachers that responded to the survey stated they barely earn enough to afford rent and that they must work additional jobs and/or live with roommates to afford housing in Beaufort County.

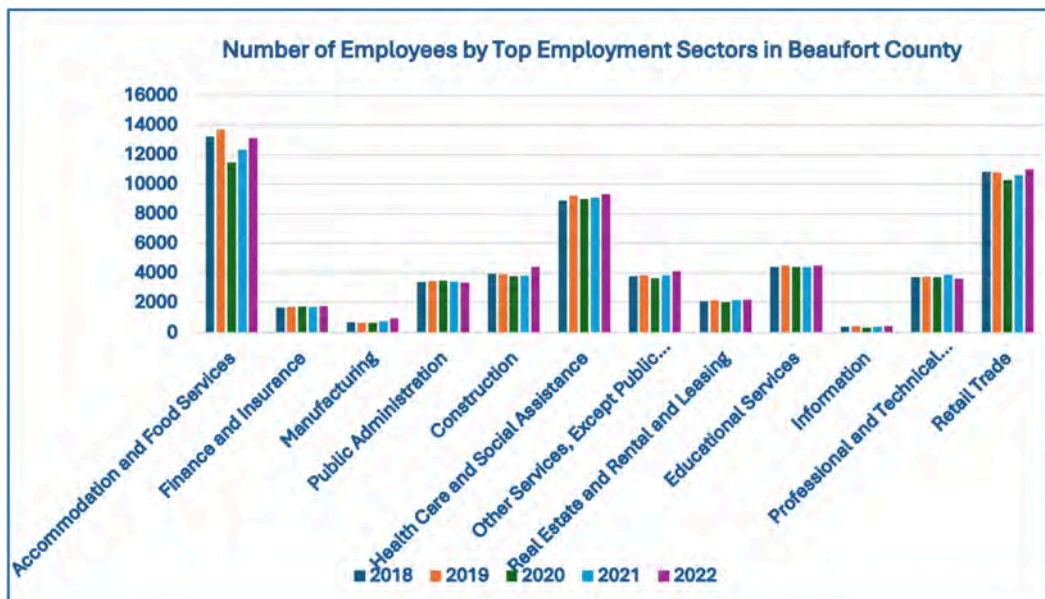
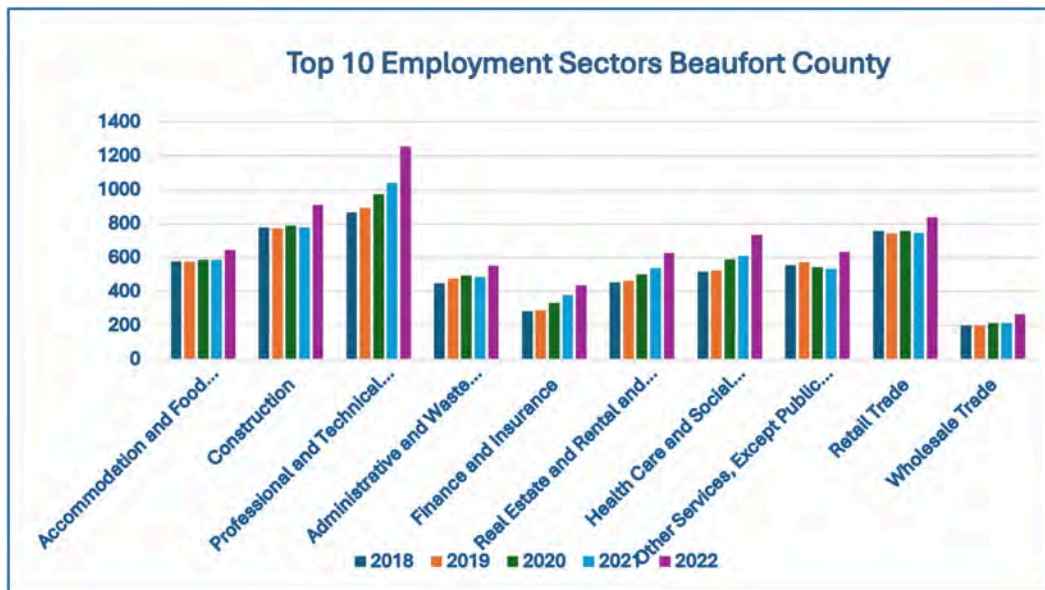
Teachers also stated that wages have not increased at the same rate as housing and utilities, demonstrating the affordability problem is especially pronounced for beginning teachers, who have a low starting salary. As indicated in the Beaufort Chamber chart, average salaries for those in the education sector was just over \$40,000 in 2022.



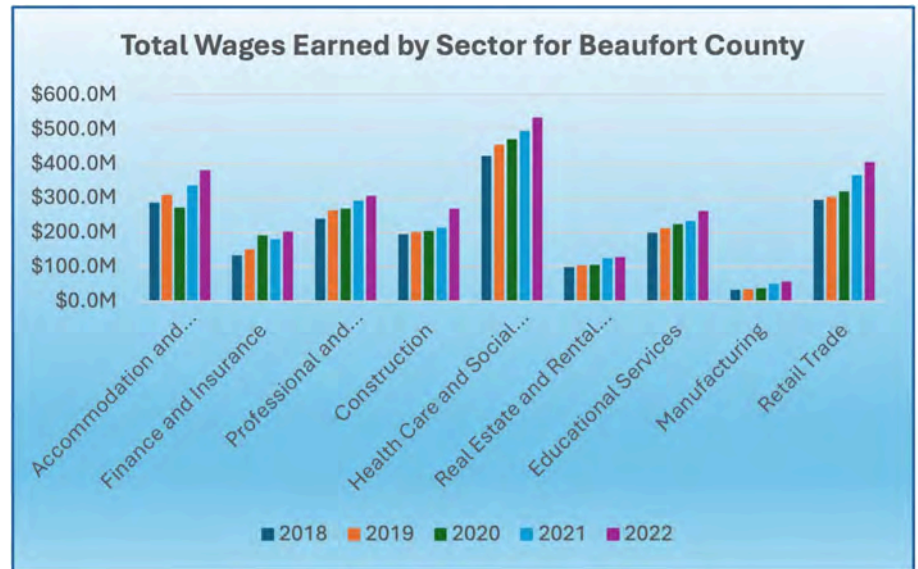
Based on the County's and the US Department of Housing and Urban Development's definition of affordable housing, a household that spends more than 30% of their income on housing - or more than three times their annual salary on buying a home, they are considered "cost-burdened". The following charts from the National Housing Conference's Paycheck to Paycheck analysis indicates that households need to earn over \$172,000 to afford the average home in Beaufort County and over \$46,000 to afford an average 3-bedroom apartment. The chart also highlights a significant gap between what income is needed and what - for example - employees in the service sector actually earn. None of the tourism positions listed below can afford a 2 bedroom apartment based on this analysis.



The 2024 Lowcountry Community Indicators Report - created by the Lowcountry Council of Governments (LCOG) in partnership with the Community Foundation of the Lowcountry (CFL) - is a centralized community resource highlighting key community indicators and trends in the lowcountry region including Beaufort County and its submarket municipalities within the County. The chart below created from the data in the report shows the top 10 employment sectors in Beaufort County and their establishment growth over a five-year period from 2018-2022. Accommodation and Food Service continues to be one of the number one employment sectors – employing over 13,000 residents - along with Retail, and Health Care, Professional Service, and Construction as additional top employment sectors.

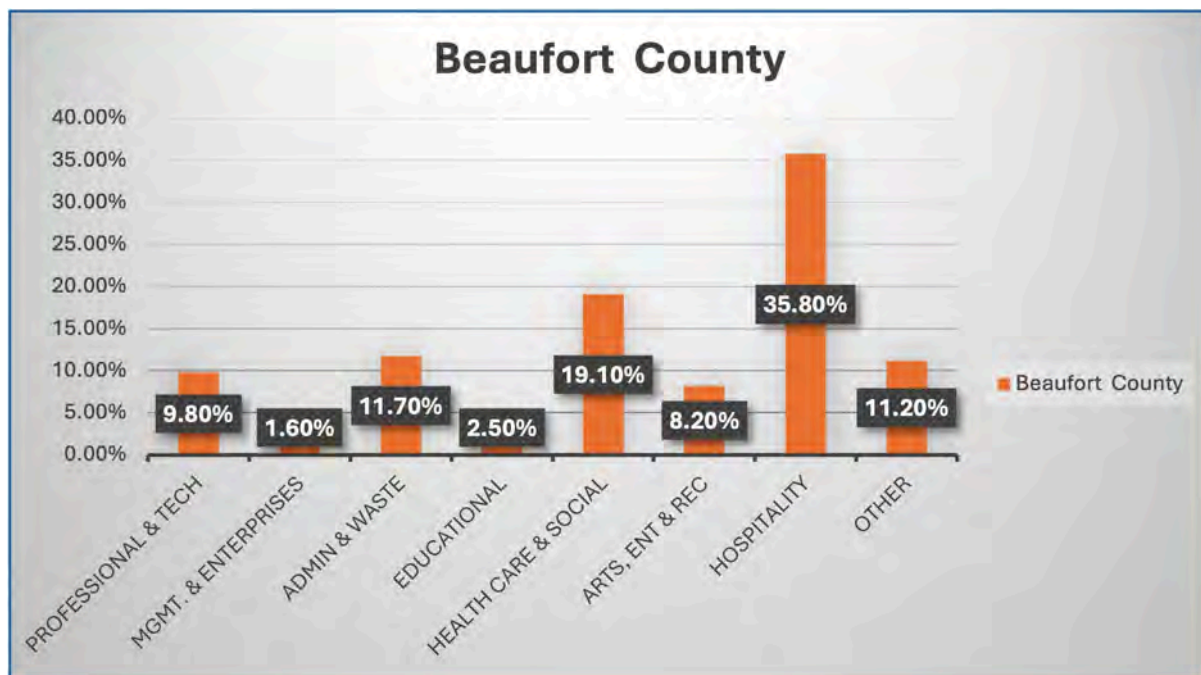


In addition to the significant number of individuals employed within these service sectors as highlighted above, the recent Beaufort Area Chamber of Commerce 2024 Data Dashboard report below indicated overall hospitality as one of the largest grossing employers in the County with Accommodations and Hospitality creating close to \$400M in area earnings just third to Health Care at \$500M and Retail at \$400M. A significant percentage of the County's economy comes from these three service sectors.



The recent Beaufort Area Chamber of Commerce 2024 Data Dashboard report indicated overall hospitality as one of the largest employers in the County.

Service Sector Employment Breakdown: over 35% of the workforce is in Hospitality.



The US Bureau of Labor Statistics May 2023 employment data below shows the average salary for the Beaufort Hilton Head area for overall leisure and hospitality which included food service and accommodations. The average salary based on the most recent data reported for the area was \$29,872, which was slightly higher than 2021 by 5.7%, but is nowhere near enough in annual wages to afford the current housing options within the County.

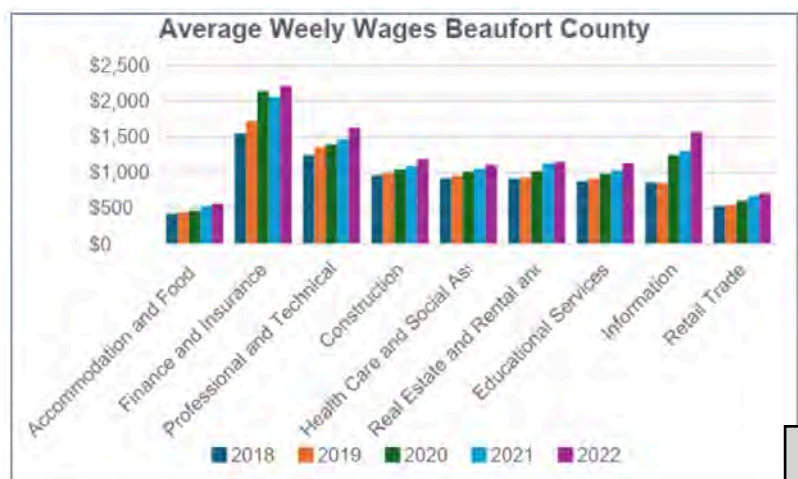
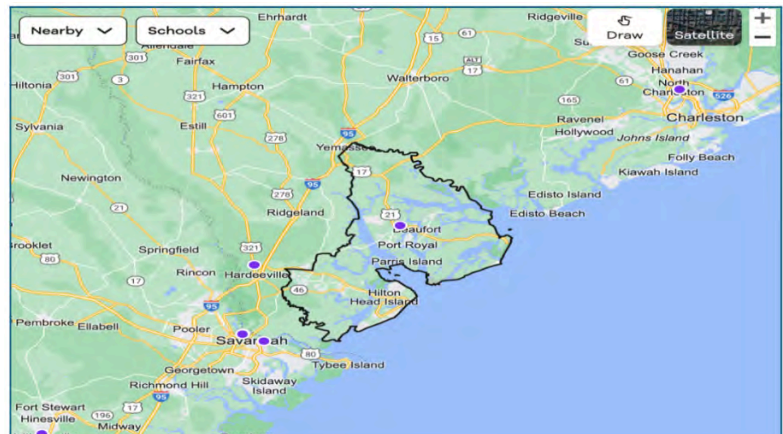
Private, 1026 Leisure and hospitality, Beaufort County, South Carolina

Annual averages 2021 - 2022 , All establishment sizes

Source: Quarterly Census of Employment and Wages - Bureau of Labor Statistics

Summary Change Table Hide					
From: <input type="text" value="2021"/>	Annual Establishments	Annual Average Employment	Total Annual Wages	Annual Average Weekly Wage	Annual Wages per Employee
To: <input type="text" value="2022"/>					
2021 Levels	738	14,934	422,047,609	\$543	\$28,260
2022 Levels	765	16,069	480,014,187	\$574	\$29,872
Level Change From 2021 to 2022	27	1,135	57,966,578	\$31	\$1,612
Percent Change From 2021 to 2022	3.7%	7.6%	13.7%	5.7%	5.7%

Based on the US Department of Housing and Urban Development, a family should spend no more than 30% of the monthly salary for rental housing and no more than three times their annual salary of on homeownership to not be considered "cost-burdened". As mentioned earlier, the County also follows this threshold for their housing initiatives and programs. Based on this standard, a person working in the leisure and hospitality sector should spend no more than \$89,610 on buying a home and no more than \$746.80 for rent, yet - based on recent housing market data -there are few if any available options at these price points, with long waiting lists for government subsidized or assisted housing further depleting affordable options for workers. When conducting a search on Realtor.com for apartments in Beaufort County at \$750/month rent, only one available listing was found from WODA Cooper - an affordable housing developer who has been working in the region for the past few years. The only other options in this price range were found outside of Beaufort County.



As show on the previous page's Average Weekly Wage Chart Accommodation and Food Services incomes have remained relatively stagnant. The LCOG indicators report on average weekly income for this sector is about \$500/week compared to other major employment sectors in the region. With these low incomes and no affordable rental options, workers are forced to commute even further outside of the County to seek housing options.

Employment Analysis:

The 2018 Bowen Housing Needs Assessment highlighted that key workforce sectors struggle to identify affordable housing options in the market for their employees. The area's strongest sector is tourism and entertainment/hospitality whose workers are the greatest housing cost -burdened, due to lower salaries. As mentioned in the study, this sector depends on workers that can live on a lower wage. Therefore, a big challenge for these employees is the lack of affordable housing options throughout Beaufort County. There are few affordable housing choices across the County especially near job centers, therefore employees are forced to commute longer distances to employment opportunities. Interviews with local sources in the 2018 study, indicated the lack of affordable and moderate-income housing in the area is a deterrent to new companies interested in moving to the area, due to the uncertainty of available housing for their employees.

A recent market analysis conducted by Ronald Brown Research & Analysis for an affordable housing project submitted to the state for low-income housing tax credit project (LIHTC) for Beaufort County indicated a large percentage of workers commuting from several other counties to work in the area. The study highlighted that hospitality and service sector employers depend on low to moderate income workers who may have to drive longer distances for housing options. As noted in this chart from the Analysis, several workers are commuting from as far as Charleston and Dorchester Counties as well as Chatham County, GA. Adjacent county Jasper County has the greatest numbers of commuters. As Jasper County continues to grow many of these worker may choose to work in Jasper verses Beaufort as more jobs and businesses come to this area where many workers already live, which could mean a decline in workers for Beaufort County businesses.

Working in Beaufort County	41,534
Where Beaufort County residents are commuting to:	
Charleston County, SC	2,909
Chatham County, GA	2,849
Jasper County, SC	2,664
Richland County, SC	1,612
Greenville County, SC	1,214
Lexington County, SC	868
Horry County, SC	676
Berkeley County, SC	549
Spartanburg County, SC	495
Elsewhere	6,472
Where Beaufort County workers are commuting from:	
Jasper County, SC	4,105
Chatham County, GA	1,901
Charleston County, SC	1,708
Dorchester County, SC	1,129
Hampton County, SC	901
Berkeley County, SC	858
Colleton County, SC	801
Orangeburg County, SC	706
Richland County, SC	693
Elsewhere	7,665

Cost Burdened:

As part of the Bowen report analysis, researchers conducted extensive outreach and analysis on the existing availability of both subsidized and unsubsidized affordable housing and determined at the time there were virtually no vacant units among the surveyed Tax Credit and government subsidized rental product that is intended to provide affordable housing in the County, and a relatively small inventory of for-sale product was priced under \$200,000.

As a result, many lower-income households have to choose from various market-rate rental or higher priced for-sale housing alternatives that are not considered affordable to many of these households. Households that are “cost-burdened” (typically paying 30% or more of their income towards housing costs) or “severe cost-burdened” (typically paying 50% or more towards housing costs) often find it difficult paying for both their housing and meeting other financial obligations. The same study conducted by T Ronald Brown in 2023 indicated close to 50% of area’s renters are considered cost-burdened.

Table 17 - Household Income, Renter Households

Income	Overburdened Renters			
	Number	Percent	Number	Percent
Up to \$10,000	443	9.3	201	9.2
\$10,000 - \$19,999	337	7.1	303	13.9
\$20,000 - \$34,999	466	9.8	428	19.7
\$35,000 - \$50,000	730	15.4	574	26.4
\$50,000 - \$75,000	901	19.0	473	21.7
\$75,000 - \$100,000	790	16.6	126	5.8
\$100,000 and over	1,087	22.9	71	3.3
Total	4,754		2,176	

Source: 2016 to 2020 American Community Survey; T.Ronald Brown: Research & Analysis

Even the most recent US Bureau of Labor Statistics report for the Beaufort Area for May 2023 , indicates employees in the Accommodations and Food Service sector are severely limited in housing choices based on median incomes. The following chart indicates what these employees in these key positions could afford without being considered cost-burdened. The chart shows both affordable rental and ownership ranges for each of these positions based on spending no more than 30% of their income on housing. The challenge for these employees is there are few housing options in the area within these price ranges, which will be highlighted in more detail in the Housing Market Chapter of this Housing Impact Analysis.

Select Accommodations and Food Service Positions				
May 2023 Occupation HHI-Bluffton-Beaufort Area	Hourly MEDIAN	Annual MEDIAN	Affordable Rental (30% Income)	Affordable Ownership (3x Annual Salary)
Food Service Managers	\$ 30.26	\$ 62,930.00	\$ 1,573.25	\$ 188,790.00
Lodging Managers	\$ 37.06	\$ 77,090.00	\$ 1,927.25	\$ 231,270.00
Chefs and Head Cooks	\$ 29.33	\$ 61,000.00	\$ 1,525.00	\$ 183,000.00
Cooks, Restaurant	\$ 16.59	\$ 34,510.00	\$ 862.75	\$ 103,530.00
Bartenders	\$ 8.78	\$ 18,270.00	\$ 456.75	\$ 54,810.00
Waiters and Waitresses	\$ 9.59	\$ 19,950.00	\$ 498.75	\$ 59,850.00
Dining Room and Cafeteria Attendants and Bartender Helpers	\$ 11.12	\$ 23,130.00	\$ 578.25	\$ 69,390.00
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$ 12.75	\$ 26,520.00	\$ 663.00	\$ 79,560.00
Landscaping and Groundskeeping Workers	\$ 17.56	\$ 36,520.00	\$ 913.00	\$ 109,560.00
First-Line Supervisors of Housekeeping and Janitorial Workers	\$ 21.93	\$ 45,620.00	\$ 1,140.50	\$ 136,860.00
Maids and Housekeeping Cleaners	\$ 14.65	\$ 30,470.00	\$ 761.75	\$ 91,410.00
Baggage Porters and Bellhops	\$ 11.78	\$ 24,510.00	\$ 612.75	\$ 73,530.00
Concierges	\$ 20.05	\$ 41,700.00	\$ 1,042.50	\$ 125,100.00
Hotel, Motel, and Resort Desk Clerks	\$ 14.09	\$ 29,300.00	\$ 732.50	\$ 87,900.00
*bls.gov				
*Note these estimates are based on a one-person income				

At the time of the Bowen study, among Beaufort County's renter households, a total of 9,370 (47.4%) were cost burdened and 3,883 (19.6%) were severely cost burdened. In South Carolina, these ratios are 45.7% and 23.3%, respectively. A total of 15,463 (33.5%) owner households were considered cost burdened, while 6,613 (14.3%) were severely cost burdened. This extensive study also highlighted that few new affordable housing units have been built within the County. The greatest shares of severe cost burdened renter households were in the City of Beaufort (21.8%) and the Northern Unincorporated (21.6%) submarkets, while the greatest share of severely cost burdened owner households are within the Town of Hilton Head Island (18.8%) and City of Beaufort (16.0%) submarkets.

As such, a key recommendation from the Bowen report was to preserve the existing stock of affordable housing and expand affordable housing alternatives as critical for the growth of Beaufort County's future housing plans. Early 2024, the County committed funding to the Coastal Community Development Corporation (CCDC), a new nonprofit focused on workforce housing to support increased preservation of affordable rental units.

With limited new affordable housing developments within the county leading to a community starved of affordable housing options for many years, preservation will be critical as the County plans for new affordable developments moving forward.



Based on analysis during the Bowen report - which identified and personally surveyed 60 multifamily rental housing projects containing a total of 5,963 units within the overall county, the last government subsidized affordable housing project was built before 2017. These projects have an overall 97.6% occupancy rate, indicating that there is limited availability among the multifamily rental housing supply and overwhelming demand from the community. The non-subsidized units (market-rate and non-Tax Credit) are 97.2% occupied, while the government subsidized units are 100.0% occupied. With 139 of the 142 vacant units identified in the market among the market rate supply, there were virtually no vacancies among affordable rentals that served low-income households through programs such as the Low-Income Housing Tax Credit (LIHTC) program or a government subsidy.

Government Subsidized			
Year Built	Projects	Units	Percent Share
Before 1970	-	-	-
1970 to 1979	7	421	51.8%
1980 to 1989	5	228	28.1%
1990 to 1999	2	68	8.4%
2000 to 2005	1	35	4.3%
2006 to 2010	-	-	-
2011 to 2015	1	60	7.4%
2016	-	-	-
2017*	-	-	-

*As of December

Based on Bowen interviews at the time with area apartment managers, many affordable rental properties maintain long wait lists, and a recent interview with staff at Beaufort County Health and Human Services indicated that they have over 1,000 individuals seeking housing at any given time. At the time of the study, the Beaufort Housing Authority indicated that over 1,100 families were on their waiting list for housing within the County. Since the Bowen study was completed, no additional low-income housing tax credit apartment communities have been approved within the County.



Housing Needs for Employees:

During the Bowen study, employers were asked to rank the degree of need (low, moderate and high) for housing for their employees in terms of product type. Respondents reported that the highest need based on product type are single-family homes (42.1%), multifamily apartments (31.6%) and duplex/townhomes (22.2%). It's notable that employers ranked the lowest need of housing by product type as mobile homes (63.2%), short-term/seasonal housing (47.4%) and dormitories/shared living (33.3%).

Employers were also asked to rank the degree of need for housing in terms of product pricing. Respondents reported that the highest need based on product pricing are entry level/workforce for-sale housing (below \$150,000), affordable rental housing (under \$750/month) and moderate market-rate rental housing (\$750-\$1,250/month) as the next greatest need. It's notable that employers ranked the lowest housing priority need by product pricing as higher-end market-rate rental housing (above \$1,250/month), higher-end for-sale housing (above \$250,000) and moderate for-sale housing (\$150,000-\$250,000) and the next greatest need.

In terms of addressing housing needs for employers in Beaufort County, employers were also asked to rank the level of importance for any future government housing programs, policies, or incentives that could be implemented to assist employees with the accessing affordable housing. Respondents ranked the most important focus areas as new housing development/redevelopment (57.9%), renter assistance (38.9%) and housing assistance for public employees (36.8%).



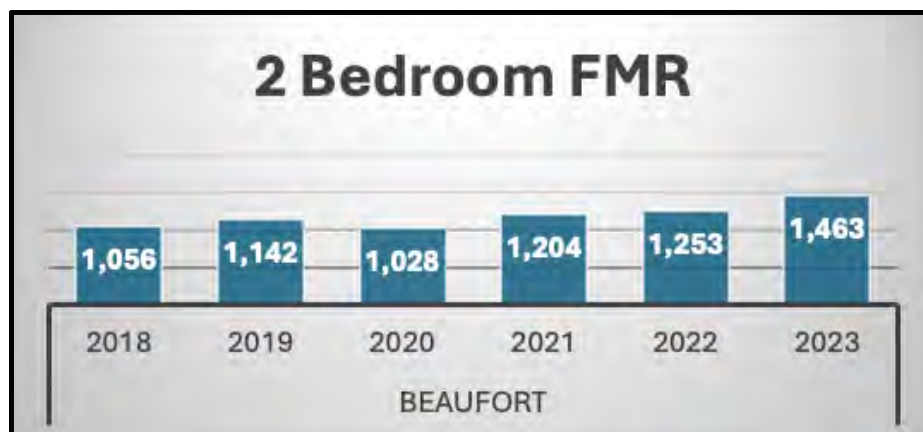
Housing Market Analysis/Conditions

Rental Market

The 2018 Bowen study indicated the lack of housing was most prevalent among housing that serves moderate-income households, (generally earning between 80% and 120% of AMI) and lower-income household segments (generally earning below 80% of AMI). While vacancy rates were low among all rental housing segments, there were very few vacancies among product that serves lower-income households through Tax Credit projects that had an overall vacancy rate of just 0.3% and government-subsidized product - with a vacancy rate of 0.0%. As mentioned earlier, according to the Beaufort County Housing Authority, the wait list for households to get a Housing Choice Voucher consists of approximately 1,100 households.

Feedback from area stakeholders and employers interviewed as part of the Bowen study indicated that affordable rental housing for low- to moderate-income households and - in particular - the service industry (i.e. retail, hospitality, restaurant workers, etc.) and public service workers (i.e. police officers, fire fighters and teachers) should be an area of focus for future housing development. The Bowen report also recommended that future housing plans address affordable rental housing for households with incomes between 80% and 120% of AMI and lower-income households earning up to 80% of AMI. Despite these recommendations, post 2018, little affordable housing has been added to the market over the past five years due to the lack of new tax credit or subsidized projects being approved, and the loss of existing naturally occurring affordable rental housing (NOAH), creating an even bleaker outlook for Beaufort County's affordable rental market today.

According to the recent Lowcountry Community Indicators Report by LCOG, fair market rent for a 2-bedroom apartment was \$1,463 in 2023 (which requires at least \$58,520 annual salary (approximately \$28/hour) – a 39% increase since 2018 and a 17% increase just since 2022.

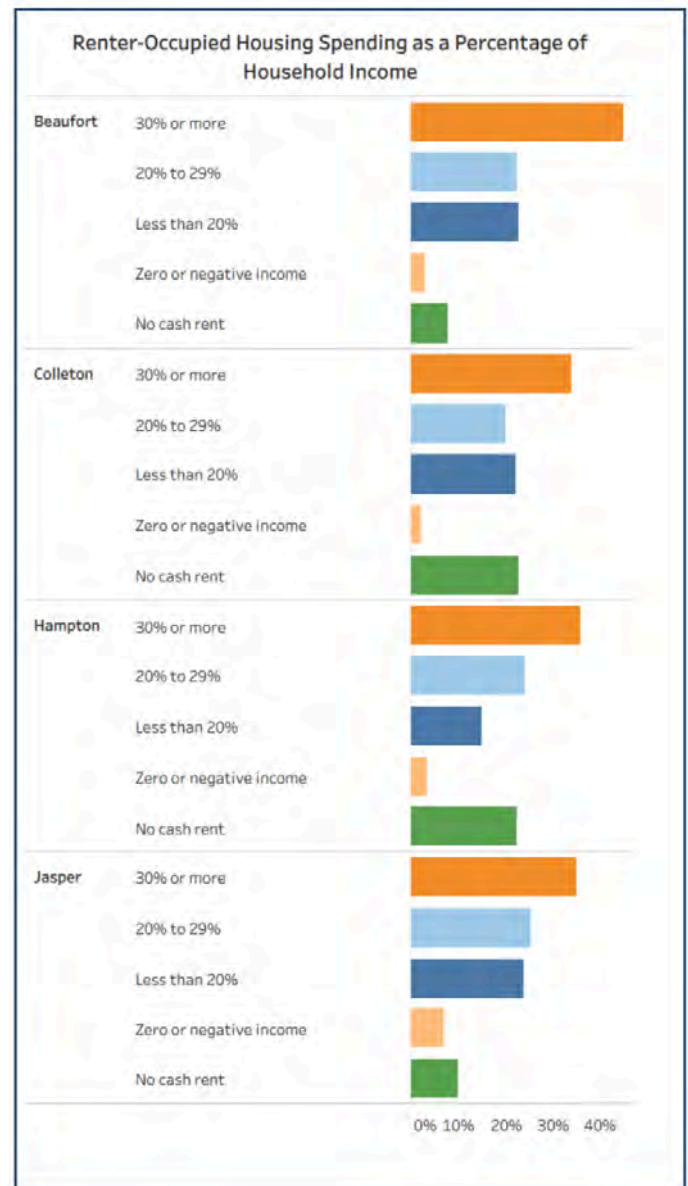


Over 64% of all rental units are priced above \$1,000/month, and 45% of renters in Beaufort County are cost-burdened and spending more than 30% of their monthly income on housing – the highest in the four-county region including Colleton, Hampton, and Jasper Counties. Furthermore, a December 2023 Market Study for a Low-Income Housing Tax Credit (LIHTC) development in the Town of Bluffton found that the median renter income for Bluffton and Beaufort County was \$36,889 and \$49,177 respectively, between \$16,000 and \$9,000 less than what is needed to afford a 2-bedroom FMR unit in Beaufort County.

Compared to other adjacent counties, the chart to the right shows Beaufort County as the most cost-burdened community in the region based on the recent LCOG report, with Jasper and Hampton Counties not far behind.

The same 2023 Market Study of a Low-Income Housing Tax Credit (LIHTC) development in Bluffton found that – of the eligible renter households in that project market area – as many as 91.9% of the 40% AMI renter households, 78.6% of the 60% AMI renter households, and 57.4% of the 80% AMI renter households are cost-burdened and hence would benefit from affordable rental options. The study also found that by 2026 there will be a need of approximately 1,844 new units of affordable rentals – at the 40%, 60%, and 80% AMI ranges - in the Bluffton area and that the proposed 120-unit Livewell Terrace Apartments project will satisfy only 6% of that total demand. Two LIHTC projects currently underway in the County, Garden Oaks and Pintail Pointe, will provide approximately 370 affordable units, yet not nearly enough to meet growing demand.

In the 2024 recent LIHTC round no Beaufort County projects were submitted for final consideration.



While 2,234 affordable rental units have been created using LIHTC financing since 1988, additional funding sources will need to be leveraged in order to scale up affordable development to meet the growing demand in the Beaufort County region. South Carolina State Housing Finance did not offer a tax credit round in 2023 and will be accepting submissions for 2024 at the end of May. Beaufort County should stay involved in the 2025 QAP process to promote the county as a high demand area as the need for more housing continues to grow.

The Tischler Bise study revealed, Beaufort County will have 41,257 new permanent residents and 18,962 new housing units by 2029 – a 22% and 20% increase from 2019. However, only 25% of those new housing units are projected to be multi-unit structures which are more capable of housing this influx of new residents in higher-density developments. This is a concerning trend nationwide where multi-family affordable rentals are drastically underdeveloped. Beaufort County is no different where 2 Unit and 3-4 Unit residential structures saw a 59% and 17% decline in production from 2010 to 2022, and there has been only a marginal increase in production of 2% and 4% respectively from 2020 to 2022.

The following chart from the LCOG Indicators report highlights these discrepancies between single family and multifamily developments in Beaufort County since 2000.

		2000	2010	2020	2022	Change 2000-2010	Change 2010-2020	Change 2020-2022
Beaufort	1-Unit, detached	34,893	53,717	62,665	63,327	53.9%	16.7%	1.1%
	1-Unit, attached	3,279	4,782	6,469	5,296	45.8%	35.3%	-18.1%
	2 Units	1,052	1,486	617	627	41.3%	-58.5%	1.6%
	3-4 Units	2,759	3,314	2,749	2,848	20.1%	-17.0%	3.6%
	5-9 Units	2,956	5,508	5,201	5,163	86.3%	-5.6%	-0.7%
	10-19 Units	1,443	3,186	3,903	3,972	120.8%	22.5%	1.8%
	20 or more Units	5,035	7,796	9,522	8,357	54.8%	22.1%	-12.2%
	Mobile Homes	9,001	9,289	9,660	9,396	3.2%	4.0%	-2.7%

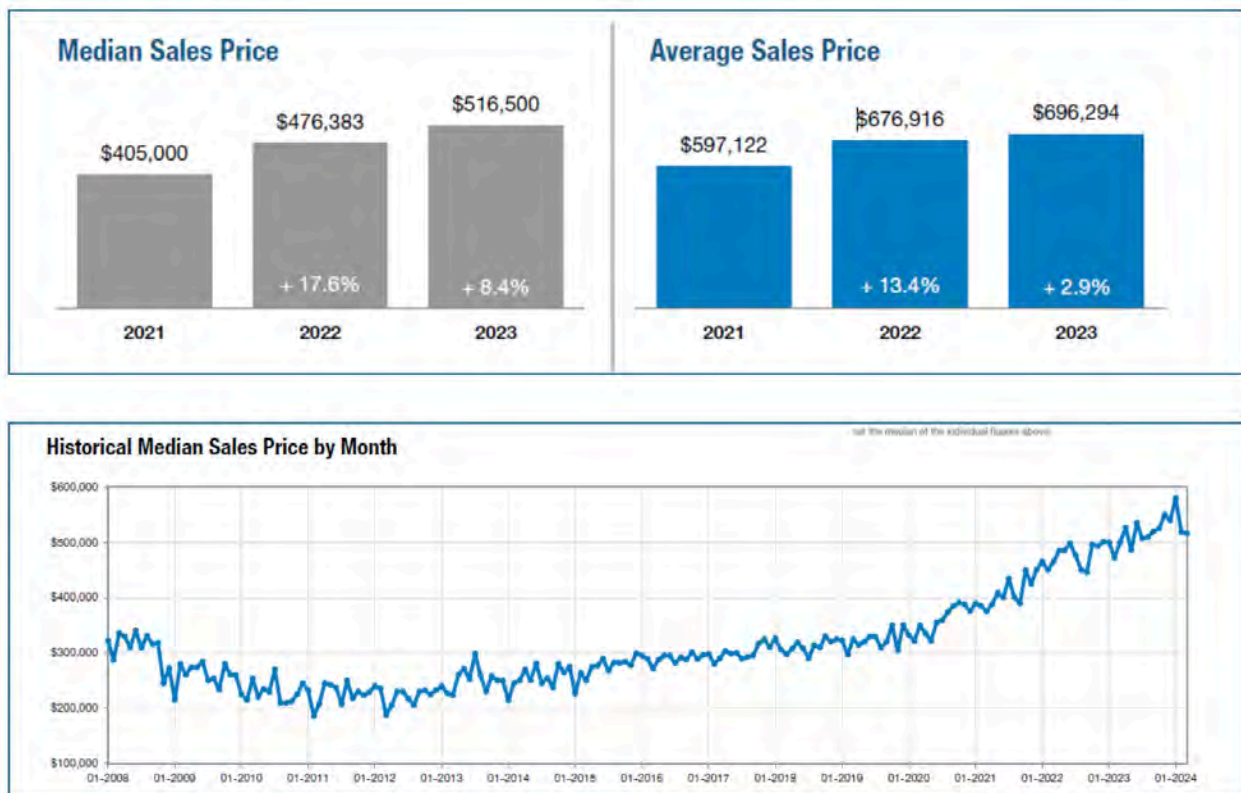
(<https://www.lowcountrycommunityindicators.org/>)



Homeownership

The 2018 Bowen study also pointed out at the time of the report that nearly three-fourths (70.4%) of the available for-sale product was priced at \$300,000 or higher, yet this price point is not affordable to half of the households in the county. At the time of the study, there were approximately 386 available for-sale housing units priced between \$150,000 and \$250,000, yet the number of households that would have enough income (\$50,000 to \$74,999) to afford this price range was estimated to grow to over 800 households over the five years. Therefore, the existing inventory of product priced between \$150,000 and \$250,000 was insufficient to meet the projected need in 2018, and this gap in available affordable housing stock has widened in the region post-pandemic.

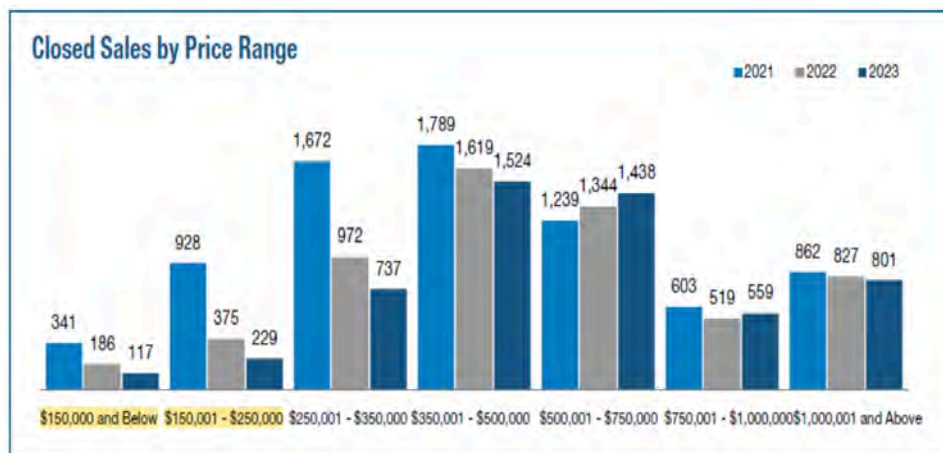
The Hilton Head Area Realtors Association, which tracks the county's housing market trends, estimated - as part of their 2023 Year-End Market Trend Analysis - a continued increase in the costs of homeownership for the Beaufort County region largely due to a 2-decade high mortgage rate increase – hovering around 7%, a historically-low housing inventory, and a continuing trend of increased sales prices. As shown below, the overall median sales price increased 8.4 percent to \$516,500 for the year – with detached home prices up 4.5 percent and attached home prices up 15.3 percent from 2022. Average sales prices, indicated in the chart below, were close to \$700,000 for the County. The Historical Median Sales price by month also shows this continued trend in escalating home prices.



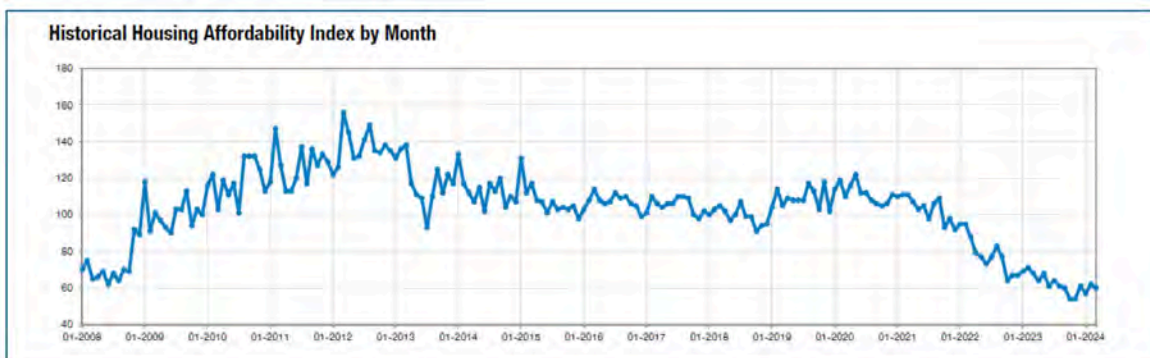
The number of housing units that sold below \$250,000 continued to decline in 2023 – consistent with a trend since 2021 – indicating a prolonged deficit in the affordable housing inventory for Beaufort County. The above graph shows that prices have continued to increase rather than stabilize. In the Bowen Housing Gap Estimates, they predicted a demand for a variety of product at a wide range of affordability levels, including housing for both low- and high-income households, from both rental and for-sale product. Without the introduction of a sufficient number of housing units, the already limited availability of housing units will become scarcer.

The Closed Sales Chart shows a 65% and 75% decline in homes sold below \$150,000 and between \$150,001 and \$250,000 – respectively - since 2021, which is consistent with the Bowen study predictions due to limited inventory below \$300,000.

Recent data from March 2024 shows little improvement in the affordable sales inventory from March 2023 with no change in the number of new single-family listings at \$150,000 or below and only a 5 unit increase for those properties listed between \$150,001 and \$250,000.

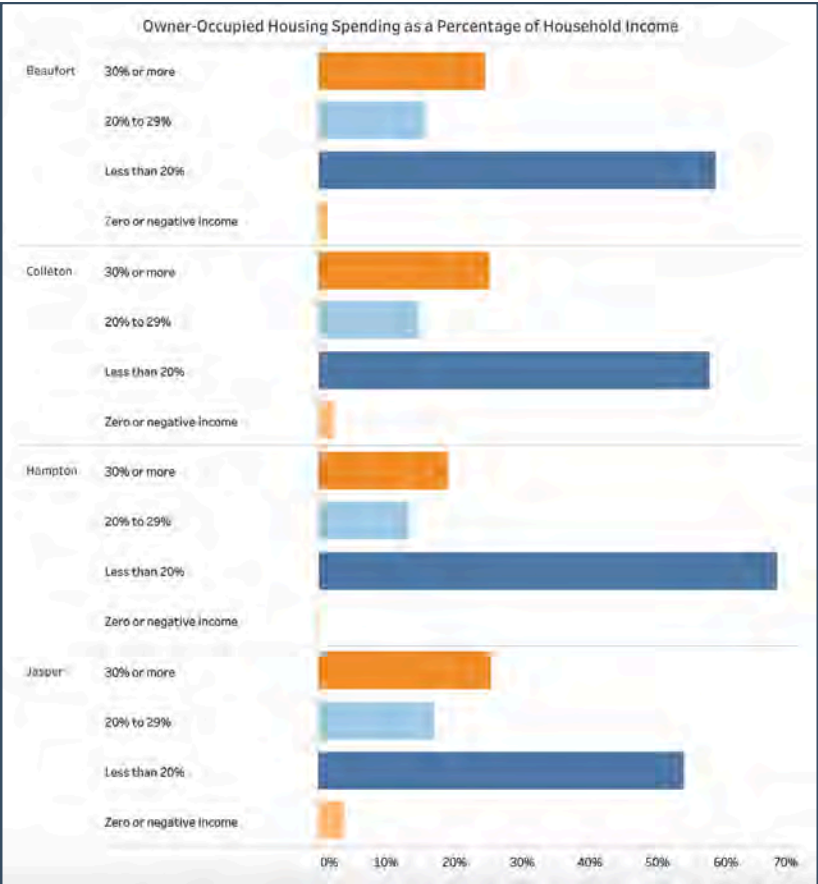


In addition, the Housing Affordability Index – a measure of the necessary median household income to qualify for the purchase of median-priced home in a region – has continued to decline for Beaufort County since 2022. With a higher number meaning greater affordability, the Index is currently at 60 - a 12% decline from last year, a 32% total decline since 2022, and a notable decline even from the time the Bowen study was completed in 2018.



2022 data from the Lowcountry Council of Governments also confirms that 1 in 4 Beaufort County homeowners are cost-burdened for housing - spending 30% or more of their monthly income on housing-related expenses – while 70% of those homeowners have monthly mortgages of \$1,500 or more. Meanwhile, median household income decreased by .5% in 2022 – when adjusted for inflation. Jasper and Colleton counties are not far behind in terms of homeowners that are cost-burdened as both are also close to 30% of households spending more that 30% of their income on housing. This report also shows very few ownership opportunities below \$200,000 compared to higher end homes within Beaufort County as highlighted below.

Despite the paucity of affordable homeownership opportunities, March 2024 key data metrics below shows overall inventory of homes on the market in Beaufort County increased 45% with months’ supply of inventory increasing by 55% - to 3.4 months – since March 2023, a promising upward trend in overall housing stock that could drive down home prices in the future as supply grows.



Key Metrics	Historical Sparkbars	03-2023	03-2024	Percent Change	YTD 2023	YTD 2024	Percent Change
Inventory of Homes for Sale		1,016	1,469	+ 44.6%	--	--	--
Months Supply of Inventory		2.2	3.4	+ 54.5%	--	--	--

Additional data from the Beaufort Jasper Realtors Association (BJRA) indicates that pricing continues to escalate even with an increase in inventory. The following charts show increased median sales price up +1.8% from March 2023 to 2024, the average sales price up +4.5% for the same period in the first quarter of 2024, and the affordability index declining 6.2% over the same period. Pending sales for March 2024 were also up 18.7% from 2023. So, despite a growth in inventory and increased sales it is mainly higher priced homes selling with few below the \$200,000 sales price.

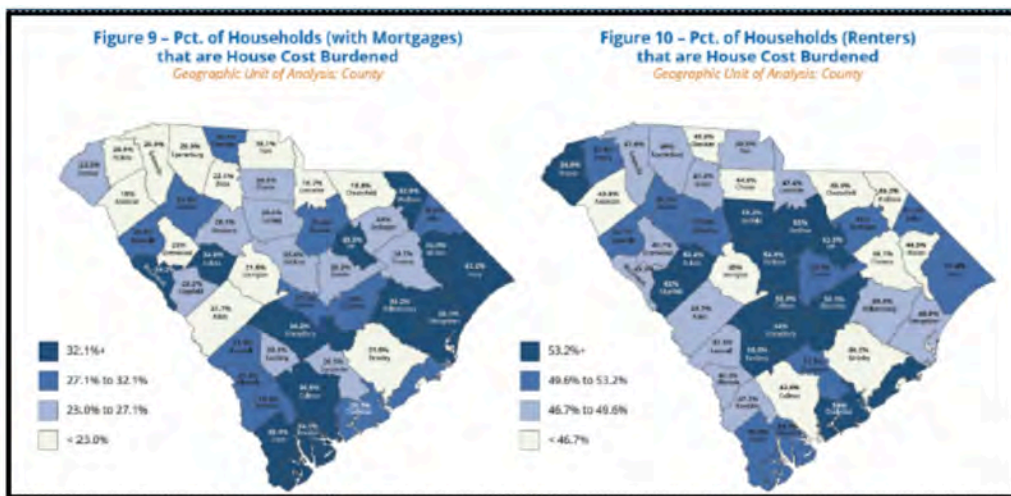
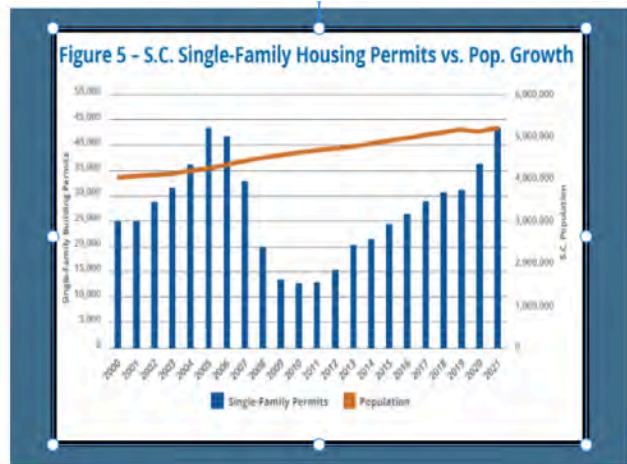
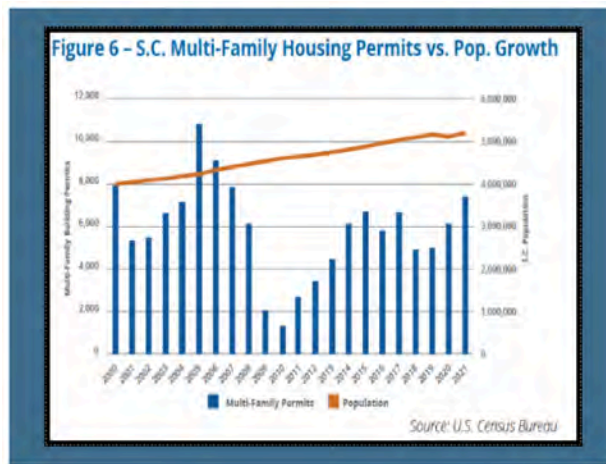


Housing Market Conditions

Although the South Carolina population continues to have strong growth, building has not kept up. The 2023 Palmetto State Housing Study published by SC State Housing indicated that a decade of underbuilding has culminated in a shortage of housing inventory. South Carolina's population has grown steadily at an average annual rate of roughly 1.2% from 2002 to 2021 (compared to 0.8% for the overall US), and in 2023 its population grew the fastest in the nation – at a 1.7% increase from the previous year. Yet, the average annual growth rate in the number of new housing permits in South Carolina dropped by nearly half after the Great Recession of 2008.

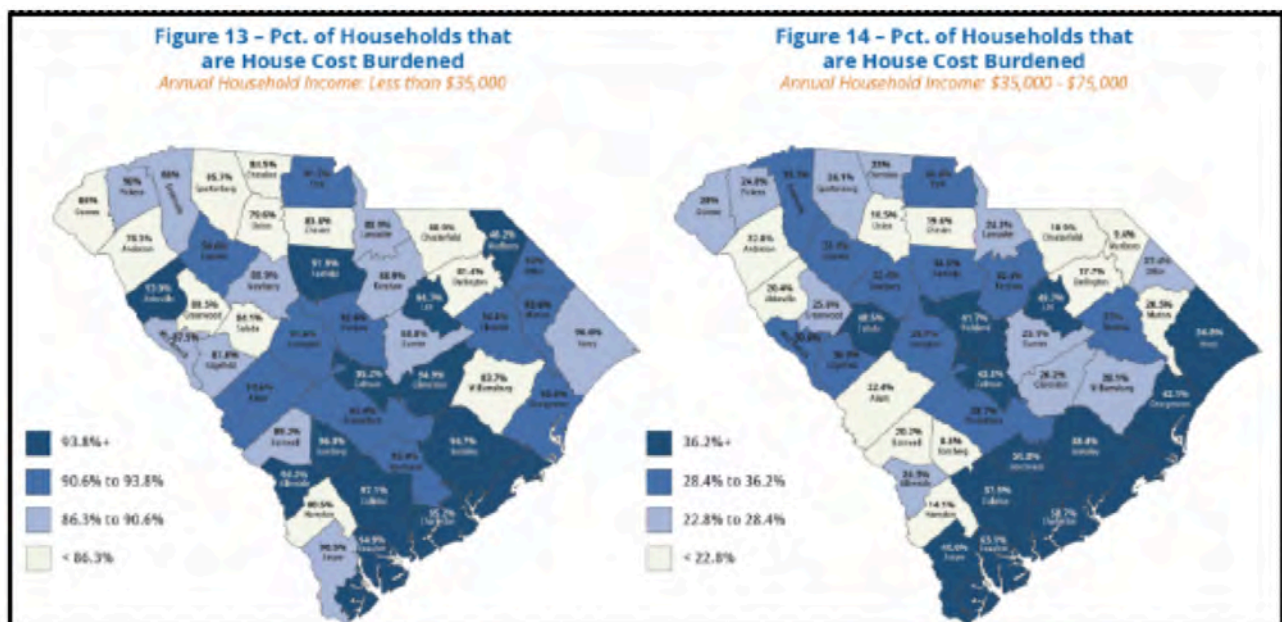
The decline includes both single and multi-family housing, thereby creating gaps in the supply and demand for housing and escalating the cost of housing due to the shortage of supply. The lack of housing inventory in South Carolina is especially pronounced among lower price points. Although a lack of demand in the immediate aftermath of the Great Recession helped temporarily increase the availability of entry-level homes, the number of homes sold in South Carolina for less than \$100,000 has decreased by 14.8 percent each year since 2014. (2023 Palmetto Study) The decrease in supply is most pronounced in coastal regions of South Carolina. In 2022, the percentage of homes sold in South Carolina for under \$100,000 fell below 5 percent for the first time. The 2023 Palmetto Housing Study, as shown in the charts below, reveals that South Carolina's housing market is imbalanced due to high demand and low inventory levels. This imbalance has resulted in affordability challenges for many South Carolinians.

As mentioned earlier, housing affordability is usually measured by examining the extent to which families are considered to be housing cost-burdened, therefore approximately 50 percent of renting households and 25 percent of households with a mortgage are housing cost-burdened in South Carolina. Examining housing cost burdens by county reveals that renters are most likely to be cost-burdened in the Midlands and coastal regions of South Carolina. By contrast, households with mortgages are most likely to be cost-burdened in the Pee Dee and coastal regions, as shown in Figures 9 and 10. On average, housing cost burdens across the state are higher for renters than they are for households with mortgages.



Housing affordability is often considered to be a challenge that is either mostly or exclusively concentrated among households with lower income. Approximately 90% of South Carolina's lower income households, defined as those earning less than \$35,000 annually are estimated to be housing cost-burdened based on the 2023 Palmetto Housing Study. However, in South Carolina there is also a significant population base of middle-income households that also face affordability challenges. Specifically, this study estimates that more than one-third (34.5%) of households earning between \$35,000 and \$75,000 annually are also housing cost-burdened by traditional measures. Existing statewide workforce housing initiatives are often designed for this population.

The cost burden for this segment of the population is especially high in coastal South Carolina as shown in Figures 13 and 14. The data demonstrates that housing affordability is nearly a universal challenge for lower-income and working-class families and households. Policies directed at improving housing affordability should also include attainable housing programs and new inventory for middle-income families -including individuals often employed as teachers, first responders, and health care support workers.



Escalating real estate costs are not the only barrier to homeownership. Increased mortgage rates continue to limit affordable home buying opportunities for families. Since August 2023, interest rates have risen to as high as 8% depending on the loan type, the amount of down payment provided and also takes into consideration a varying credit score between 580-800. These variables make home buying more difficult for lower income households that have limited downpayment and lower credit scores.

The affordability index (the lower the number the less affordable a market) for Beaufort and Jasper counties collectively continues to decline making the impact on housing options for Beaufort workers even more challenging as neighboring counties are also seeing a decline in affordability. The chart below shows significant regional decline in affordability even since the 2018 Bowen study. As mentioned earlier many workers commute from Jasper County to work in Beaufort, yet housing pricing are increasing in that market as well creating a broader regional housing crisis.



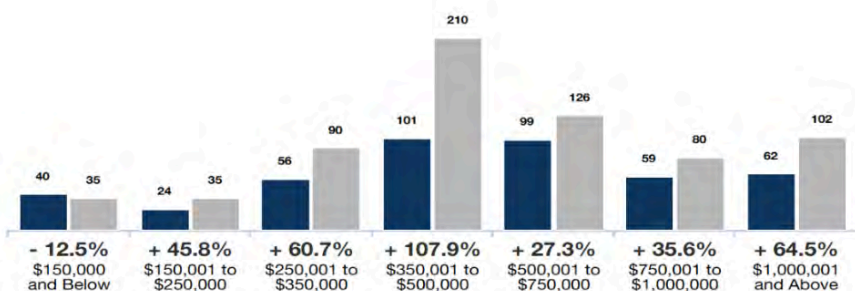
*Beaufort-Jasper County Realtors Association (BJRA)

Even more telling in the loss of regional affordability is the March BJRA Housing Supply Overview which indicated that for the 12-month period spanning April 2023 through March 2024 pending sales in the Beaufort-Jasper County REALTORS® region were down 0.1 percent overall, but the price range with the largest pending sales gain were for homes \$1,000,001 and above, where sales rose 38.5 percent.

Inventory of Homes for Sale

By Price Range

■ 3-2023 ■ 3-2024



With a per capita income of \$72,142 (BEA, 2022) and a median home sales prices of \$522,500 based on a recent Redfin 2024 report, the typical homebuyer in Beaufort County has very little opportunity to buy an affordable home that meets their budget. A \$200,000 home could cost a household \$1,754/month – assuming a 3% down payment and \$449/month in property taxes, homeowners insurance, and private mortgage insurance (PMI). [Nerd wallet] This monthly payment would also depend on the buyer's credit score. Therefore, the average resident (based on above per capita income) in Beaufort County could barely afford a \$200,000 home.

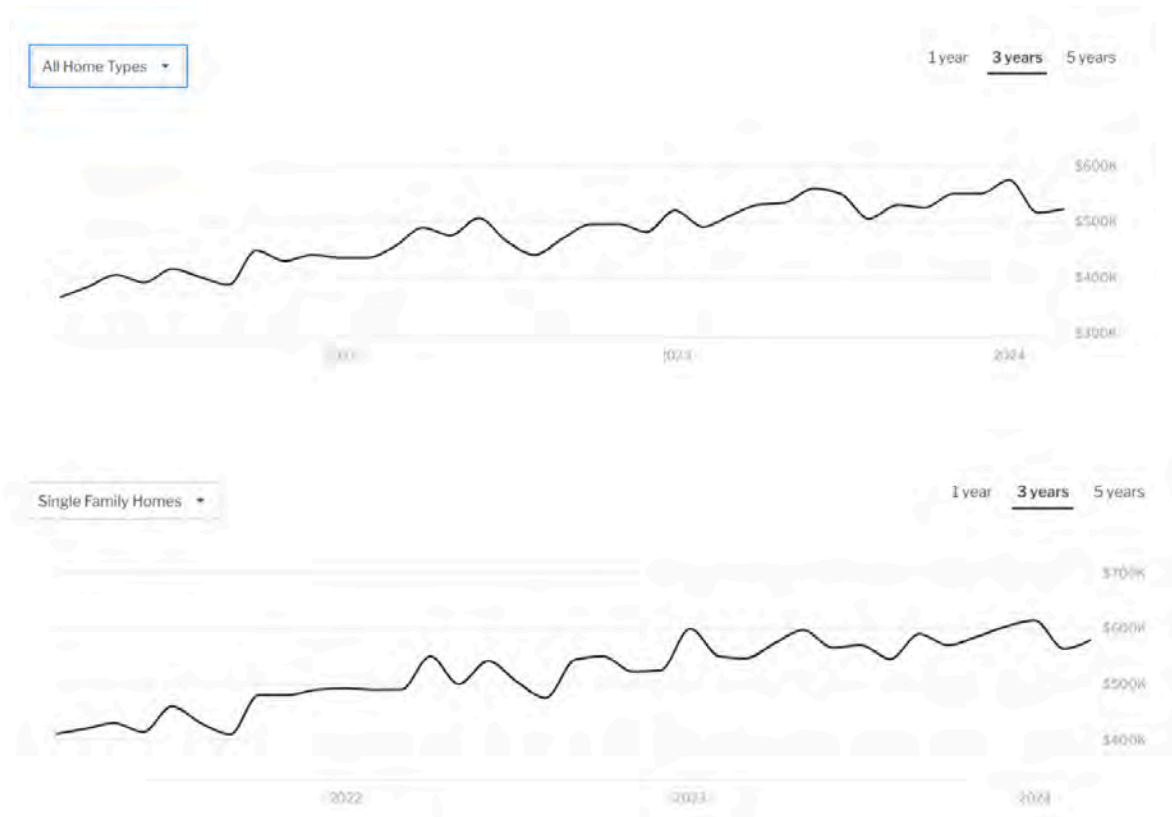
Based on Nerdwallet.com, current mortgage rates on average for the area are over 7 % for a 30-year fixed mortgage and 6.50% for a 15-year fixed mortgage, but - as mentioned - this depends on downpayment and credit score. Many lower income workers do not have significant savings for a down payment and may have credit issues making it harder for them to transition to ownership, especially if they are already cost-burdened and paying higher rents. The below chart shows mortgage interest based on current Annual Percentage Rates (APR).

Product	Interest Rate	APR
30-Year Fixed Rate	7.08%	7.13%
20-Year Fixed Rate	6.85%	6.91%
15-Year Fixed Rate	6.54%	6.62%
10-Year Fixed Rate	6.42%	6.50%

In addition to a limited pipeline of newly planned affordable homeownership options for the area and the low inventory of existing housing units, increased cost in wind and flood insurance are also impacting overall household's costs in Beaufort County. In some cases, insurance costs have doubled for residential and commercial properties, pricing people out of their homes. For the rental market, insurance premiums are passed along to renters by apartment owners therefore increasing the cost of rent for many families, while incomes have not kept up with housing costs. In some cases, rental property owners have converted their "previously affordable" rental properties into higher cost luxury apartments or short-term rentals, taking them out of the affordable housing inventory.

In March 2024, Beaufort County home prices were up 2.6% compared to last year, selling for a median price of \$523K. On average, homes in Beaufort County sell after 50 days on the market compared to 38 days last year. There were 495 homes sold in March this year, up slightly from 463 last year. (Redfin.com). Based on this recent data pulled from Redfin calculations of home data from MLS listings and public records the following charts show the continued rise in housing cost over the last 3-year.

The Charts include 1) All Home Types listed (villas, condos, townhomes and detached) and 2) Single Family Homes separately. The chart below shows overall housing types (condos, townhomes and single-family ownership) showing a trend of 43% increase in median sale price from 2021 to 2024. For single-family homes, the 3-year trend shows a 41% increase.



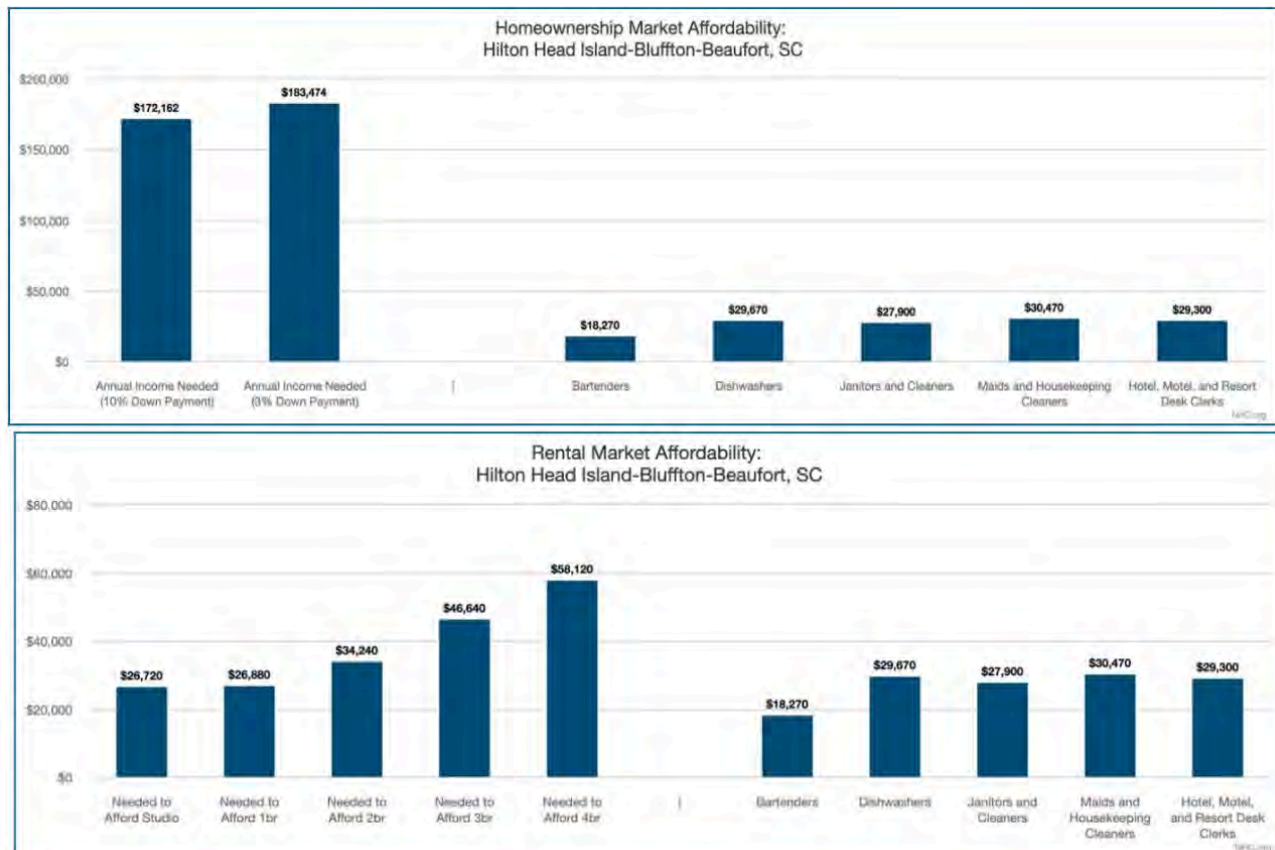
Beaufort County's housing costs is significantly higher compared to many neighboring cities and counties. The overall cost of living in Beaufort County is approximately 3% lower than the National average yet 6% higher than that of Savannah, GA and only 1% lower than that of Charleston, SC – two much-larger neighboring cities (Redfin). Next to Charleston, Beaufort is the most expensive market to buy in this comparison.

Location	Median Price	% Change from 2023 to 2024
Beaufort County	\$522,500	+ 2.6%
Horry County (Myrtle Beach)	\$328,000	+ 2.5%
Greenville County	\$352,495	+ 5.1%
Richland County (Columbia)	\$260,000	- .019%
Chatham County (Savannah)	\$366,000	+ 5.4%
Myrtle Beach	\$285,000	+ 14%
Charlotte MSA	\$402,000	+ 1.8%
Charleston	\$559,500	+ 7.6%

As evidenced in this chapter, there is a clear mismatch between housing that is available in the current market and the area incomes for some of the major workforce sectors. There continues to be few affordable housing options for the area's workforce with availability and affordability trending down. As highlighted in the National Housing Conference's Paycheck to Paycheck March 2024 Data Update for Beaufort County MSA areas, the qualifying income needed to afford a 2 Bedroom apartment at \$856/month in the Hilton Head Island-Bluffton-Beaufort, SC MSA is \$34,240 annually. All occupations shown in the table below do not produce enough annual income for the worker to afford a 2 BR rental or purchase a 2 BR home in the Beaufort County area (NHC's Paycheck to Paycheck Data Update March, 2024, <https://nhc.org/paycheck-to-paycheck/#>) – essentially locking them out of a chance at housing affordability.

Many of these cost-burdened workers fill occupations critical to the greater Beaufort County's tourism and leisure industry including Bartenders, Waiters, Dishwashers, Janitors and Maids, and Hotel and Resort Clerks. Others like Substitute Teachers, Home Health Aides, Childcare Workers, and Laundry and Dry-cleaning Workers serve the resident population all year-long yet cannot afford to live affordably in the community they serve.

The charts below from the Paycheck-to-Paycheck affordability index provide several examples - specifically for the workers in the hospitality and accommodations sectors - on what they can afford based on median incomes for each position as well as what they need to earn to afford a median price home or apartment in the Beaufort area.



Other major employment sector positions are also included below to show the growing mismatch between what area workers earn and what they can afford. Tourism related workers are faced with the largest barriers to finding housing options that are affordable but as one can see from the chart below other major employment sectors are also struggling to find affordable options in the region.

Occupation	Area Median Income	3% down qualify	Afford to buy?	1 BR Rent Qualify	Afford Rent 1 BR?	2 BR Rent Qualify	Afford Rent 2 BR?
Substitute <u>Teachers</u> , Short-Term	\$32,470	\$183,474	No	\$26,880	Yes	\$34,240	No
Teaching <u>Assistants</u> , Except Postsecondary	\$23,980	\$183,474	No	\$26,880	No	\$34,240	No
Home Health and Personal Care Aides	\$29,750	\$183,474	No	\$26,880	Yes	\$34,240	No
Security Guards	\$32,940	\$183,474	No	\$26,880	Yes	\$34,240	No
Bartenders	\$18,270	\$183,474	No	\$26,880	No	\$34,240	No
Fast Food and Counter Workers	\$26,590	\$183,474	No	\$26,880	No	\$34,240	No
Waiters and Waitresses	\$19,950	\$183,474	No	\$26,880	No	\$34,240	No
Dishwashers	\$29,670	\$183,474	No	\$26,880	Yes	\$34,240	No
Janitors and <u>Cleaners</u> , Except Maids and Housekeeping Cleaners	\$27,900	\$183,474	No	\$26,880	Yes	\$34,240	No
Maids and Housekeeping Cleaners	\$30,470	\$183,474	No	\$26,880	Yes	\$34,240	No
Hairdressers, Hairstylists, and Cosmetologists	\$29,460	\$183,474	No	\$26,880	Yes	\$34,240	No
Childcare Workers	\$27,670	\$183,474	No	\$26,880	Yes	\$34,240	No
Cashiers	\$26,980	\$183,474	No	\$26,880	Yes	\$34,240	No
Retail Salespersons	\$29,710	\$183,474	No	\$26,880	Yes	\$34,240	No
Hotel, Motel, and Resort Desk Clerks	\$29,300	\$183,474	No	\$26,880	Yes	\$34,240	No
Receptionists and Information Clerks	\$31,780	\$183,474	No	\$26,880	Yes	\$34,240	No
Laundry and Dry-Cleaning Workers	\$27,650	\$183,474	No	\$26,880	Yes	\$34,240	No
Parking Attendants	\$30,180	\$183,474	No	\$26,880	Yes	\$34,240	No
Stockers and Order Fillers	\$32,890	\$183,474	No	\$26,880	Yes	\$34,240	No

Construction and Development Costs

Ownership Market Costs:

A recent article by Today's Homeowner, highlighted that in South Carolina it could cost anywhere from \$150.92/sq.ft. for craftsman-style bungalow to \$603.60/sq.ft. for high-end plantation-style home. This same article highlighted an acre of farmland in South Carolina averages around \$2,830. However, urban lots cost significantly higher at \$500,000 per acre in most cities. These costs will vary depending on where in South Carolina a developer is building; urban vs rural, inland vs coastal etc. Beaufort County includes all these land typologies within the County. Although the submarket town/cities within Beaufort County have smaller populations than places like Charleston and Greenville, the urban cores within the County, like the City of Beaufort and Town of Bluffton, have all seen higher land cost along with construction costs. The County has unincorporated areas adjacent to these towns as well as quite a bit of rural areas that could have more affordable land but may have higher infrastructure costs. One developer interviewed shared it can cost over a \$1M per acre for land in the Island areas (pending location and infrastructure needs) and approximately \$340/sq. ft. for 3 story stick-built building. Another example shared included 2,000 sq.ft. 3-bedroom modular units priced at \$320,000/unit including site work but not land.

The Today's Homeowner article also pointed out the following average per square foot cost based on type of housing:

- **Craftsman Style Beach Cottage: \$150.92- \$188.65/sq.ft.** This type of home is very popular in Beaufort County due to its proximity to the ocean. Most of these types of homes have an average floor area of about 1,850 square feet indicating construction costs anywhere from \$278,500 to \$348,200.
- **Mid-Range Home: \$188.65- \$415.03/sq.ft.** This is for a Lowcountry cottage home typology with wrap around porches and southern design which is a common architectural style for many mid-range homes in the Beaufort area. Most of these types of homes with an average floor area of 1,850 square foot range between \$348,200 to \$766,145.
- **High-End or Luxury Home: \$415.03-\$603.68/sq.ft.** This type of home is typically considered a Plantation-style home usually found in upscale neighborhoods, especially in areas like Beaufort County and their adjacent jurisdictions like Hilton Head Island and Port Royal. Most of these types of homes vary in square footage and tend to be larger homes with high end finishes and amenities so can range anywhere from \$766,145 to \$1,111,400.

Several individual costs that make up these varying construction estimates include framing, exterior work, utilities, interior and finishing costs along with foundational work and labor costs. The costs will vary greatly depending on the type of materials selected and the current pricing for commodities like lumber and concrete. Labor shortages can also play a significant role in the final cost of construction.

	Craftsman-Style	Mid-Range	High-End/ Plantation Style
Charleston	\$175.00	\$262.50	\$700.00
Columbia	\$120.00	\$180.00	\$480.00
Myrtle Beach	\$159.00	\$238.50	\$636.00
Greenville	\$90.00	\$135.00	\$360.00
Hilton Head Island	\$111.08	\$166.62	\$444.32
Sumter	\$118.46	\$177.69	\$473.84
Spartanburg	\$97.00	\$145.50	\$388.00
Florence	\$80.00	\$120.00	\$320.00
Summerville	\$114.65	\$171.98	\$458.60
Beaufort	\$110.00	\$165.00	\$440.00

The chart above provides a good snapshot of estimated construction costs per square foot for various communities in South Carolina compared to the Beaufort area. It should be noted that these are industry-estimates, and each property and home can be significantly different per square foot based on design, location, final finishes and construction financing costs. For the purposes of this Housing Impact Analysis, the chart provides a baseline comparison to consider when evaluating what housing can be considered affordable. As a reminder, a household should spend no more than 30% of their household income or no more than 3 times their annual salary on a home purchase to be considered affordable.



Land Cost:

As mentioned earlier in this same article by Today's Homeowner, land prices vary drastically depending on the location of the property and can be well over \$500,000/acre in some of the coastal areas like Beaufort. In some cases, finding smaller lots can be the best option to keep housing more affordable or increasing density on a piece of land to allow for more units to maximize the value of the land. A smaller piece of land, around a fourth of an acre, may cost around \$125,000, translating to approximately 10,890 square feet, which is more than enough for a single-family home.

Other Construction Costs:

The article also mentioned site preparation can add between 3-8% to a project cost that is not included in typical construction costs and can vary greatly depending on the type of land the home is being built on. For example, in the Beaufort area, many homes must be built above the flood plain or have topology issues due to the proximity to the water or marshland, so they may require environmental mitigation efforts prior to being built or installed on stilts, etc. The cost of site work will also depend on the type of construction, the number of stories, and existing site conditions - creating a range between \$3.34 per square foot to a maximum of \$13.35 square foot.

In addition to building new affordable housing, the County is also interested in the preservation of housing. Both the Bowen Study and the Comprehensive plan included preservation as an important strategy to protect existing affordable housing stock and minimize potential displacement. As mentioned earlier there are few government-subsidized affordable housing units available within the County, which would be protected as affordable for longer- periods of time. Older existing apartments or villas, considered as "naturally occurring affordable housing or NOAH" due to their age, are also limited in the County. One developer shared a list of several properties throughout the county that might be considered relatively affordable or NOAH. These properties were listed between \$220,000-\$360,000 for 2 bedroom 2 bathroom just for acquisition, not taking into consideration repairs or improvements that might be necessary to preserve these units.

Other considerations on total development cost include pre-development and soft costs like professional service fees, architect, engineering, local approvals, permits and tap fees, etc.

Other Impediments to development:

Due to the Beaufort County's location along the coast, other environmental considerations play a huge role in increasing the cost of development, including but not limited to building code requirement to address natural disasters and protections, like seismic and wind zones that require engineered drawings and specified materials that help eliminate risks of home destruction in the event of a hurricane or earthquake.

Local Permitting and Impact Fees:

Although local permitting and impact fees can significantly increase the cost of housing development, the County has looked at where they can reduce or waive these fees for affordable housing developers. The County currently has an affordable housing impact fee waiver program that is described in more detail in the Removing Barriers Chapter of this analysis. The County is looking at other fee waivers and incentives they can implement to support increased affordable housing production, yet many of these fees are not under their control, like water and sewer tap fees or utility costs etc.

As part of the Bowen Housing Needs Assessment, researchers spoke to several developers about the cost of housing development as a barrier to ensuring more affordable options. The study mentioned that during one-on-one discussions with local affordable housing partners they indicated many obstacles that make it hard to develop more affordable housing in the County. One challenge is the high costs for infrastructure improvements and impact fees, finding the land to build and finding development partners willing to build affordable or mixed income housing, since costs have escalated so much over the past five years. Due to topography, wetland and environmental concerns, there is limited developable land in the County that is cost effective enough to make a significant impact on the demand for affordable housing.

Some recommendations that came from those meetings included partners suggesting the County consider more creative types of housing development (alternative types of housing), look at maximizing density where feasible, and consider mixed income where possible and commercial conversion as an option for under-utilized retail and commercial spaces - including repurposing older and dilapidated buildings that could be refurbished and made into affordable housing. The County has already looked at the conversion of older motels/hotels as an option for affordable housing and has a few projects underway within the County.

Insurance:

Related to some of the added costs due to environmental considerations, insurance costs are playing a significant role in affordability. In some communities in the Beaufort area insurance costs for both ownership and rental properties have increased over 100%. A recent 2024 article indicated that homeowners across the country are facing an insurance crisis and driving up housing costs, especially in weather vulnerable coastal communities like Beaufort. According to a survey conducted by Redfin Corp. about 72% of U.S. homeowners said their policy had increased over the past year, about 8% of those surveyed said their insurance company stopped offering coverage for their homes all together. Redfin expects homeowner insurance rates will continue to rise in communities like South Carolina, Florida and California that are more prone to natural and environmental disasters. Insurance marketplace Insurify Inc. projected homeowners' insurance would rise about 6% in 2024 after roughly 20% annual rate increases between 2021 and 2023, that would bring the average rate to \$2,522 annually by the end of the year.

Removing Barriers to Workforce Housing

Incentivizing Affordable Workforce Housing:

A key aspect of this Housing Impact Analysis is to understand both the local barriers to the preservation and production of affordable workforce housing along with the strategies and incentives the County may already offer to support housing solutions. The Bowen Study outlined several housing strategies including planning policies and funding ideas for the County to consider that could incentivize private developers to create more affordable housing within their projects. Based on these recommendations and recognizing the growing demand for workforce housing over the last few years, the County has already implemented several developer incentive programs to support an increase in affordable housing.

Beaufort County Development Code includes an entire chapter on encouraging affordable housing as a key element of the County's growth and development priorities. In Chapter 4 of the Development Code, County Council indicated that affordable housing is the essential foundation upon which to build a more sustainable future for Beaufort County and to grow a more competitive workforce to meet the challenges of our regional, state, and global economy.

County Council found that zoning regulations can be an effective tool for implementing the strategies to address the needs for affordable housing stock within Beaufort County. Within the Developer Incentives Chapter, the County identified certain incentives and zoning tools that can help facilitate and encourage the development of affordable housing types. Specifically, this chapter was intended to promote a diversity of housing stock by providing certain incentives and regulatory standards for the creation of affordable housing units in the C5 zoning district. The following highlights specific excerpts from the Development Code that Beaufort County has already committed to support the increased production of affordable workforce housing.



Developer Incentives:

Chapter 4 of the Beaufort County Code

Within this chapter the County outlines what is required for a developer to access density bonuses and impact fee exemptions for projects that commit to including affordable housing within a larger development project.

The number of owner-occupied affordable housing units and/or rental affordable housing units per development shall be one of the following at the election of the applicant:

- Thirty (30%) percent of the dwelling units, rounded up to the whole number, shall be restricted by deed as owner occupied affordable housing units and/or rental affordable housing units for a period of at least twenty (20) years; or
- Twenty (20%) percent of the dwelling units, rounded up to the whole number, shall be restricted by deed as owner occupied affordable housing units and/or rental affordable housing units for a period of at least twenty-five (25) years.

Density bonus. Housing developments or re-developments located within the Regional Center Mixed Use (CS) zone district may elect to development land in compliance with this chapter. As an incentive for development under this chapter, there shall be no maximum density or minimum lot size requirements.

Impact fees. Impact fees shall be reduced in proportion to the number of affordable housing units being provided in accordance with Beaufort County Code of Ordinances Section 82-32. A project approved under this chapter shall be determined to be a project that creates affordable housing for the purpose of exempting impact fees in proportion to the number of affordable housing units created. The following table indicates the percentage of discount available for Impact Fees for Affordable Housing:

Area Median Income (AMI)	Impact Fee Discount
Under 60%	100%
60% to 80%	60%
Over 80%	0%

The County commits a certain amount of funding annually into their Beaufort County Affordable Fund to support this incentive for affordable workforce housing projects based on project eligibility and available funding. Development impact fees may be subsidized, as long as funds are available in the Beaufort County Affordable Housing Fund, by up to 100 percent for housing a person or family earning 80 percent or less of the county's median family income. Criteria approved by county council will be used to provide guidance and should be reviewed prior to requesting assistance from the County.

Financing/Funding:

In addition to implementing several planning policies that can encourage developers to produce affordable workforce housing, the County has also committed funding to support financing solutions for development projects. One noteworthy strategy included leading the housing trust fund study that launched a regional housing trust fund. The County worked closely with other local jurisdictions and Jasper County to implement the Beaufort Jasper Housing Trust Fund (BJHT), which was officially incorporated in 2023. Participating jurisdictions signed an intergovernmental agreement, agreeing to the creation of the fund and a 10-year funding commitment, with the County being the largest contributor to the Fund initially.

Beaufort Jasper Housing Trust Fund

The housing trust fund mission is to assist in the financing and funding of affordable housing. The housing trust fund was supported originally with a one-time allocation from the American Rescue Funds from each participating jurisdiction. Subsequent annual funding will need to be determined by each government partner from a local source that their Councils identify.

The above incentives and financing tools are a just a few of the initiatives that the County has already implemented to support the preservation and production of affordable workforce housing efforts. The County is constantly seeking ways to support affordable housing, including looking at policy or regulatory tools that could encourage more affordable and mixed income housing. With the passage of Act 57, the County now has the opportunity to utilize a new funding source for workforce housing projects within the County. These funds will help compliment the County's existing programs to increase the production and preservation of workforce housing.



Image from Garden Oaks Apartments

In addition to the efforts mentioned above, the County is also investigating the following policy and strategies to support the growing need for more affordable housing.

Preserve Existing Affordable Housing

- Work with municipalities to develop conservation overlay zones or similar, to protect areas of naturally occurring affordable housing; an example would be the Oaklawn subdivision on Oaklawn Ave in the City of Beaufort.
- Prohibit new Short Term Rentals in single-family zoned neighborhoods unless the owner lives on the premises (i.e., prohibit new STRs on 6% property).
- Identify all LIHTC projects in the County; determine when the affordability period ends; develop options for extending affordability period or otherwise maintaining affordability.
- Consider establishing and/or funding local housing repair programs targeted at low-moderate income homeowners or income-restricted rental properties.

Promote New Affordable Housing

- Revise development codes in the County and municipalities to promote more missing middle housing by allowing 2 accessory dwelling units (ADUs) per lot and allowing 2- and 3-family dwellings in current single-family zones. Consider allowing 4-family dwellings and townhouses.
 - eliminate on-site parking requirements for ADUs
- Waive or reduce building permitting fees for ADUs where owner signs an affidavit that covenants do not preclude it being rented.
 - consider waiving or reducing building permit fees for other Missing Middle housing types indefinitely or for a limited period of time to stimulate interest in development
- Work with SC Building Codes Council to allow 3- and 4-unit structures to be built with alternatives to sprinklers.
- Work with municipalities to develop pre-reviewed plans for Missing Middle Housing, starting with ADUs.
- Advocate legislature for authority to adopt inclusionary housing ordinances.
- Advocate legislature for authority to adopt real estate transfer fee that could be used for affordable housing and open space preservation.
- Adjust all impact fees to be based on the true impact of the use; fees should be based on square footage of the unit and/or the number of bedrooms.
- Facilitate a developers training workshop similar to what is done by The Incremental Development Alliance, to educate contractors and developers on developing Missing Middle Housing.



Conclusion

The Bowen report emphasized the need for the County to support a balanced housing approach to meet the growing demand for diverse housing options with an emphasis on affordable workforce housing. As highlighted in this Analysis, while current housing shortages are more pronounced among lower-income households, the projected household growth among higher income households is significant. There is a need to provide housing to meet this population growth as well to avoid a “bottleneck effect”. When there is not sufficient housing stock in the market to meet diverse income growth, residents have few options to move into housing that meets their income, therefore they tend to stay in existing homes or rental units longer instead of upgrading to newer housing. When residents upgrade or move into a newer housing option, more affordable options are freed up for low to moderate income households to access. Additionally, when the housing market does not keep up with demand caused by population growth and limited housing stock, supply and demand market forces increase the overall cost of housing, making it difficult for low- and moderate-income families to find affordable housing.

The Bowen report also indicated projected growth to be robust among both renter- and owner-occupied households and among both younger and older adults, providing further evidence that future housing development will need to be diverse to meet the varied needs of each of these household segments. With the ongoing population growth as indicated in this analysis and the lack of available housing inventory, especially affordable options, the County is seeking diverse solutions to address the need for more affordable housing, with a focus on the growing workforce needs. The housing shortage is directly impacting the County’s ability to attract and retain employers and employees in some of the key business sectors mentioned in this Analysis, in particular within tourism related jobs. The County has already implemented several policies and programs to support the preservation and production of a broad spectrum of affordability levels and product types including some mentioned within this analysis.

With tourism continuing to be one of the top three employment sectors in the County, there is a clear nexus between the need for workforce housing solutions and the revenues generated by the tourism economy. The availability of ATAX to support workforce housing provides the County with a new revenue source to help with the development and implementation of additional solutions to meet the growing need for more affordable housing options.

The passage of Act 57 offers the County a new opportunity to increase financial resources available to support programs for affordable workforce housing opportunities. The County estimates a total State ATAX amount for FY2025 of about \$1,500,000. With the new law, the County could now use up to 15% of this tax revenue to support workforce housing efforts in addition to 15% of their local ATAX revenues, which could be a significant new resource to support affordable housing efforts in the County.

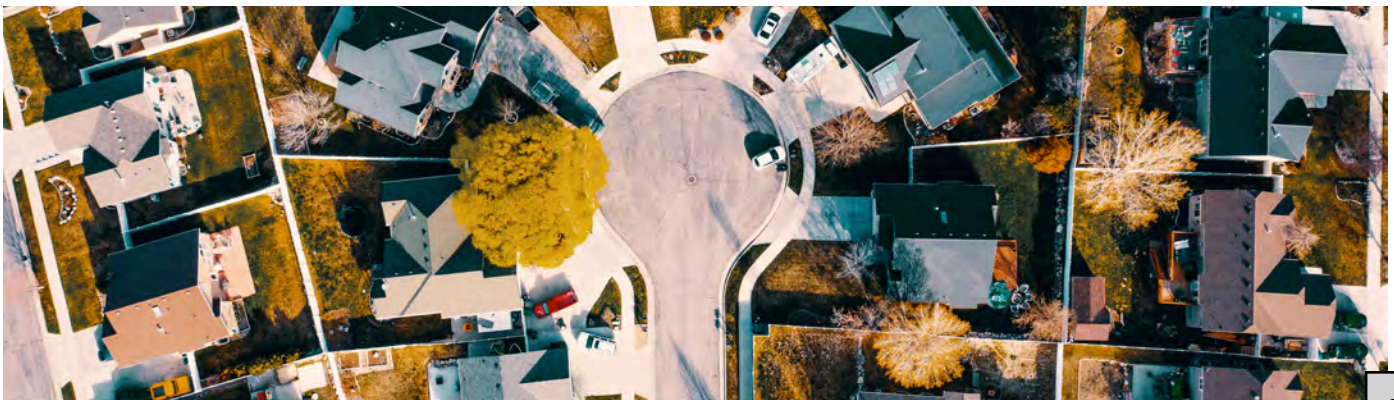
As outlined in Beaufort County's adopted 2040 Comprehensive Plan, the County is committed to a diverse community that balances growth, attracts business and employment opportunities, preserves the area's fragile environment, ensures affordable housing options, and maintains quality of life for all residents regardless of income. The County is also committed to investing in new public infrastructure, creating incentives for affordable housing, and focusing development on land of the highest suitability. Within the Housing Element of the 2040 Comprehensive Plan, the County's overarching goal is to promote quality, affordable housing available and accessible to all residents, while ensuring a mix of housing types available to residents of varying incomes, ages and abilities.

To address this growing workforce and housing mismatch as highlighted throughout this Housing Impact Analysis, Beaufort County will need to continue to play an active role in promoting affordable housing solutions. Efforts will need to include but are not limited to implementing additional planning and zoning policy incentives, enhance public/private partnerships with affordable housing developers and identify new and flexible funding sources that enable these projects to come to fruition.

The County through its comprehensive plan, has already committed to:

- Foster the creation of affordable housing near jobs, services and public transit.
- Reduce regulatory barriers to the creation of affordable housing.
- Establish an ongoing funding source to address housing needs.
- Partner with non-profit agencies and the private sector.
- Work regionally to address affordable housing needs.

To further support these commitments, the County is seeking the opportunity to increase funding sources for affordable workforce housing efforts through the adoption of this Housing Impact Analysis as an amendment to their 2040 Comprehensive Plan, enabling access to up to 15% of its Accommodation Tax (ATAX) revenue. Access to this new eligible source of funding can help stretch existing sources and leverage additional funding to support new housing programs and complement existing policy efforts.



Sources

- 2018 Bowen Beaufort County Housing Needs Assessment
- 2023 South Carolina Palmetto Housing Study
- 2040 Beaufort County Comprehensive Plan
- 2024 Lowcountry Council of Government, Community Indicators Report
- Beaufort Jasper Counties REALTORS Association
- Biz Journals
- Capital Improvement Plan and Development Impact Fee Study, Tischler Bise Study, 2020
- Hilton Head Island Area Realtors Association
- Island's of Beaufort
- Livewell Terrace Market Study, 2023 T Ronald Brown Research & Analysis
- March 2024 SC State Paper
- May 2023 Bureau of Labor Statistics
- May 2024 Construction Costs
- National Housing Conference
- Redfin 1
- Redfin 2
- South Carolina State Housing Finance
- Today's Homeowner
- US Census Reporter ACS 2022 1-Year estimates
- World Population Review



Appendix

South Carolina General Assembly
125th Session, 2023-2024

A57, R66, S284

STATUS INFORMATION

General Bill

Sponsors: Senators Davis, Turner, Jackson, Scott, Kimpson, Senn, Campsen and Sabb

Companion/Similar bill(s): 4213

Document Path: SR-0145KM23.docx

Introduced in the Senate on January 10, 2023

Introduced in the House on April 4, 2023

Last Amended on May 10, 2023

Currently residing in the Senate

Summary: Development of Workforce Housing

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
12/7/2022	Senate	Prefiled
12/7/2022	Senate	Referred to Committee on Finance
1/10/2023	Senate	Introduced and read first time (Senate Journal-page 178)
1/10/2023	Senate	Referred to Committee on Finance (Senate Journal-page 178)
3/22/2023		Scrivener's error corrected
3/22/2023	Senate	Committee report: Favorable Finance
3/24/2023		Scrivener's error corrected
3/28/2023	Senate	Read second time (Senate Journal-page 75)
3/30/2023	Senate	Amended (Senate Journal-page 13)
3/30/2023	Senate	Read third time and sent to House (Senate Journal-page 13)
3/30/2023	Senate	Roll call Ayes-34 Nays-6 (Senate Journal-page 13)
4/4/2023	House	Introduced and read first time (House Journal-page 9)
4/4/2023	House	Referred to Committee on Ways and Means (House Journal-page 9)
5/4/2023	House	Committee report: Favorable with amendment Ways and Means (House Journal-page 8)
5/9/2023	House	Debate adjourned (House Journal-page 27)
5/10/2023	House	Amended (House Journal-page 85)
5/10/2023	House	Read second time (House Journal-page 85)
5/10/2023	House	Roll call Yeas-80 Nays-29 (House Journal-page 88)
5/11/2023	House	Read third time and returned to Senate with amendments (House Journal-page 17)
5/11/2023	Senate	Concurred in House amendment and enrolled (Senate Journal-page 57)
5/11/2023	Senate	Roll call Ayes-41 Nays-2 (Senate Journal-page 57)
5/17/2023		Ratified R 66
5/19/2023		Signed By Governor
5/26/2023		Effective date 05/19/23
5/26/2023		Act No. 57

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VERSIONS OF THIS BILL

[12/07/2022](#)

[03/22/2023](#)

[03/22/2023-A](#)

[03/24/2023](#)

[03/30/2023](#)

[05/05/2023](#)

[05/10/2023](#)

5/26/2023 Act No. 57

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[03/24/2023](#)

[03/30/2023](#)

[05/05/2023](#)

[05/10/2023](#)

(A57, R66, S284)

AN ACT TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 6-1-530, RELATING TO USE OF REVENUE FROM LOCAL ACCOMMODATIONS TAX, SO AS TO PROVIDE THAT THE DEVELOPMENT OF WORKFORCE HOUSING IS ONE OF THE PURPOSES FOR WHICH LOCAL ACCOMMODATIONS TAXES MAY BE USED; BY AMENDING SECTION 6-4-10, RELATING TO THE USE OF CERTAIN REVENUE FROM THE ACCOMMODATIONS TAX, SO AS TO PROVIDE THAT THE DEVELOPMENT OF WORKFORCE HOUSING IS ONE OF THE PURPOSES FOR WHICH THE FUNDS MAY BE USED; BY AMENDING SECTION 6-4-15, RELATING TO THE USE OF REVENUES TO FINANCE BONDS, SO AS TO PROVIDE THAT THE DEVELOPMENT OF WORKFORCE HOUSING IS ONE OF THE PURPOSES FOR WHICH BONDS MAY BE ISSUED; BY ADDING SECTION 6-4-12 SO AS TO REQUIRE A LOCAL GOVERNMENT TO PREPARE A HOUSING IMPACT ANALYSIS BEFORE USING SUCH FUNDS FOR WORKFORCE HOUSING; BY AMENDING SECTIONS 6-4-5 AND 6-1-510, RELATING TO DEFINITIONS, SO AS TO ADD CERTAIN DEFINITIONS; BY AMENDING SECTION 6-29-510, RELATING TO LOCAL PLANNING, SO AS TO REQUIRE THE PLANNING COMMISSION MUST SOLICIT INPUT FOR THE ANALYSIS FROM HOMEBUILDERS AND OTHER EXPERTS WHEN DEVELOPING A HOUSING ELEMENT FOR THE LOCAL COMPREHENSIVE PLAN; TO CREATE THE LAND DEVELOPMENT STUDY COMMITTEE TO EXAMINE CURRENT AND PROSPECTIVE METHODS TO PLAN FOR AND MANAGE LAND DEVELOPMENT; AND TO REQUIRE A REPORT DETAILING THE EFFECTS OF THIS ACT ON TOURISM AND WORKFORCE HOUSING.

Be it enacted by the General Assembly of the State of South Carolina:

Local accommodations tax for workforce housing

SECTION 1. Section 6-1-530(A) of the S.C. Code is amended to read:

(A) The revenue generated by the local accommodations tax must be

used exclusively for the following purposes:

(1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;

(2) tourism-related cultural, recreational, or historic facilities;

(3) beach access, renourishment, or other tourism-related lands and water access;

(4) highways, roads, streets, and bridges providing access to tourist destinations;

(5) advertisements and promotions related to tourism development;

(6) water and sewer infrastructure to serve tourism-related demand;

or

(7) development of workforce housing, which must include programs to promote home ownership. However, a county or municipality may not expend or dedicate more than fifteen percent of its annual local accommodations tax revenue for the purposes set forth in this item. The provisions of this item are no longer effective after December 31, 2030.

State accommodations tax for workforce housing

SECTION 2. Section 6-4-10(4) of the S.C. Code is amended to read:

(4)(a) The remaining balance plus earned interest received by a municipality or county must be allocated to a special fund and used for tourism-related expenditures. This section does not prohibit a municipality or county from using accommodations tax general fund revenues for tourism-related expenditures.

(b) The funds received by a county or municipality which has a high concentration of tourism activity may be used to provide additional

county and municipal services including, but not limited to, law enforcement, traffic control, public facilities, and highway and street maintenance, as well as the continual promotion of tourism. The funds must not be used as an additional source of revenue to provide services normally provided by the county or municipality but to promote tourism and enlarge its economic benefits through advertising, promotion, and providing those facilities and services which enhance the ability of the county or municipality to attract and provide for tourists.

“Tourism-related expenditures” include:

(i) advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;

(ii) promotion of the arts and cultural events;

(iii) construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities;

(iv) the criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;

(v) public facilities such as restrooms, dressing rooms, parks, and parking lots;

(vi) tourist shuttle transportation;

(vii) control and repair of waterfront erosion, including beach renourishment;

(viii) operating visitor information centers;

(ix) development of workforce housing, which must include programs to promote home ownership. However, a county or municipality may not expend or dedicate more than fifteen percent of its annual local accommodations tax revenue for the purposes set forth in

this item (4)(b)(ix). The provisions of this item (4)(b)(ix) are no longer effective after December 31, 2030.

(c)(i) Allocations to the special fund must be spent by the municipality or county within two years of receipt. However, the time limit may be extended upon the recommendation of the local governing body of the county or municipality and approval of the oversight committee established pursuant to Section 6-4-35. An extension must include provisions that funds be committed for a specific project or program.

(ii) Notwithstanding the provisions of subsubitem (i), upon a two-thirds affirmative vote of the membership of the appropriate local governing body, a county or municipality may carry forward unexpended allocations to the special fund beyond two years provided that the county or municipality commits use of the funds exclusively to the control and repair of waterfront erosion, including beach renourishment or development of workforce housing, which must include programs to promote home ownership. The county or municipality annually shall notify the oversight committee, established pursuant to Section 6-4-35, of the basic activity of the committed funds, including beginning balance, deposits, expenditures, and ending balance.

(d) In the expenditure of these funds, counties and municipalities are required to promote tourism and make tourism-related expenditures primarily in the geographical areas of the county or municipality in which the proceeds of the tax are collected where it is practical.

Bonds for workforce housing

SECTION 3. Section 6-4-15 of the S.C. Code is amended to read:

Section 6-4-15. A municipality or county may issue bonds, enter into other financial obligations, or create reserves to secure obligations to finance all or a portion of the cost of constructing facilities, all of which must fulfill the purpose of this chapter, for civic activities, the arts, cultural events, or workforce housing that includes programs to promote home ownership. The annual debt service of indebtedness incurred to finance the facilities or lease payments for the use of the facilities may be provided from the funds received by a municipality or county from the accommodations tax in an amount not to exceed the amount received by the municipality or county after deduction of the accommodations tax funds dedicated to the general fund and the advertising and promotion fund. However, none of the revenue received by a municipality or county from the accommodations tax may be used to retire outstanding bonded indebtedness unless accommodations tax revenue was obligated for that purpose when the debt was incurred.

Housing impact analysis

SECTION 4. Chapter 4, Title 6 of the S.C. Code is amended by adding:

Section 6-4-12. (A) If a local government intends to use the funds for the development of workforce housing, then the local government shall prepare a housing impact analysis prior to giving second reading to the ordinance.

(B) The analysis required by subsection (A) must include:

(1) information about the effect of the ordinance on housing, including the effect of the ordinance on each of the following:

(a) the cost of developing, construction, rehabilitating, improving, maintaining, or owning single-family or multifamily

dwellings;

(b) the purchase price of new homes or the fair market value of existing homes;

(c) the cost and availability of financing to purchase or develop housing;

(d) housing costs; and

(e) the density, location, setback, size, or height development on a lot, parcel, land division, or subdivision; and

(2) an analysis of the relative impact of the ordinance on low- and moderate-income households.

(C) The following applies to information on housing costs required to be included in the analysis conducted pursuant to subsection (B)(1)(d):

(1) the analysis must include reasonable estimates of the effect of the ordinance on housing costs, expressed in dollar amounts. The local government shall include a brief summary of, or worksheet demonstrating, the computations used in determining the dollar amounts. However, if the local government determines that it is not possible to make an estimate expressed in dollar amounts, then the analysis must include a statement setting forth the reasons for the local government's determination; and

(2) the analysis must include descriptions of both the immediate effect and, to the extent ascertainable, the long-term effect of the ordinance on housing costs.

(D) Except as otherwise provided in this section, a housing impact analysis required pursuant to this section must be based on costs associated with the development, construction, financing, purchasing, sale, ownership, or availability of a median-priced single-family residence. However, the analysis may include estimates for larger developments as part of an analysis of the long-term effects of the

ordinance.

(E) A local government may request information from any state agencies, local units of government, universities or colleges, organizations, or individuals as necessary to prepare a housing impact analysis pursuant to this section.

(F) The local government shall provide the housing impact analysis for an ordinance to the members of the legislative body of the local government, the Department of Revenue, and the Tourism Expenditure Revenue Committee before the ordinance is considered by the legislative body. The Department of Revenue may not disburse any accommodations taxes to the local government for purposes of development of workforce housing unless and until the local government has provided the housing impact analysis to the parties required pursuant to this subsection.

Definitions

SECTION 5. Section 6-4-5 of the S.C. Code is amended to read:

Section 6-4-5. As used in this chapter:

(1) “County area” means a county and municipalities within the geographical boundaries of the county.

(2) “Cultural”, as it applies to members of advisory committees in Section 6-4-25, means persons actively involved and familiar with the cultural community of the area including, but not limited to, the arts, historical preservation, museums, and festivals.

(3) “Hospitality”, as it applies to members of the committees in item (2), means persons directly involved in the service segment of the travel and tourism industry including, but not limited to, businesses that

primarily serve visitors such as lodging facilities, restaurants, attractions, recreational amenities, transportation facilities and services, and travel information and promotion entities.

(4) “Travel” and “tourism” mean the action and activities of people taking trips outside their home communities for any purpose, except daily commuting to and from work.

(5) “Housing costs” for housing occupied by the owner means:

(a) the principal and interest on a mortgage loan that finances the purchase of the housing;

(b) the closing costs and other costs associated with a mortgage loan;

(c) mortgage insurance;

(d) property insurance;

(e) utility-related costs;

(f) property taxes; and

(g) if the housing is owned and occupied by members of a cooperative or an unincorporated cooperative association, fees paid to a person for managing the housing.

(6) “Housing costs” for rented housing means:

(a) rent; and

(b) utility-related costs, if not included in the rent.

(7) “Ordinance” means an ordinance adopted pursuant to Section 6-29-530.

(8) “Utility-related costs” means costs related to power, heat, gas, light, water, and sewage.

(9) “Workforce housing” means residential housing for rent or sale that is appropriately priced for rent or sale to a person or family whose income falls within thirty percent and one hundred twenty percent of the median income for the local area, with adjustments for household size,

according to the latest figures available from the United States Department of Housing and Urban Development (HUD).

Definition

SECTION 6. Section 6-1-510 of the S.C. Code is amended by adding:

(4) “Workforce housing” means residential housing for rent or sale that is reasonably and appropriately priced for rent or sale to a person or family whose income falls within thirty percent and one hundred twenty percent of the median income for the local area, with adjustments for household size, according to the latest figures available from the United States Department of Housing and Urban Development (HUD).

Local comprehensive plan

SECTION 7. Section 6-29-510(D)(6) of the S.C. Code is amended to read:

(6) a housing element which considers location, types, age, and condition of housing, owner and renter occupancy, and affordability of housing. This element includes an analysis to ascertain nonessential housing regulatory requirements, as defined in this chapter, that add to the cost of developing affordable housing but are not necessary to protect the public health, safety, or welfare and an analysis of market-based incentives that may be made available to encourage development of affordable housing, which incentives may include density bonuses, design flexibility, and streamlined permitting processes. The planning commission must solicit input for this analysis from homebuilders,

developers, contractors, and housing finance experts when developing this element;

Land Development Study Committee

SECTION 8. (A) There is created the Land Development Study Committee to examine current and prospective methods to plan for and manage land development in South Carolina.

(B) The study committee must be comprised of three members of the Senate appointed by the President of the Senate and three members of the House of Representatives appointed by the Speaker of the House. Staff from the Senate and House of Representatives shall assist the study committee.

(C) The members of the study committee shall seek assistance from governmental agencies including the South Carolina Building Codes Council, the South Carolina Housing Authority, and the South Carolina Department of Agriculture, and from members of the private sector including, but not limited to, the Homebuilders Association of South Carolina, Habitat for Humanity South Carolina, the Realtors Association of South Carolina, the Municipal Association of South Carolina, the South Carolina Association of Counties, South Carolina Land Trust, Conservation Voters of South Carolina, the South Carolina Chapter of the American Planning Association, and the Manufactured Housing Institute of South Carolina.

(D) The study committee shall provide a report to the General Assembly by December 31, 2023, at which time the study committee shall dissolve.

Report

SECTION 9. Before the beginning of the 2030 Legislative Session, the Director of the Department of Parks, Recreation and Tourism, in consultation with the Secretary of Commerce and the Commissioner of Agriculture, shall issue a report to the General Assembly detailing the effects on tourism and workforce housing resulting from the codified provisions of this act.

Time effective

SECTION 10. This act takes effect upon approval by the Governor.

Ratified the 17th day of May, 2023.

Approved the 19th day of May, 2023.



BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

Item 12.

ITEM TITLE:
AN ORDINANCE AMENDING BEAUFORT COUNTY CODE OF ORDINANCES PART 1 GENERAL ORDINANCES, CHAPTER 46 HEALTH AND SANITATION, ARTICLE IV ALCOHOL AND DRUG ABUSE BOARD SECTIONS 121 PURPOSE AND 122 POWERS AND DUTIES; AND REPEALING SECTION 46-122 MEMBERSHIP
MEETING NAME AND DATE:
Community Services and Land Use Committee September 9, 2024
PRESENTER INFORMATION:
Audra Antonacci – Ogden, ACA 5 minutes
ITEM BACKGROUND:
In 1973, the South Carolina General Assembly passed Act 301 requiring each county to designate a single county authority on alcohol and drug abuse to be governed by an individual policy making board. The Act further provides that each county authority to develop a county plan for programming in order to receive the mini-bottle tax revenue authorized by the South Carolina Legislative in 1972 in Act 1063, commonly referred to as the mini-bottle bill, which provided for the distribution of one-fourth of the state's mini-bottle tax revenue to continue on a peer-capital basis to be used for alcohol and drug abuse programming.
PROJECT / ITEM NARRATIVE:
Amend Beaufort County Code of Ordinances Chapter 46 Health and Sanitation, Article VI Alcohol and Drug Abuse Board
FISCAL IMPACT:
<i>There would be no direct fiscal impact on the County.</i>
STAFF RECOMMENDATIONS TO COUNCIL:
Staff recommends approval of the Ordinance amending the Beaufort County Code of Ordinances Chapter 46 Health and Sanitation IV Alcohol and Drug Abuse Board.
OPTIONS FOR COUNCIL MOTION:
<i>Motion to approve/deny an Ordinance amending Beaufort County Code of Ordinances Chapter 46 Health and Sanitation IV Alcohol and Drug Abuse Board.</i> <i>Next Step move forward to County Council on September 23rd, 2024.</i>

ORDINANCE 2024/**AN ORDINANCE AMENDING BEAUFORT COUNTY CODE OF ORDINANCES PART 1 GENERAL ORDINANCES, CHAPTER 46 HEALTH AND SANITATION, ARTICLE IV ALCOHOL AND DRUG ABUSE BOARD SECTIONS 121 PURPOSE AND 122 POWERS AND DUTIES; AND REPEALING SECTION 46-122 MEMBERSHIP**

WHEREAS, in 1973, the South Carolina General Assembly passed Act 301 requiring each county to designate a single county authority on alcohol and drug abuse to be governed by an individual policy making board; and

WHEREAS, Act 301 also required each county authority to develop a county plan for programming in order to receive the mini-bottle tax revenue authorized by the South Carolina Legislature in 1972 in Act 1063, commonly referred to as the mini-bottle bill, which provided for the distribution of one-fourth of the state's mini-bottle tax revenue to counties on a per-capita basis to be used for alcohol and other drug abuse programming; and;

WHEREAS, in 1982, Beaufort County Council created the Alcohol and Drug Abuse Board in Article IV of the Beaufort County Code of Ordinances pursuant to Act 301 of 1973; and

WHEREAS, Beaufort County Council created the Alcohol and Drug Abuse Board for the purpose of advising County Council in matters concerning the provisions of ongoing programs in prevention, intervention, treatment and aftercare for alcohol and drug abuse problems; and

WHEREAS, over time the Alcohol and Drug Abuse Department Director has assumed and performed the duties and responsibility in providing ongoing programs in prevention, intervention, treatment, and aftercare services for citizens of Beaufort County related to substance use and misuse; and

WHEREAS, the Alcohol and Drug Abuse Department Director has assumed the responsibility as the sole department in Beaufort County authorized to receive funds for such purposes and will advise County Council and the County Administrator in matters concerning the provisions of the ongoing programs within the department; and

WHEREAS, Beaufort County Council now desires to dissolve the Alcohol and Drug Abuse Board and have all duties and responsibilities performed by the Alcohol and Drug Abuse Department.

NOW, THEREFORE, BE IT ORDAINED BY BEAUFORT COUNTY COUNCIL THAT:

Article IV Alcohol and Drug Abuse Board, Section 46-121 through Section 46-123 which appears in Beaufort County Code of Ordinances is hereby amended to reflect the language as depicted in exhibit A, Section 46-122 is hereby repealed, and the Alcohol and Drug Abuse Board is hereby dissolved with their duties and responsibilities being assumed by the Alcohol and Drug Abuse Department.

Adopted this _____ day of _____ 2024.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Joseph Passiment, Chairman

ATTEST:

Sarah w. Brock, JD, Clerk to Council

PART I - GENERAL ORDINANCES
Chapter 46 - HEALTH AND SANITATION
ARTICLE IV. ALCOHOL AND DRUG ABUSE DEPARTMENT

ARTICLE IV. ALCOHOL AND DRUG ABUSE¹ DEPARTMENT

Sec. 46-121. Purpose.

The alcohol and drug abuse department, with all of the powers, duties, responsibilities and functions of any other county department, shall provide ongoing prevention, intervention, treatment, and aftercare services for citizens of Beaufort County, related to substance use and misuse. The Director of the department, along with all the department employees, shall be county employees. The county alcohol and drug abuse department is the sole entity authorized to receive funds for such purpose.

(Code 1982, § 6-26)

Sec. 46-122. Powers and duties.

The alcohol and drug abuse director shall have the following powers and duties:

- (1) Develop and submit a comprehensive county alcohol and drug abuse plan to the County Administration and the South Carolina Department of Alcohol and Other Drug Abuse Services for approval, which is:
 - a. In accordance with South Carolina Act 301 of 1973; and
 - b. Consistent with the state plan on alcohol and drug abuse as required by Public Laws 91-616 as amended and 92-225 as amended.
- (2) Prepare and submit the annual alcohol and drug abuse department budget.
- (3)
- 3) Seek financial support from corporate sources, foundations, state and federal funding opportunities to implement the programs and services outlined in the comprehensive county alcohol and drug abuse plan.
- (4) Collaborate with the South Carolina Department of Alcohol and Other Drug Abuse Services in the implementation of the state plan on alcohol and drug abuse.
- (5) Develop and implement a fee schedule for services rendered comparable with reimbursement rates from third-party payer sources. This includes opportunities for financial assistance for those who meet low-income guidelines based on the Federal Poverty level.
- (6) Ensure the department coordinates prevention, intervention, treatment, and aftercare services with outside agencies.
- ()
- (7) Ensure services provided by the alcohol and drug abuse department align with the comprehensive county alcohol and drug abuse plan.
- ()

¹Cross reference(s)—Boards and commissions, § 2-191 et seq.

(Code 1982, § 6-28)

Secs. 46-123—46-150. Reserved.



BEAUFORT COUNTY COUNCIL AGENDA ITEM SUMMARY

Item 14.

ITEM TITLE:
PRESENTATION OF A HABITAT FOR HUMANITY VETERAN/AFFORDABLE HOUSING CONCEPT AND PLAN
MEETING NAME AND DATE:
Community Services and Land Use Committee September 9, 2024
PRESENTER INFORMATION:
HEATHER RATH – Representative of Habitat for Humanity
ITEM BACKGROUND:
<p>Beaufort County has established affordable/workforce housing as a top priority.</p> <p>This is a project concept that is being brought forth in an effort to partner with the County.</p> <p>Councilwoman Howard has been briefed at a high level, but this is to bring it to the group with more detail.</p>
PROJECT / ITEM NARRATIVE:
<p>Habitat for Humanity of the Lowcountry is eager to engage with Beaufort County, along with state and federal elected leaders, to develop a dedicated Veterans Village in Beaufort County. This project represents a unique opportunity for collaboration among local, state, and federal officials, alongside county leadership and other entities, to address the housing needs of veterans, while showcasing the power of partnership.</p>
FISCAL IMPACT:
No fiscal impact at this time.
STAFF RECOMMENDATIONS TO COUNCIL:
Staff recommends supporting the further investigation of ways to assist this project.
OPTIONS FOR COUNCIL MOTION:
Forward to council for discussion, development, and approval; refer back to staff to do the same; deny the request to develop a project program.



Outline for Discussion

Habitat for Humanity presentation - September 9th, 2024

Community Services & Land Use, Beaufort County, SC

Habitat for Humanity of the Lowcountry is eager to engage with Beaufort County, along with state and federal elected leaders, to develop a dedicated Veterans Village in Beaufort County. This project represents a unique opportunity for collaboration among local, state, and federal officials, alongside county leadership and other entities, to address the housing needs of veterans, while showcasing the power of partnership.

Why is Habitat for Humanity focusing on veteran needs and why does it matter to Beaufort County?

- In Beaufort County, our proximity to multiple military installations presents a unique opportunity to support veterans to remain as part of our community, following their service. This initiative allows us to address their housing needs and help them transition to civilian life while continuing to contribute to our local community.
- According to the 2022 U.S. Census Bureau, there were 16,946 veterans in Beaufort County, South Carolina, including 14,932 males and 2,014 females. This is an estimated 11.1% of the population in Beaufort County.
- Veterans serve as a vital pipeline to Beaufort County's workforce, bringing valuable skills, leadership, and dedication honed through their military service into civilian careers.
- Partnering with Habitat for Humanity to provide housing for veterans strengthens Beaufort County's commitment to being a military-friendly community and creates opportunities to share that important story.
- The National Low Income Housing Coalition reports nearly 4 million veterans pay at least 30 percent of their income toward rent or mortgage, with over 1.5 million paying at least 50 percent.
- The United States female veteran population is also in significant need. According to the National Housing Conference, nearly half of single-mother veterans spend more than 30 percent of their income on housing. Female veterans face considerable economic and housing challenges, making them particularly vulnerable to housing cost burdens compared to the overall veteran population.
- Additionally, our most recent veterans, those who served after 9/11, have returned to a slow-growing economy and rising housing costs. These economic factors have made the transition from military service to civilian life challenging for many veterans.

Habitat for Humanity has a proven track record of building affordable, energy-efficient homes in Beaufort County, and with the support of Beaufort County and elected leadership at all levels, we can ensure that this Habitat Veterans Village meets the highest standards of quality and sustainability.

Key partners in this initiative include the Beaufort County Economic Development Corporation (EDC), Beaufort County Veterans Affairs, various Chambers of Commerce, various Veterans groups such as the Gary Sinese Foundation and local businesses. These organizations bring a wealth of expertise, resources, and community connections, making them invaluable contributors to the project's success.

Our work plan for the Veterans Village includes several key phases, each designed to maximize collaboration and community involvement:

1. **Planning and Preparation:** We will begin by forming a steering committee, including key representatives from local and federal delegations, to guide the project. Together with Beaufort County and other partners, we will identify and secure a site, ensuring that the site meets the needs of the veterans who will call this village home.
2. **Project Development:** With the support of architects and planners, and input from veterans and community members, we will design a community that fosters connection and well-being. Habitat will lead fundraising for this project.
3. **Construction:** Habitat for Humanity will lead the construction efforts, working with local contractors to build the infrastructure and homes. These homes will be energy-efficient and affordable, reflecting Habitat's commitment to sustainability. The site could also boast a community center to establish a place for education and recreational activities, ensuring a vibrant and supportive environment for all residents.
4. **Community Integration:** Habitat will carefully select residents through Habitat's established process and enlist Veteran partners to assist in the process.
5. **Monitoring and Evaluation:** Finally, we will develop key performance indicators (KPIs) in collaboration with Beaufort County to assess the project's success.

The cornerstone of this initiative is the “ask” to Beaufort County for the donation or purchase of land.

By securing property, we can lay the foundation for a sustainable veterans' community and begin our fundraising and outreach efforts.

This project is more than just a housing development; it is an opportunity for our local leaders, elected officials, Beaufort County EDC, Beaufort County Veterans Affairs, Chambers of Commerce, and local businesses to demonstrate their commitment to our veterans and the broader community. By working together, we can create a Veterans Village that not only provides much-needed housing but also serves as a testament to what can be achieved through collaboration and shared purpose.