



Town of Hilton Head Island

Town Council Workshop

Tuesday, July 29, 2025, 1:00 PM

**1 Town Center Court, Hilton Head Island, SC
Benjamin M. Racusin Council Chambers**

The meeting can be viewed on the [Town's YouTube Channel](#), the [Beaufort County Channel](#), and Spectrum Channel 1304.

- 1. Call to Order**
- 2. Adoption of the Agenda**
- 3. Workshop Discussion**
 - a. Workforce Housing Program Update
- 4. Public Comment - Non Agenda Items**
- 5. Adjournment**

FOIA Compliance: Public notification of this workshop has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the Town of Hilton Head Island will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. Auditory accommodations are available. Any person requiring further accommodation should contact the Town of Hilton Head Island ADA Coordinator as soon as possible but no later than 48 hours before the scheduled event.

Municipal Association of South Carolina (MASC) Civility Pledge:

"I pledge to build a stronger and more prosperous community by advocating for civil engagement, respecting others and their viewpoints, and finding solutions for the betterment of my city or town."



TOWN OF HILTON HEAD ISLAND

Town Council

TO: Town Council
FROM: Shawn Leininger, AICP, Assistant Town Manager
CC: Marc Orlando, ICMA-CM, Town Manager
DATE: July 29, 2025
SUBJECT: Workforce Housing Workshop

SUMMARY:

To advance discussion and direction on the topic of workforce housing, Town Staff will provide the attached draft presentation at the Town Council Workshop on July 29, 2025. This presentation will review the following topics:

1. Workforce Housing Overview
2. Guiding Documents
3. Town Priority Projects
4. Private Projects
5. Town of Hilton Head Island Role

Members of the Housing Action Committee have been invited to join Town Council and participate in this workshop. Additionally, Town Staff have invited selected representatives from private, public, and non-profit organizations actively involved in workforce housing to be part of and to offer insight to this discussion.

Town Staff anticipates a collaborative discussion with Town Council, the Housing Action Committee, invited guests, and community members to better understand workforce housing and how to best advance workforce housing initiatives in accordance with the FY26-28 Town Council Strategic Action Plan.

ATTACHMENTS:

1. Workforce Housing Presentation (Draft)

DRAFT

TOWN OF HILTON HEAD ISLAND

Town Council Workshop: Workforce Housing – July 29, 2025



Agenda

1. Introductions
2. Workforce Housing Overview
3. Guiding Documents
4. Town Priority Projects
5. Private Projects
6. Town of Hilton Head Island Role
7. Questions, Discussion, & Direction



Workforce Housing Overview





How do we define Workforce Housing?

Sources: United States Housing & Urban Development, Urban Land Institute, National Housing Conference, Freddie Mac & Fannie Mae, and National Home Builders Association

AFFORDABLE HOUSING

Housing that costs **no more than 30% of a household's income**, including rent or mortgage plus utilities.



Typically serves **low-income households**, often making **below 80% of Area Median Income (AMI)**.

Commonly includes people on fixed incomes, individuals experiencing poverty, or those receiving housing subsidies.

EXAMPLES OF RESIDENTS:



Seniors on Social Security



Individuals with disabilities



Households earning less than \$50,000/year

WORKFORCE HOUSING

Housing that is **affordable to essential workers** who earn too much to qualify for traditional affordable housing but still cannot afford market-rate housing.



Households earning roughly **80% to 120% of AMI**, though this can extend **up to 150%** depending on the local housing market.

Generally not subsidized, but may be incentivized through public-private partnerships, density bonuses, or zoning tools.

EXAMPLES OF RESIDENTS:



Teachers



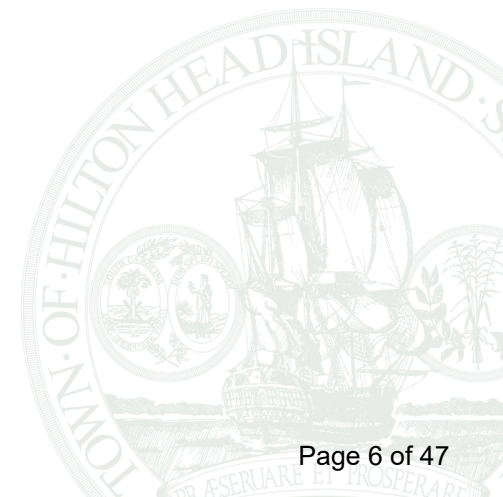
Police officers



Hospital workers



Hospitality and tourism workers





How do we define Workforce Housing?

Sources: United States Housing & Urban Development, Urban Land Institute, National Housing Conference, Freddie Mac & Fannie Mae, and National Home Builders Association

Attainable housing refers to housing affordable (not more than 30% of income is expended on housing) to households earning **60% to 120% of Area Median Income (AMI)** (up to 150% depending on the local housing market). It fills the gap between subsidized affordable housing and high-cost market-rate housing, supporting working individuals and families vital to the community.

Housing Spectrum by Income Range

Housing Type	Income Range (AMI)	Description
Affordable Housing	<60% AMI	Income-restricted housing for low-income households, often publicly funded.
Workforce Housing	60%–120% AMI	For essential workers: teachers, nurses, first responders, etc.
Missing Middle Housing	80%–120% or 150% AMI	Modest, market-based options (duplexes, townhomes, etc.).
Market-Rate Housing	>120% or 150% AMI	Unsubsidized, often unaffordable for many working families.



What is Area Median Income in Beaufort County?

Think of all the households in Beaufort County lined up from the lowest income to the highest. The Area Median Income is the number right in the middle — half the households make less than that amount, and half make more. Determined by United States Department of Housing & Urban Development and is adjusted based on household size.

Beaufort County Area Median Income

% Area Median Income	Persons per Household							
	1	2	3	4	5	6	7	8
60%	\$ 46,320	\$ 52,920	\$ 59,520	\$ 66,120	\$ 71,400	\$ 76,740	\$ 82,020	\$ 87,240
80%	\$ 61,700	\$ 70,500	\$ 79,300	\$ 88,100	\$ 95,150	\$ 102,200	\$ 109,250	\$ 116,300
100%	\$ 78,750	\$ 90,000	\$ 101,250	\$ 112,500	\$ 121,500	\$ 130,500	\$ 139,500	\$ 148,500
120%	\$ 94,500	\$ 108,000	\$ 121,500	\$ 135,000	\$ 145,800	\$ 156,600	\$ 167,400	\$ 178,200
150%	\$ 118,130	\$ 135,000	\$ 151,880	\$ 168,750	\$ 182,250	\$ 195,750	\$ 209,250	\$ 222,750



Workforce Housing Overview – Island Housing

HOUSING

Source: 2020 Census

34,665 TOTAL HOUSING UNITS



16,882 multi-family units



16,590 single family detached homes



1,193 mobile homes



**NATURALLY OCCURRING
AFFORDABLE HOUSING**
1,700-2,475 units



7,158

Short-term Rental Permits Approved in 2024



HOUSING UNITS FOR SALE

December 2024 Market Report –
Hilton Head Area Realtors Association

316 condos/villas for sale
(median price \$515,000)

206 detached homes for sale
(median price \$1,275,000)



Workforce Housing Overview – Short-term Rentals

Source: Town of Hilton Head island Conditions and Trends Assessment 2024

SHORT-TERM RENTAL PROPERTIES COMPARED TO ALL PROPERTIES



Just over 7,000 properties
are actively permitted as
short-term rentals



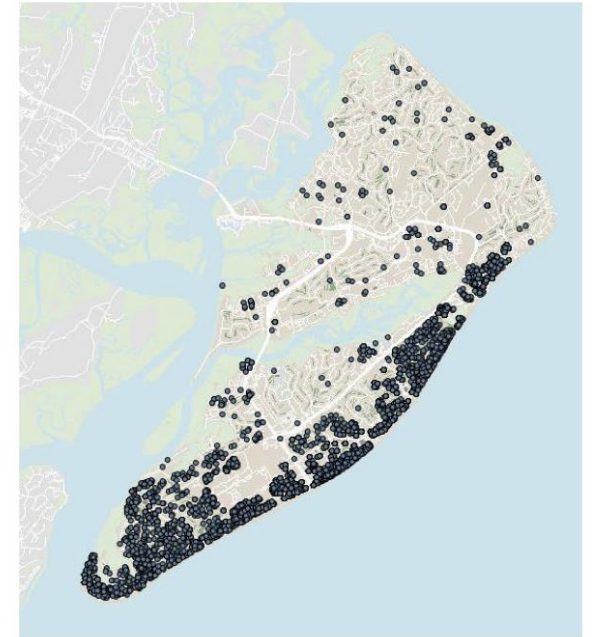
Short-term rentals are a relatively new and fast-emerging use across the Town.

- The trend is impacting unit values and driving new trends in small-scale redevelopment.
- Short-term rental properties have quickly surpassed hotels and resorts in number of units. These properties, however, have also strained existing neighborhoods and infrastructure with increased parking demand, nuisance management, and other issues.



Home values are accelerating at their fastest rates ever and pulling even modest residential real estate properties to record highs.

ACTIVE SHORT-TERM RENTAL LISTINGS





Hilton Head Area Realtor MLS Data – Hilton Head Island

Overall



\$438,514

2020 Median
Sale Price

\$771,467

2025 Median
Sale Price

+ ↑ 75.93%
Increase

Single Family



\$553,037

2020 Median
Sale Price

\$1,011,471

2025 Median
Sale Price

+ ↑ 82.89%
Increase

Condo



\$283,154

2020 Median
Sale Price

\$488,579

2025 Median
Sale Price

+ ↑ 72.55%
Increase



Workforce Housing Overview – Accessibility & Transportation

Source: Town of Hilton Head island Conditions and Trends Assessment 2024

21,400
Total Island Jobs in 2021

LOCAL JOBS FILLED BY
NON-LOCALS
63%

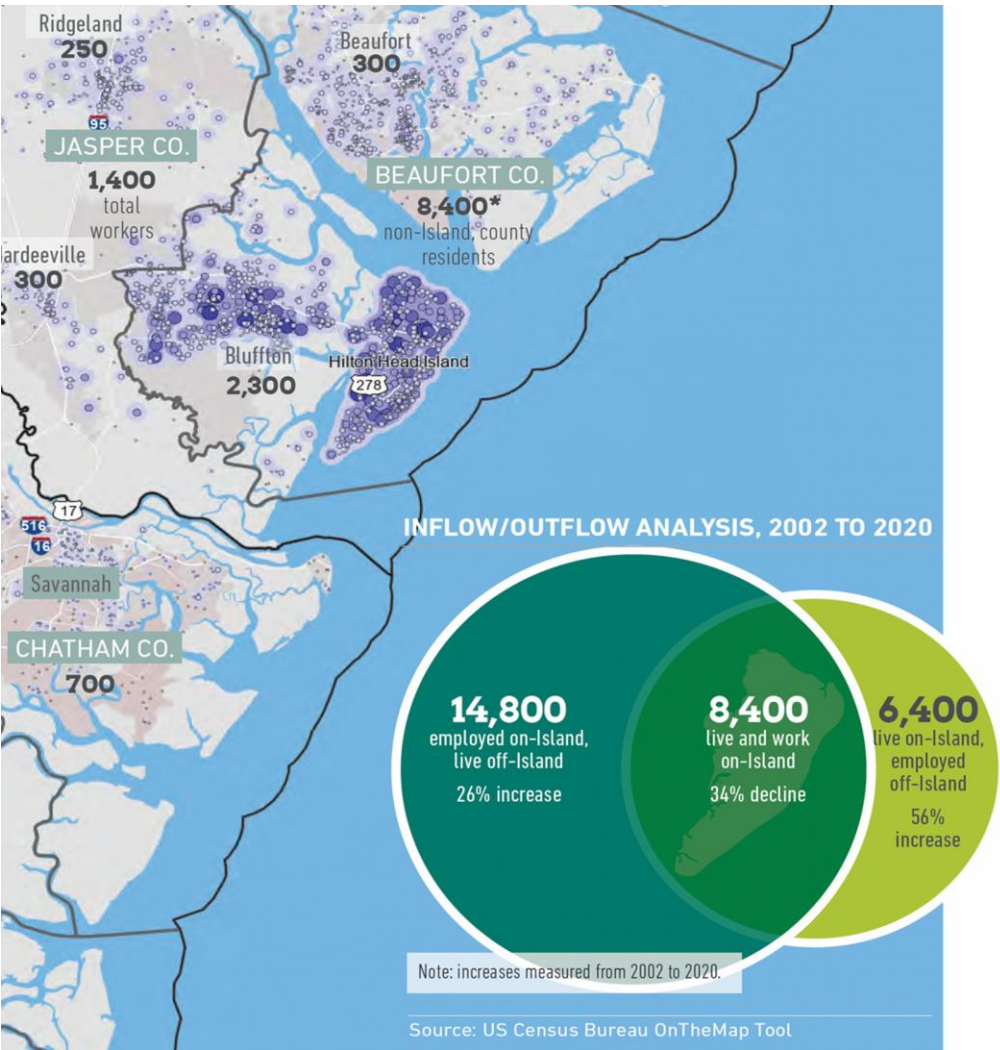
Nonresidents hold the majority of jobs on the Island, increasing 12% since 2002

TOP ISLAND EMPLOYERS (2021)

EMPLOYER	EMPLOYEES
SERG GROUP RESTAURANTS	1,244
MARRIOTT VACATION CLUB INTL	580
SEA PINES RESORT	536
HILTON HEAD MEDICAL CENTER AND CLINICS	506
COASTAL RESTAURANTS AND BARS	500
BEAUFORT COUNTY SCHOOL DISTRICT	438

FUTURE ISLAND JOB GROWTH
+5%

Jobs growth is expected through 2030, adding 1,000 new jobs



Guiding Documents

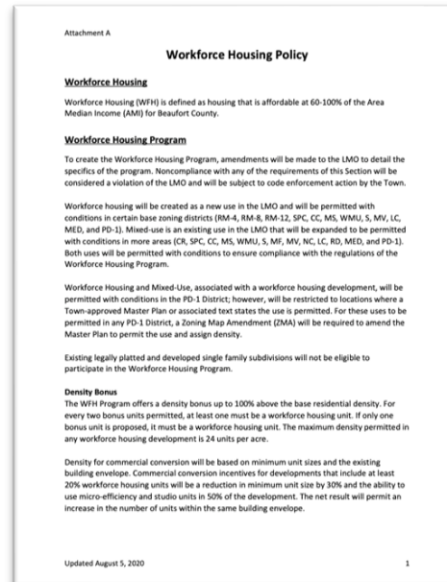




Guiding documents



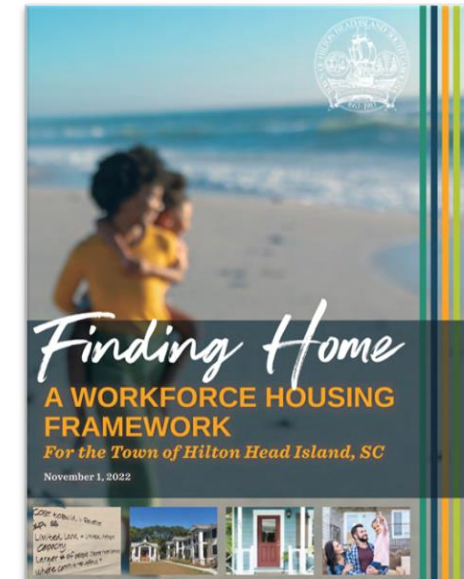
**Workforce Housing
Strategic Plan**
Adopted:
April 3, 2019



**Workforce Housing
Policy - LMO**
Updated:
August 5, 2020



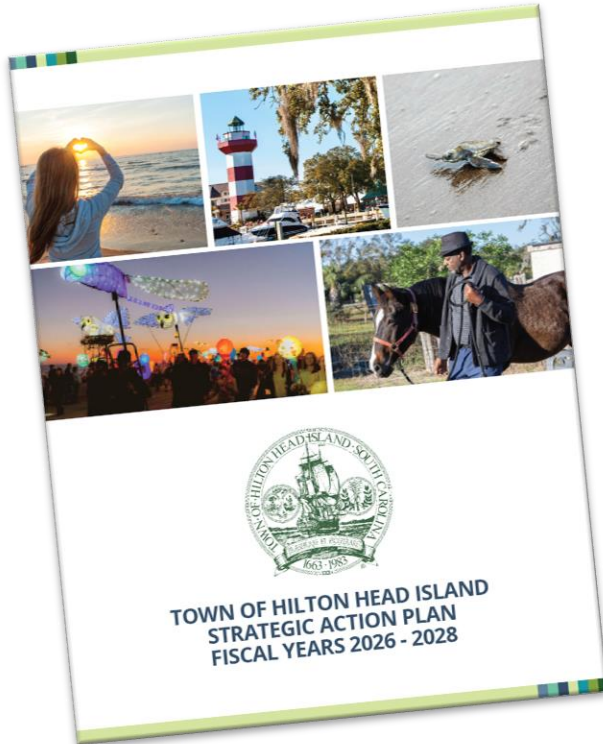
**Comprehensive Plan
Our Plan 2020 - 2040**
Adopted:
October 20, 2020



**Workforce Housing
Framework
Finding Home**
Adopted:
November 1, 2022



Strategic Action Plan FY2026-2028



Adopted: July 15, 2025



GOAL #8

Advance Workforce Housing Opportunities

Enhance workforce housing opportunities through a balanced and long-term approach that supports economic vitality and community well-being.

Strategy

Advance a multi-pronged, sustained approach to workforce housing by implementing strategic projects, policy reforms, and programmatic investments. This strategy will leverage public-private partnerships, planning tools, regional coordination, and funding opportunities to improve the quality, accessibility, and diversity of housing options for Hilton Head Island's workforce.

Action Items

	FY26	FY27	FY28
8.1 Review the "Finding Home" Plan to establish a unified position and to strengthen workforce housing tools, partnerships, and services	✓	✓	✓
8.2 Align the Housing Committee with Town Council direction to ensure policy alignment, project prioritization, and community engagement	✓	✓	✓
8.3 Establish a Workforce Housing Index to track programmed and naturally occurring workforce housing to categorize affordability and attainability trends and guide Town Council decisions	✓	✓	✓
8.4 Deliver the Northpoint Workforce Housing Neighborhood through the coordinated Public-Private Partnership	✓	✓	✓
8.5 Establish a Public-Private Partnership to Advance the Bryant Road Workforce Housing Initiatives	✓	✓	✓
8.6 Assess Housing Fund sustainability and a multi-year investment strategy by identifying diverse recurring funding sources to implement Town Workforce Housing priorities	✓	✓	✓



GOAL #8

Advance Workforce Housing Opportunities

Action Items

	FY26	FY27	FY28
8.7 Secure grant funding for the Lateral Sewer Connection Grant Program to support infill housing, preserve legacy neighborhoods, improve water quality, and promote environmental health	✓	✓	✓
8.8 Secure grant funding for the Home Repair Grant Program for income-qualified households to improve safety, accessibility, and housing preservation	✓	✓	✓
8.9 Participate in an Annual Housing Summit to report progress, promote innovation, and align regional, nonprofit, and employer contributions	✓	✓	✓

Key Performance Indicators

- ☐ Number of new, preserved, or converted workforce housing units delivered annually by public and private sectors
- ☐ Reduction in the share of workforce commuting from off-island
- ☐ Measurement of all housing types by price vs. wage
- ☐ Utilization of employer-supported housing and transit programs
- ☐ Percentage of Housing Fund allocation committed to Island-specific projects
- ☐ Beaufort Jasper Housing Trust assessment of Hilton Head Island Housing Program elements
- ☐ Satisfaction levels from Island employers and housing program participants

An aerial architectural rendering of a proposed townhome development. The project features four two-story townhome units with light-colored siding and dark roofs, arranged around a central green courtyard. The courtyard includes a paved walkway, several trees, and a small grassy area where a few people are walking. A parking lot with several cars is located in the foreground, and a road with more cars is visible at the bottom. The background is filled with dense green trees.

Town Priority Projects





Strategic Action 8.1: Review Finding Home



COMMUNITY

Goal for the Community pillar:

To engage, collaborate, and inform the community on housing challenges, and to identify community-led housing programs and solutions.

Strategies:

1. Commit to develop, maintain, and support partnerships and relationships with community organizations, as well as regional and state partners to collaboratively address local workforce housing needs.
2. Commit to a Housing Action Committee to coordinate with community groups in the housing space, cultivate an ongoing housing dialogue, and engage the community in housing education, planning, innovation and provide advice and recommendations.

Critical First Steps:

- ✓ Develop a island-wide housing communications campaign that plainly lays out the argument for Town action and is distributed through a multi-channel, multi-format campaign
- ✓ Develop an asset map of local groups and individuals involved directly or indirectly with housing security and/or affordability
- ✓ Distribute and regularly update a rent survey to area renters and landlords



PLANNING

Goal for the Planning pillar:

To create a social, political, and economic environment that stimulates workforce housing through planning, policy-making, and programming.

Strategy:

1. Commit to create a multi-year workforce housing action plan that will include a range of prioritized housing tactics and tools.

Critical First Steps:

- ✓ Create a Workforce Housing tactic toolbox
- ✓ Develop and maintain a map and database of all workforce housing units

Strategic Action 8.1: Review Finding Home



MANAGEMENT

Goal for the Management pillar:

To establish a management program and policies to advance workforce housing opportunities.

Strategies:

1. Commit to adding dedicated staff to provide coordination and planning.
2. Commit to explore the creation of a professionally managed housing organization.
3. Commit to and maintain a dashboard of core metrics.

Critical First Steps:

- ✓ Develop an asset map of existing partners and players in the space of workforce housing
- ✓ Recruit and hire at least one staff person focused on implementing the housing action plans and playing a lead advocate for the Town's efforts



REVENUE

Goal for the Revenue pillar:

To provide a consistent, sustainable, and multi-sourced revenue model for funding workforce housing initiatives and partnerships.

Strategy:

1. Commit to a funding plan that meets the needs of the multi-year workforce housing action plan.

Critical First Steps:

- ✓ Establish a dedicated and recurring funding sources that are allocated for workforce housing
- ✓ Identify possible Town revenue sources for workforce housing program allocation
- ✓ Establish a network of potential financial partners including but not limited to private investors, philanthropic organizations, banks, etc. to support workforce housing initiatives

Strategic Action 8.2: Align Housing Committee with Town Council

- Established by Town Council on May 16, 2023, and consisting of up to 11 members who have expertise and experience in housing and community development.
- “The Housing Action Committee shall review the Town’s Workforce Housing Strategic Plan, the Housing Element of the Town’s Our Plan, the Workforce Housing Framework and any and all other plans that may be created and adopted to address the Town’s Workforce Housing needs and thereafter will make recommendations and suggestions for implementation.”
- “Additionally, the Housing Action Committee shall assist the Town in determining relevant housing policies that will be necessary to accomplish the identified goals and objectives outlined in the plans mentioned above and provide recommendation on any new or innovative ideas as part of a Town adopted Housing Tool Kit that might help the Town accomplish its workforce housing goals.”



A RESOLUTION OF THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA AS FOLLOWS:

WHEREAS, one of the key strategies recommended under the Community pillar of the Workforce Housing Framework was to create and commit to a Housing Action Committee;

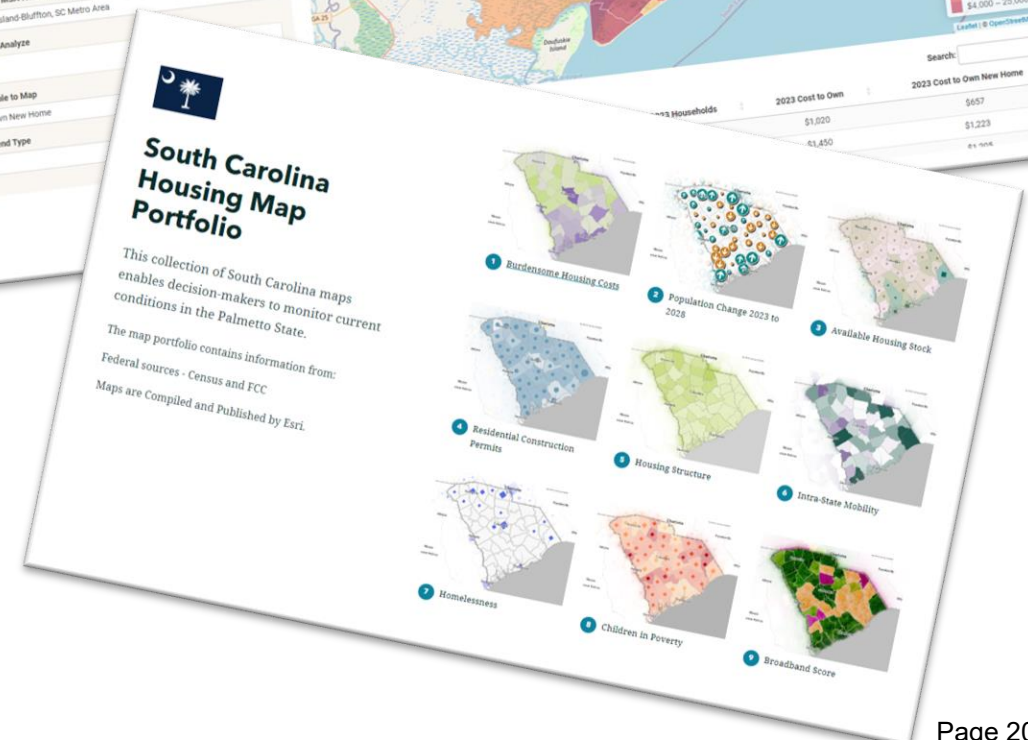
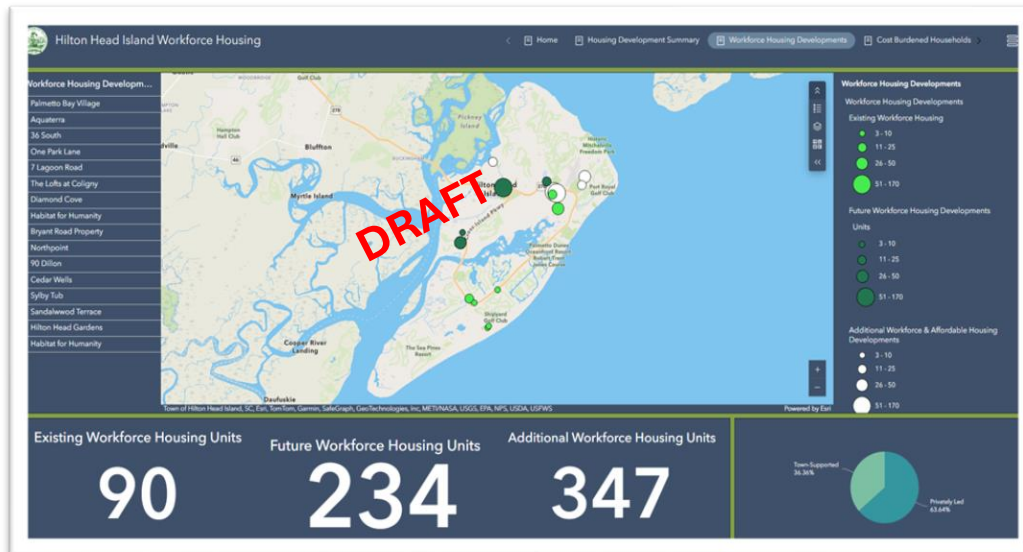
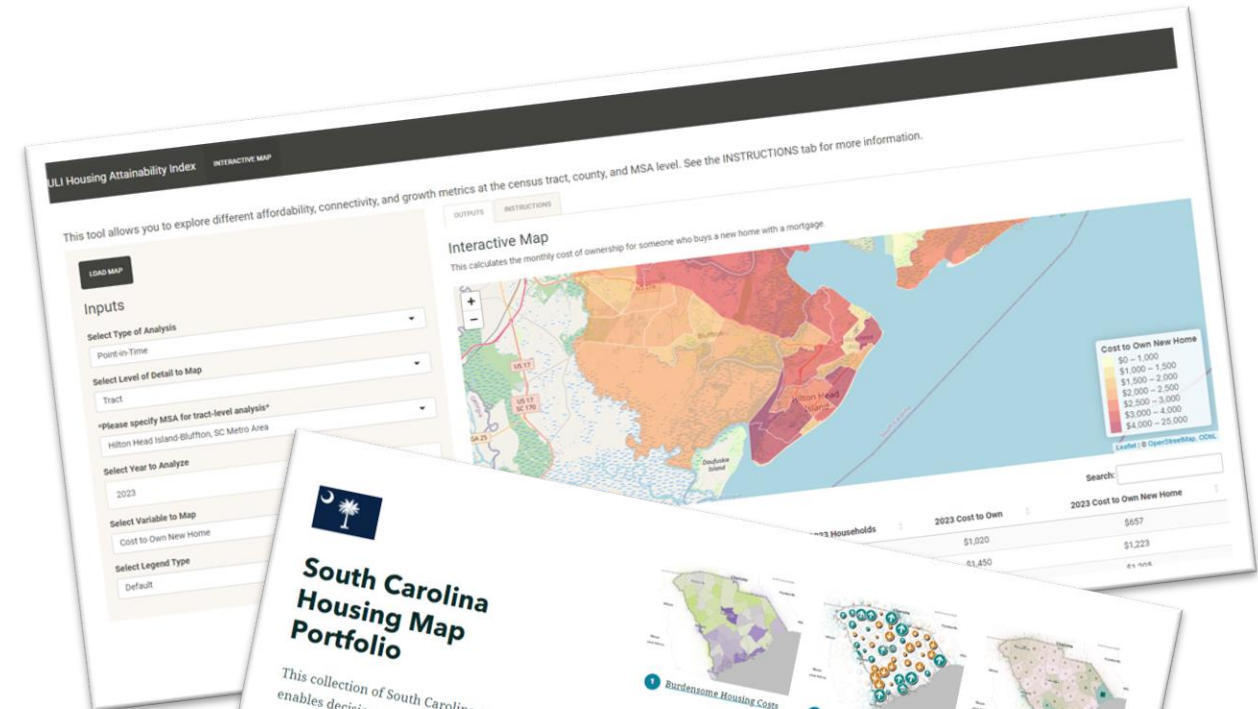
NOW, THEREFORE, BE IT, AND HEREBY IT IS, RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA AS FOLLOWS:

- (1) The Town of Hilton Head Island hereby adopts the formation of a Housing Action Committee with the sole purpose to advise and recommend to the Town various workforce housing strategies for their consideration, adoption, and implementation.
- (2) The Housing Action Committee is hereby created, and its membership shall consist of: no more than nine (9) appointed community representatives with varying backgrounds and expertise relating to housing and community development. Members shall represent the following areas of expertise and background: (1) general home building, (1) banking/finance, (1) affordable workforce housing developer (for-profit), (1) affordable workforce housing developer (non-profit), (1) community representative (concerned citizen), (1) affordable housing tenant or homeowner, (1) employment sector representative, (1) realtor or real estate professional and (1) workforce housing advocate (or social service representative).
- (3) The Housing Action Committee shall review the Town’s Workforce Housing Strategic Plan, the Housing Element of the Town’s Our Plan, the Workforce Housing Framework and any and all other plans that may be created and adopted to address the Town’s Workforce Housing needs and thereafter will make recommendations and suggestions for implementation.
- (4) Additionally, the Housing Action Committee shall assist the Town in determining relevant housing policies that will be necessary to accomplish the identified goals and objectives outlined in the plans mentioned above and provide recommendation on any new or innovative ideas as part of a Town adopted Housing Tool Kit that might help the Town accomplish its workforce housing goals.
- (5) The Town Manager is hereby authorized and empowered to take such actions as may be necessary in order to develop, implement, and carry into action the necessary tactics to form and implement the Housing Action Committee.



Strategic Action 8.3: Establish a Workforce Housing Index

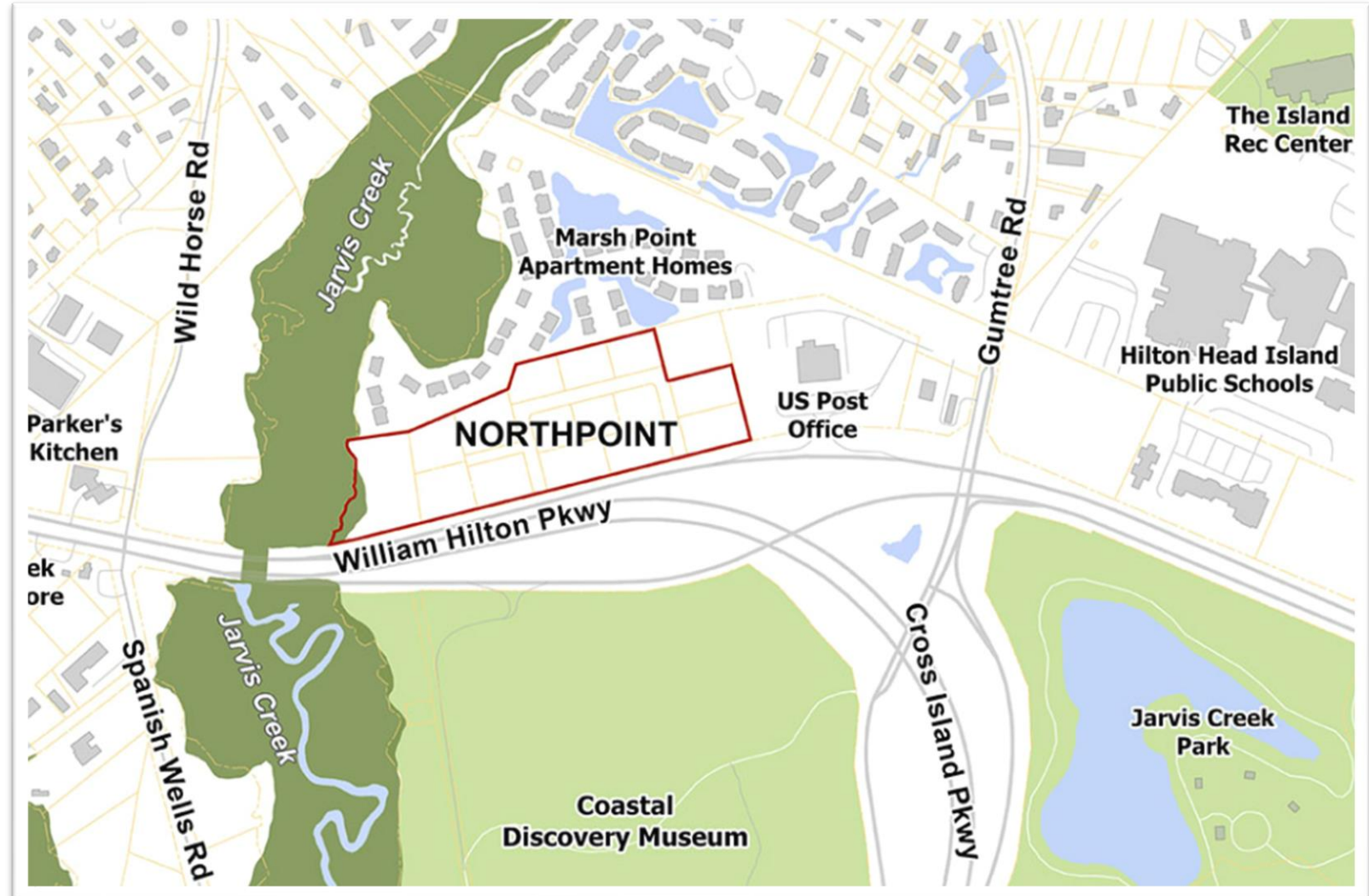
- Mapping and data driven tool to identify to visualize and analyze housing data in an interactive and user-friendly application
- Will help understand various data points related to housing and workforce
- Contracted with RCLCO to assist with local data analysis related to housing attainability (housing cost, income, cost burden, ownership vs rental, etc.) – same firm assisted the Urban Land Institute data at a national level
- Anticipated completion August 2025





Strategic Action 8.4: Deliver Northpoint Neighborhood

- Town provided 11 acres near schools, the Island Rec Center, and the Boys and Girls Club.
- Energy efficient sustainable neighborhood.
- 157 apartments with high quality amenities and programming.
- You must work on the island to live in the Northpoint neighborhood.
- 60% - 150% of area median income.
- Coastal Zone Consistency (CZC) application approved in April 2025.
- Town Council approved a zoning text and map amendment in June 2025.
- Ground Lease for Town Council consideration in August 2025.
- Development/ design review and permitting by end of Q4 2025.
- Shovels in the ground by Q1 2026.





Strategic Action 8.4: Deliver Northpoint Neighborhood

OneStreet Residential Role

- Financing - \$1M invested to date
- Design and permitting
- Project management
- Construction
- Lease-up
- Long-term programming
- Property management

Town Role

- Project vision
- 11 acres of land through a 65-year ground lease
- Zoning entitlements
- \$1M grant with contributions secured from ARPA
- USPS site frontage road, Gum Tree Road school zone, and safe route to school pathway improvement
- Long-term monitoring and programming support

Project Phasing

- Phase I: Due Diligence, Planning, Preliminary Models – Complete
- Phase II: Zoning Approval – Complete
- Phase III: Pre-Development (Permitting, Financing, etc.) – by Q4 2025
- Phase IV: Construction (anticipating 18 months) – commence by Q1 2026
- Phase V: 65-Year Ground Lease

Legend

- | | | | |
|--|-----------------------------------|--|---------------------|
| 1 Entrance from US | 10 Potential Trolley Stop | 19 Informal Gathering Space/Play Lawn | 28 Permeable Pavers |
| 2 Entrance from Gumtree Road | 11 Potential Multimodal Path | 20 Trails with Seating at Key Nodes | 29 Trellis |
| 3 Emergency Access | 12 Monument Sign | 21 Biofiltration | |
| 4 Access to PSD | 13 Swimming Pool | 22 Community Gardens | |
| 5 Club House & Leasing Office | 14 Pool Deck | 23 Nature Play | |
| 6 Mail Room, Restrooms, Pool Equipment | 15 Fountain with Seating | 24 Fenced-in Dog Park | |
| 7 'Through' Three-Story Stacked Flats | 16 Lounge Seating/ Table Seating | 25 Trash Compactor | |
| 8 Two-Story Stacked Flats | 17 Outdoor Kitchen/ Grilling Area | 26 Existing Specimen & Significant Trees to be preserved | |
| 9 Two-Story Townhomes | 18 Movement Lawn & Games | 27 Existing Vegetation to be preserved where | |



THIS DOCUMENT IS CONCEPTUAL IN NATURE AND IS PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY.



Northpoint, Hilton Head Island, SC
One Street Residential



Schematic Design Package
Illustrative Site Plan

03/07/2025





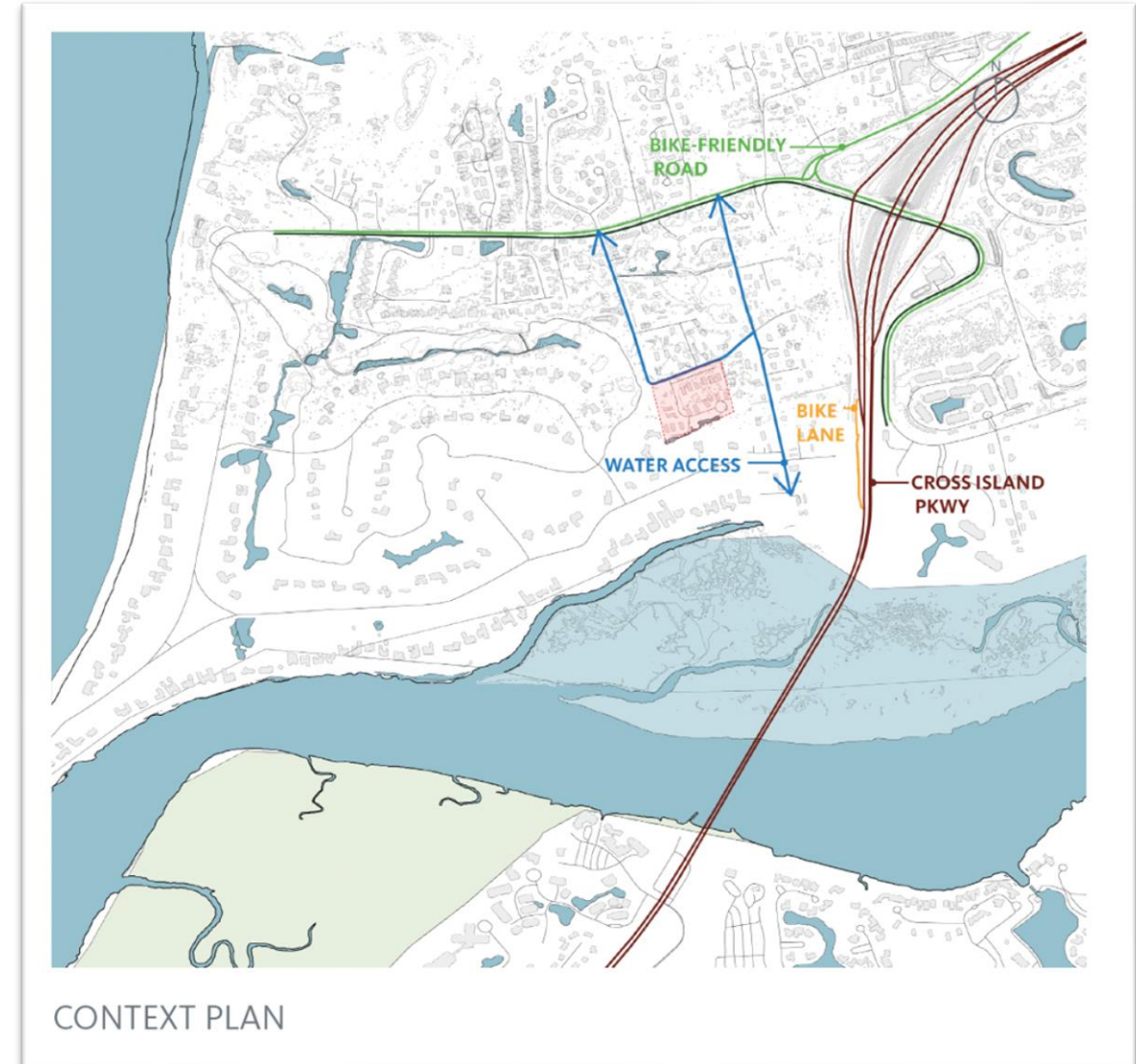
Strategic Action 8.5: Establish Bryant Road Public-Private Partnership

Development Site & Goals

- 7 acres of Town-owned land in the Muddy Creek neighborhood, acquired by the Town in 2023 for \$3.4M.
- Homeownership model with support for first-time buyers (e.g., education, counseling, down payment assistance.)
- Sustainable, energy-efficient design and construction.
- Mixed-income, mixed-use neighborhood that supports affordable homeownership, particularly for first-time buyers

Development Partner Role

- First-time homebuyer support (e.g., down payment assistance, education, counseling)
- Mixed-use development, including residential units, community amenities, and neighborhood commercial space (i.e., daycare, resident support)
- Sustainable and innovative design: energy efficiency, low-carbon materials, green infrastructure
- A long-term operations plan for maintaining community-serving spaces
- Consideration of Habitat for Humanity of the Lowcountry and other non-profit alignment





Strategic Action 8.5: Establish Bryant Road Public-Private Partnership

Town's Role

- Project vision
- Land contribution
- Permitting support
- Programming support
- Partnership facilitation
- \$1M for partnership infrastructure investment
- \$1.5M for neighborhood infrastructure investment

Next Steps

- Phase I: Upon Town Council direction, release RFQ and Establish a shortlist of "Preferred Developer Partners"
- Phase II: Release RFP to the Preferred Developer Partners
- Phase III: Award the RFP to the selected Development Partner
- Phase IV: Negotiate a WFH Development Agreement for Town Council's consideration



Planning Study of the Town owned property at 30 Bryant Road



Strategic Action 8.6: Assess Housing Fund Sustainability & Sources

- ✓ This fund is used to account for and report the costs associated with the development, implementation, and delivery of the strategies and tactics identified within the Town's adopted Workforce Housing Framework.
- ✓ The current sources of revenue are transfers from the State Accommodations Tax Fund, and ARPA funding.





Strategic Action 8.6: Assess Housing Fund Sustainability & Sources

FY 2026 HOUSING FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Transfer from General Fund	\$ 2,000,000	\$ -	\$ 197,049	\$ 197,049	100.00%	4.95%
Transfer from Capital Projects	350,000	-	-	-	0.00%	0.00%
Transfer from State ATAX/Prior Year Funds	-	1,000,000	1,000,000	-	0.00%	25.14%
Transfer from General Fund/Prior Year Funds	-	2,000,000	1,781,088	(218,912)	-10.95%	44.77%
Prior Year Funds from ARPA	-	1,000,000	1,000,000	-	0.00%	25.14%
Total Revenues	\$ 2,350,000	\$ 4,000,000	\$ 3,978,137	\$ (21,863)	-0.55%	100.00%

FY 2026 HOUSING FUND BUDGET EXPENDITURES

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Northpoint Public Private Partnership	\$ 90,775	\$ 1,000,000	\$ 1,000,000	\$ -	0.00%	25.14%
Muddy Creek Neighborhood Stabilization	-	1,500,000	1,500,000	-	0.00%	37.71%
Bryant Road Public Private Partnership	-	1,000,000	1,000,000	-	0.00%	25.14%
Beaufort Jasper Housing Trust Dues	-	89,206	181,088	91,882	103.00%	4.55%
Housing Program Personnel	-	-	194,332	194,332	100.00%	4.89%
Housing Program Operating	110,748	410,794	102,717	(308,077)	-75.00%	2.58%
Total Expenditures	\$ 201,523	\$ 4,000,000	\$ 3,978,137	\$ (21,863)	-0.55%	100.00%



Strategic Action 8.6: Assess Housing Fund Sustainability & Sources

- ✓ Supports the execution of the Northpoint Public-Private Partnership Ground Lease for delivery of the project (\$1.0m)
- ✓ Implements Muddy Creek Neighborhood Stabilization Plan (\$1.5m)
 - Infrastructure improvements for roads, water, sewer, stormwater, lighting, landscaping, signage, broadband, etc.
- ✓ Supports RFQ/RFP for Bryant Road Public-Private Partnership and related infrastructure improvements (\$1.0m)
- ✓ Supports Workforce Housing Salaries & Benefits (\$194k)
 - Personnel moving from the General Fund in FY26
- ✓ Supports Workforce Housing Operating (\$102k)
 - Public-Private Partnership legal services (\$50k)
 - Housing Dashboard and Housing Market Studies (\$50k)
 - Housing Operating Costs (\$2k)
- ✓ Provides Beaufort Jasper Housing Trust Dues for Year 3 & 4 – (\$181k)





Strategic Action 8.6: Assess Housing Fund Sustainability & Sources

- On July 15, 2025, Town Council authorized 5% of annual Accommodations Tax to be allocated to Workforce Housing in accordance with the State of South Carolina Law (Act 57 of 2023)
- Per State Law, this provision sunsets on December 31, 2030

ATAX Distribution Policy

Distribution Category	Required Distribution	Proposed Distribution	Proposed \$ Distribution
First \$25,000 to General Fund	\$25,000	\$25,000	\$25,000
5% to General Fund	5%	5%	\$616,476
30% to DMO	30%	30%	\$3,698,857
ATAX Grant Awards	—	33%	\$4,076,992
General Fund (Tourism Operating Expenses)	—	20%	\$2,454,654
Capital Improvement Program (CIP)	—	7%	\$864,817
Tourism-Serving Housing Program	—	5%	\$617,726
Total	35%	100%	\$12,354,522

STRATEGIC ACTION PLAN FY2026-2028

Strategic Action 8.7 and 8.8: Secure Funding for the Sewer Connection Program and Home Safety & Repair Program

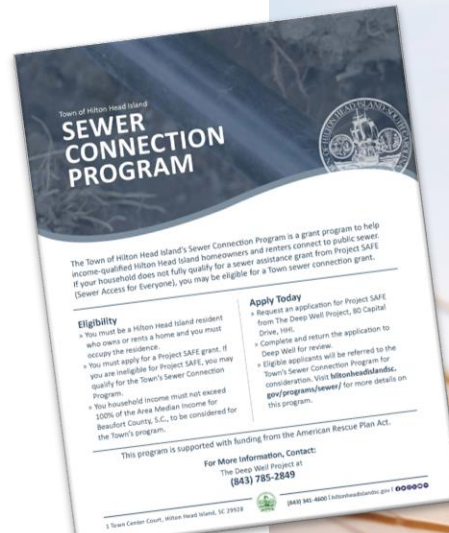
Lateral Sewer Connection

- Funded through American Rescue Plan Funds
- Connected 35 households (1 additional under contract)
- \$369,417 expended

Home Safety Repair

- Urgent housing needs
- Funded through American Rescue Plan Funds
- 106 projects
 - 21 tree removals or tree pruning
 - 85 essential home repairs
 - 2 additional home repair projects under contract
- \$1,488,323 expended

Currently seeking grants from the Beaufort Jasper Housing Trust and SC Housing to continue this work



Strategic Action 8.9: Participate in Annual Housing Summit

- Participate in the Lowcountry Affordable Housing Forum and similar events
- Allow the Town to report progress, promote innovation, learn from other industry leaders, and align with local, regional, state, and national partners

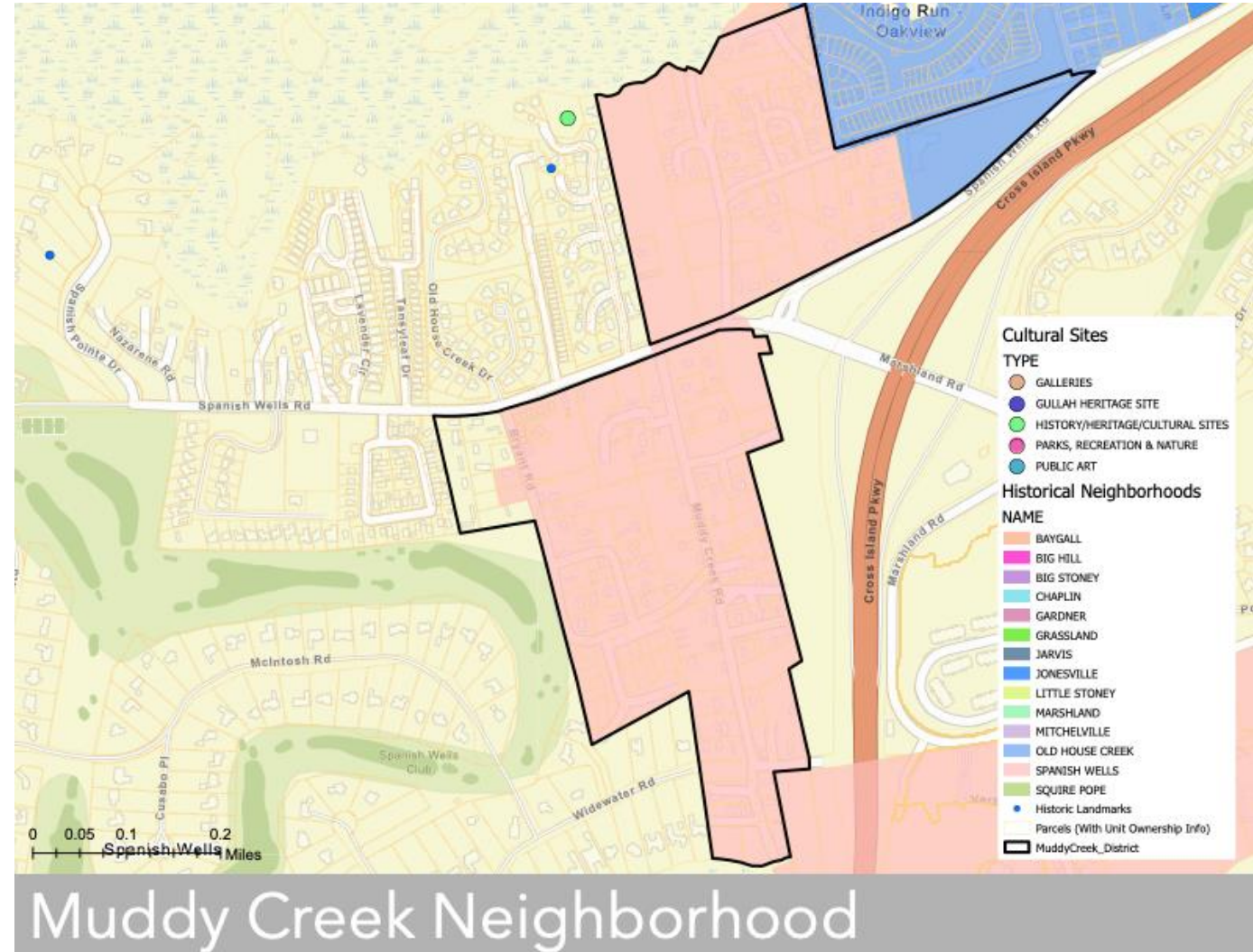




Muddy Creek Neighborhood Stabilization Plan

Background

- The Muddy Creek neighborhood is located on Spanish Wells Road
- It is part of the Spanish Wells Historic Neighborhood and was formerly known as Spanish Grove
- The area boasts several Gullah Geechee businesses and long-term generational residents that anchor its identity
- In addition to the Muddy Creek Neighborhood, the plan incorporates investments along Spanish Wells Road and the Oakview Neighborhood



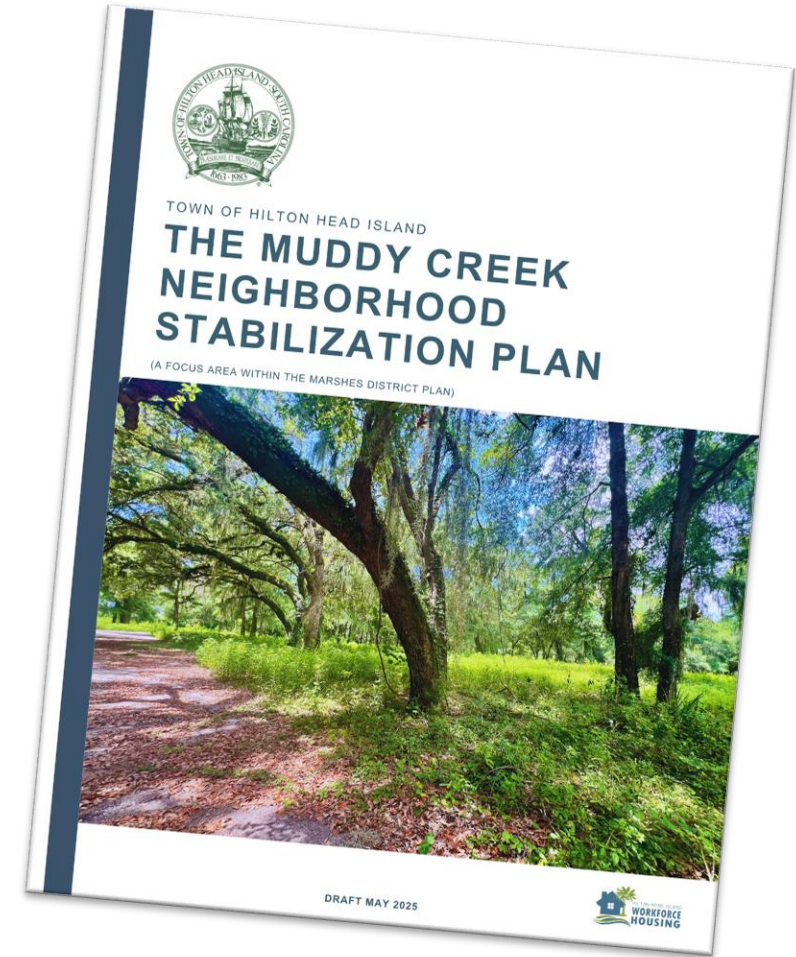


The Muddy Creek Neighborhood Stabilization Plan

- The Muddy Creek Neighborhood Stabilization Plan is a community-driven initiative designed to enhance housing, infrastructure, environmental resilience, and public safety.
- Focused on long-term stability and cultural preservation, the Plan outlines strategic investments and partnerships to ensure Muddy Creek remains a connected, livable, and resilient neighborhood for generations to come.
- To be adopted as part of the Marshes District Plan

Primary Focus Areas

- Housing & Community Development
- Public Utilities & Infrastructure
- Traffic & Transportation
- Environmental Resilience
- Parks & Recreation
- Public Safety
- Financial Sustainability
- Cultural Preservation





The Muddy Creek Neighborhood Stabilization Plan: Implementation Priorities (* FY26 Housing Fund Projects)

Housing & Community Development

- *Initiate RFQ and permitting for Bryant Road workforce housing.
- Support Habitat for Humanity project (Spanish Wells & Oakview).
- Continue repair programs, sewer connections, and beautification.

Public Utilities & Infrastructure

- Expand sewer access.
- *Implement stormwater improvements.
- Improve broadband connectivity through public-private partnerships.
- *Enhance lighting using low-impact solutions (bollards, reflectors).

Traffic & Transportation

- *Work with County/SCDOT on speed calming measures.
- *Build sidewalks, crosswalks, and connect to the Island pathway network.
- Support expanded public transit access and service.

Environmental Resilience

- Integrate solar, green infrastructure, and energy efficiency into new developments.
- Implement a waste strategy and expand recycling/cleanup events.

Parks & Recreation

- Design and fund parks, playgrounds, and gathering spaces.

Public Safety

- Establish a resident-led Neighborhood Watch.
- *Address dark zones and overgrowth; continue fire safety programs.
- Increase code enforcement to improve housing and cleanliness.

Financial Plan

- Secure grants (CDBG, HOME, EPA) and leverage nonprofit/developer partnerships.
- Maintain ongoing pursuit of diverse funding sources to ensure sustainability.

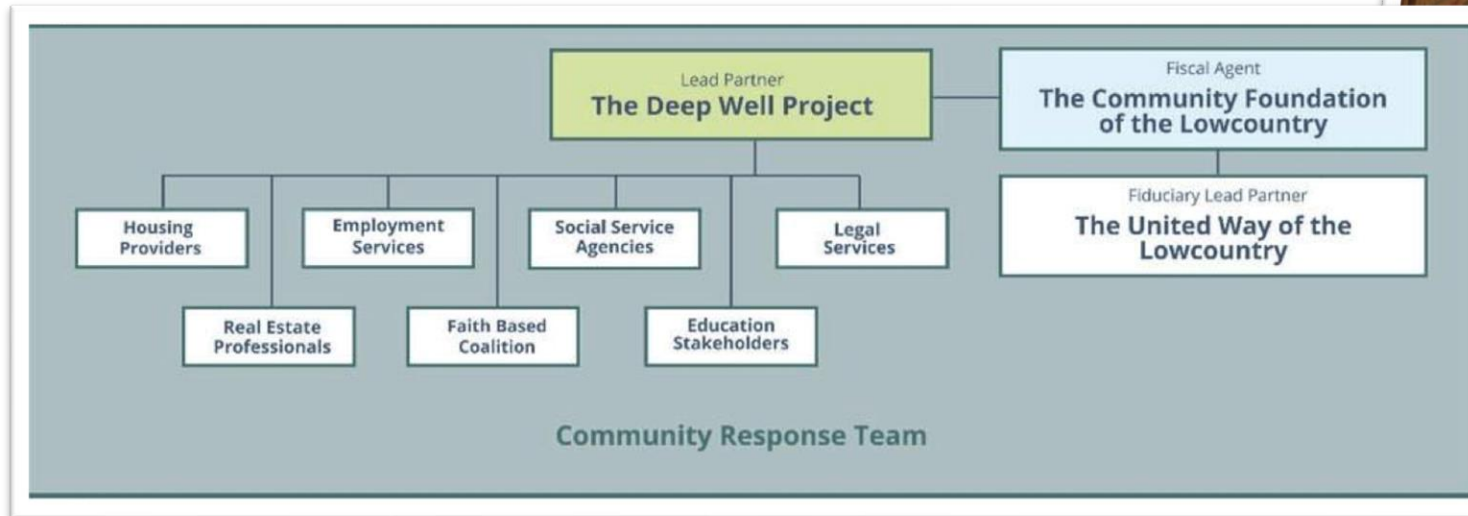
Cultural Preservation

- Connect the neighborhood cultural assets through a Marshes District Cultural Trail with interpretive signage and public art.



Housing Displacement Mitigation Support Plan

- Brings together local expertise, resources, and commitment in a coordinated manner to ensure timely and effective responses to housing displacement
- Adopted in May 2025





Beaufort Jasper Housing Trust

- Hilton Head Island is a founding member
- Mission is to create and preserve workforce and affordable housing in Beaufort and Jasper Counties
- Provide accessible, affordable housing to the region to support the workforce in the service economy, as well as others with high housing cost burdens
- Help overcome barriers to affordable development, such as financial gaps and land availability
- Programs include home repair, first time homebuyer assistance, new housing development funding, and advocacy



Private Projects





Workforce Housing Neighborhoods

Existing Workforce Housing Units		
Privately Led	Palmetto Bay Village (7 Target Road)	16
Privately Led	Aquaterra (55 Gardner Dr)	13
Privately Led	36 South (1036 William Hilton Pkwy)	8
Privately Led	One Park Lane	3
Privately Led	7 Lagoon Road	8
Privately Led	6 Lagoon Road (The Lofts at Coligny)	10
LIHTC	90 Dillon	48
Section 515	Cedar Wells	24
Section 515	Sylby Tub	18
BHA	Sandalwood Terrace	80
HUD	Hilton Head Gardens	112
Town-Supported	Coastal Community Development Corporation (CCDC)	17
Town-Supported	Habitat for Humanity (Alex Patterson Road)	32
		389 Units

Proposed Workforce Housing Units		
Privately Led	Hilton Head Hospital Workforce Housing Project	126
Privately Led	13 Main Street (Diamond Cove)	88
Town-Supported	Habitat for Humanity (Oakview Road)	6
Town-Supported	Bryant Road Property (30 Bryant Road)	40-50
Town-Supported	Northpoint (Northpoint Circle)	157
		417-427 Units

806-816 Total Units



Novant Health- Hilton Head Hospital

- Partnership between Novant Health, Abode Development, and Coastal Community Development Corporation (CCDC)
- Redevelopment of 12.6 acres for workforce housing
 - 126 multifamily units
 - 64 one-bedroom, 48 two-bedroom, 14 three-bedroom units
 - Clubhouse with pool and wellness amenities
 - Outdoor recreation areas, pocket parks, and pedestrian connectivity
 - 30% of all units within the development to serve below the 80% AMI range and remaining 70% of units to serve between 80%-150% AMI
 - Long-term affordability with deed restrictions in accordance with Sec. 16-4-105
- Earlier this month, Planning Commission authorized the initiation of a zoning text amendment to accommodate workforce housing in the Medical (MED) Zoning District





Coastal Community Development Corporation (CCDC)

- Working to increase the availability of homes for local and regional workforce by preserving existing housing
- Actively seek out and purchase existing homes in the Beaufort County area and offer rents that serve a wide range of our workforce based on household income
- Town Council authorized a funding agreement of \$600,000 to support workforce housing
- Funds have assisted in the acquisition of 14 units around the island for approximately \$3.33M



Habitat for Humanity of the Lowcountry

- Created over 178 homeownership opportunities throughout Beaufort and Jasper Counties since 1990
- Town Council authorized a funding agreement of \$500,000 to support workforce housing
- Funds resulted in the acquisition of approximately 1.5 acres on Spanish Wells Road
- Proposed development of 6 new single-family homes
- Town is also providing technical assistance in support of the project

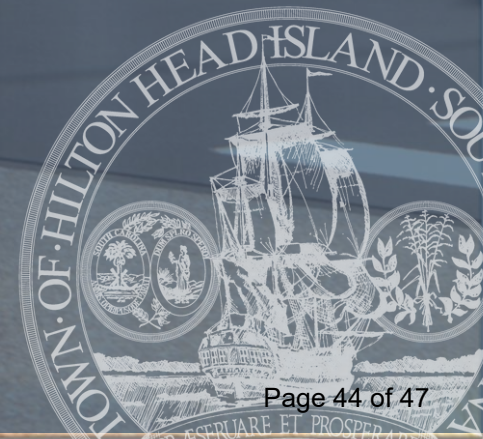


Beaufort Housing Authority- Sandalwood Redevelopment

- Provider of public housing and assistance programs, managing and maintaining 291 housing units and 550 housing choice voucher units throughout Beaufort County
- Proposing to redevelop Sandalwood Terrace, a 40-year-old public housing complex with 80 units
- Project will demolish existing buildings and rebuild with new housing
- Supported by HUD programs
- Town is providing technical assistance



Town of Hilton Head Island's Role



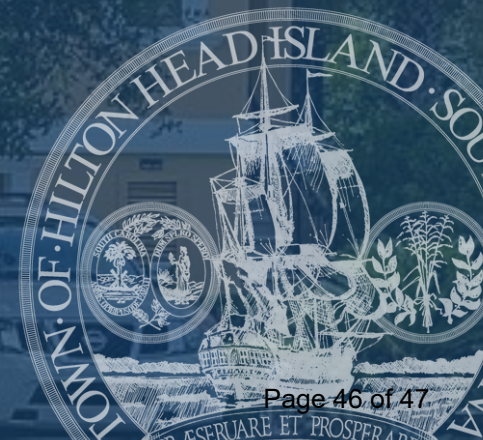
Current Role

- **Public Policy**
 - Finding Home
 - Strategic Plan
 - Housing Action Committee
- **Funding**
 - Housing Fund
 - ATAX
- **Public-Private Partnerships**
- **Capital Improvement Project Investment**
- **Staffing**
 - Finding Home Plan recommended to adding dedicated staff to provide coordination and planning
 - At this time, responsibilities for supporting housing initiatives will be shared among staff with designated contact
- **Zoning – Incentives**
- **Technical Assistance**



Questions, Comments, and Direction

Town Council Workshop: Workforce Housing – July 25, 2025



Thank You

Town Council Workshop: Workforce Housing – July 29, 2025

