Please note rescheduled date and time due to weather conditions.

Town of Hilton Head Island

Finance and Administration Committee Meeting

Thursday, January 11, 2024, 2:00 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. **Approval of the Minutes**
   - **a.** Regular Meeting Minutes of December 19, 2023
4. **Appearance by Citizens:** Citizens who wish to speak on the matters being discussed during the meeting may do so by submitting the Request to Speak form no later than 4:30 PM the day prior to the meeting.
5. **Presentations and Recognitions**
   - **a.** Town of Hilton Head Island Fiscal Year 2024 Year to Date Update - Jeff Herriman, Interim Director of Finance
6. **Unfinished Business**
   - **a.** Consideration of Approval of a Sponsorship Agreement with the Heritage Classic Foundation for the RBC Golf Tournament - Josh Deputy, Deputy Town Manager
   - **b.** Consideration of a Resolution Authorizing a Memorandum of Understanding with the Coastal Community Development Corporation - Josh Gruber, Deputy Town Manager
   - **c.** Consideration of Resolution Authorizing a Memorandum of Understanding with Habitat for Humanity to Support Workforce Housing - Josh Gruber, Deputy Town Manager
7. **New Business**

- **a.** Consideration of a Fiscal Year 2024 Affiliated Agency Funding Application by the Coastal Community Development Corporation - Josh Gruber, Deputy Town Manager
- **b.** Consideration of a Fiscal Year 2024 Affiliated Agency Funding Application by the Hilton Head Regional Habitat for Humanity - Josh Gruber, Deputy Town Manager

8. Adjournment

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

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
FINANCE AND ADMINISTRATION COMMITTEE MEETING
Tuesday, December 19, 2023, 1:00 PM
Minutes

Call to Order

Chair Alex Brown called the meeting to order at 1:00 p.m.

Adoption of the Agenda

Glenn Stanford moved to approve the agenda as presented. David Ames seconded. Motion carried 4-0.

Approval of the Minutes

Regular Meeting Minutes of November 14, 2023

Glenn Stanford moved to approve the regular meeting minutes of November 14, 2023 as presented. David Ames seconded. Motion carried 4-0.

Appearance by Citizens

Sandra Espinosa addressed the Committee regarding Habitat for Humanity. She spoke about her experience in purchasing her home at an affordable price. She asked the Committee to consider the benefits for Habitat for Humanity within the community.

Skip Hoagland addressed the Committee for Lynn Greenly regarding the request for County Council officials to monitor resources. Routine audits are not designed to uncover corruption. A forensic audit would ask the questions to determine whether policies and practices are protecting and maximizing resources effectively.

Skip Hoagland addressed the Committee regarding the use of ATAX (Accommodation Tax) funds for the Hilton Head Island- Bluffton Chamber of Commerce and as well as many other nonprofit organizations. Because ATAX dollars funded the Direct Marketing Organization (DMO) website; he questioned if the Town should own the website, rather than the Chamber.

Presentations and Recognitions

Town of Hilton Head Island Fiscal Year 2024 Year to Date Financial Update - Jeff Herriman, Interim Finance Director

Jeff Herriman, Interim Finance Director, addressed the committee regarding the financial update ending October 31, 2023. His presentation mirrored the monthly financial statements presented to Town Council and posted to the Town's website. Mr. Herriman proceeded through the Power Point presentation slides.

He stated that the Town of Hilton Head Island is operating within the budget expectations at this time, with the exception for the four land purchases which will require a budget amendment. He continued with information regarding the General Fund Revenues and Transfers for the year to date as well as comparing FY2023 to FY2024. Mr. Herriman continued with the presentation to explain numbers for the General Fund Expenditures and Transfers Out; Summary of General Fund activities; summary of different categories of the Capital Projects Fund within the budget; FY24 Land Acquisitions, including properties on Bryant Road, Shelter Cove Lane, Matthews Drive, and Pope Avenue; Business license numbers; EMS revenues; Local ATAX Revenue; Real Estate Transfer fees; and Hospitality Tax Revenue. He concluded the presentation with the Beach Preservation numbers to date.

Committee members asked questions and made comments regarding the details of the Town Council fees listed on the General Fund slide; recategorization for public safety funding; explanation for the increase in investment income due to the Town investments; and questioned how the ATAX figure was calculated based on number of tourists who come onto the Island verses the room rate accommodations.

Chair Brown asked if there were any public comments on this item.

Skip Hoagland addressed the committee regarding the need for a certified public account on the Committee to understand the financial information presented. He noted the need to hire an out of state accounting firm that specializes in forensic audits.

Chair Brown brought the matter back to the dais and thanked Mr. Herriman for his presentation.

Unfinished Business

Consideration of a Resolution Approving a Memorandum of Understanding with the University of South Carolina Beaufort (USCB) Inclusive of the Island Ambassador Program - Josh Gruber, Deputy Town Manager

Josh Gruber, Deputy Town Manager, addressed the committee regarding the request for a resolution approving a memorandum of understanding (MOU) with the University of South Carolina Beaufort (USCB) inclusive of the Island Ambassador Program. Mr. Gruber started with the history of the partnership with USCB and the Town to support tourism and other associated activities on Hilton Head Island. Years ago, the Town put language in its local code, setting aside 5% of the local ATAX funds for the purpose of supporting this partnership with the University. Due to increases in both state and local ATAX, Town Council requested that Town staff remove that language, and place the funding on an annual budget basis as opposed to a straight numerical calculation based on collections. This would incorporate the University into the Town's annual Affiliated Agency Program. As an Affiliated Agency, staff requests a MOU be put in place to outline several items, including how money will be received, utilized, tracked, and how the information will be reported.

Mr. Gruber continued by clarifying the Center for Lowcountry Hospitality Education (CLHE) is the entity the Town would be contracting with for this MOU. The CLHE is supported by the University; however, it is separate and distinct from the greater University itself.

Mr. Gruber introduced Eva Smith, USCB Associate Professor and Chair of the Hospitality Management Program, to speak to the Committee. Ms. Smith began her conversation with information about Sarah Beachkofsky who joined the University and revived the Island Ambassador Program. As of this date, the Center has certified as many people in these last four months as they did in the previous year. Ms. Smith continued to discuss the Quality Management Program, which provides feedback to local tourism industries by finding out essentially what makes tourists happy. A sample of questions related to the matrix as an assessment plan was provided in the packet.

CLHE has identified clear objectives tying back to the Town's Strategic Action Plan which incorporates new programing related to include a Junior Island Ambassador Program; customizing the Island Ambassador Program for primary Spanish speakers; offering an Advanced Island Ambassador Program; branching out the Quality Management Program to include restaurants, lodging, recreation, and other vendors; and offering continuing education courses related to hospitality and tourism industry certifications.

Committee members asked questions and made comments regarding the historical levels of funding; separation of funding for personnel and operations; how the funding was budged and submission for payment; the distinction between CLHE and the University of SC; the number of students involved in the Quality Management Program; details regarding the Secret Shopper Program; details about the Assessment Plan provided in the packet; and how many full time employees are incorporated in the Island Ambassador Program.

Chair Brown asked if there were any public comments on this item.

Skip Hoagland addressed the committee regarding the specific laws tied to ATAX funds. He continued how the Hilton Head Island- Bluffton Chamber should not have access to these ATAX funds.

Chair Brown brought the matter back to the dais.

Glenn Stanford moved to forward the recommendation from staff to Town Council for consideration of a resolution approving a memorandum of understanding with the University of South Carolina Beaufort (USCB) inclusive of the Island Ambassador Program as presented with the following amendments: the inclusion of reporting data on the number of students associated with the center's programming; feedback from employers on the benefits participating in the Island Ambassador Program and a two-year rolling commitment beginning with Fiscal Year 2025 and Fiscal Year 2026. David Ames seconded the motion. The motion carried 4-0.

New Business

Consideration of a Resolution Authorizing a Memorandum of Understanding with the Coastal Community Development Corporation - Josh Gruber, Deputy Town Manager

Josh Gruber addressed the committee regarding consideration of a resolution authorizing a memorandum of understanding (MOU) with the Coastal Community Development Corporation (CCDC.) The Town was contacted by representative of the CCDC, a South Carolina nonprofit corporation, requesting funding specifically for the purpose of utilization towards the acquisition of various real estate assets on Hilton Head Island. The CCDC would use those funds for the purpose of providing affordable workforce housing. The CCDC made a presentation to this committee back in August 2023 where they outlined the business model and plans for phase one. Included in the packet are documents regarding how those finances would work; the AMI (area median income) ranges; and the policy documents.

Mr. Gruber explained that the Town is continuing to pursue movement on Act 57 which would allow the use of state accommodations taxes for the purpose of workforce housing. Prior to this meeting, Town staff prepared a MOU that has been presented to the Committee for discussion. It outlines the various functional responsibilities between the Town and CCDC. The document was shared with representatives of the CCDC and members of this Committee in advance of this meeting. Some of the comments received regarding the draft MOU are included within the attached document. Additional questions with conversation from Committee members were raised regarding the definition of an

Affiliated Agency; consequences of a tenant exceeding the income limitation; consideration to have a representative on the CCDC board; the question to report quarterly or other periodic reporting to the Work Force Housing Committee; the question if agreements with other affiliated agencies have the same type of “will consider” language; the question if other agencies required to have a separate fund and the same reporting language; confirmation that the language complies with the requirements set forth in the Attorney General’s Opinion letter; and the CCDC AMI range should be specific and not using the “up to” language.

Mr. Gruber introduced Alan Wolf, Coastal Community Development Corporation (CCDC) Chairman of the Board, to answer any additional questions. Mr. Wolf expanded upon the CCDC’s purchase of three units and said that they are ready to purchase an additional two units. The CCDC obtained the Beaufort County block grant. They continue to work with additional groups with Senator Davis being an important proponent of their group. Mr. Wolf continued to expand upon the questions that were raised by the Committee, including that CCDC will not be acquiring land acquisitions; the distribution of AMI levels; the 99-Year deed on purchased properties; rental preferences for renters to be employed on Hilton Head Island; and the AMI and disposable income percentages for the renters.

Committee members asked questions and made comments regarding the revisions identified to include an outline of the roles and responsibilities for both parties; the requirement that CCDC submit a proposed budget as part of the Affiliated Agency Funding Program; if the funding would be used to acquire real property; limitations for units only within the Town’s boundaries; preparation of a maintenance plans for the acquired units; selection process for area median incomes. Discussions continued about the critical requirement for annual reporting and transparency, requiring that any funding that is provided be tracked and accounted for separately with this accounting provided to the Town on an annual basis. Additionally, the CCDC would perform an external independent audit review.

Chair Brown opened this item up for public comment.

Matthew Sweeney addressed the Committee with a product shortage analogy in reference to this item. He continued with the request that the greater good should not be defined by special interest groups. He asked that the committee know the metrics on how our Island benefits verses those who would not benefit.

Xiaodan Li addressed the Committee regarding her concerns for the viability of the CCDC model benefiting low wage earners; that there would be an ongoing requirement for government funding; that the affiliated partners would have first priority for their rent-controlled units; and that the investors receive tax credits while taxpayers who fund these endeavors do not. She asked the committee to vote no to the MOU.

Megan Fitzpatrick addressed the Committee stating that this was low-income housing, not affordable housing. She stated that if this is needed quickly, the non- profit companies and businesses can fund this. She concluded by asking the Committee to slow down and not make a hasty decision.

Sherry Migrate addressed the Committee regarding her impression that this CCDC project favors a ponzi scheme rather than an investment. She noted that the CCDC has too many layers who would make money off the initial investment. Home ownership is the best way to proceed.

Matt Stock addressed the Committee regarding his support of both the CCDC and Habitat for Humanity MOU. He spoke of his life and the need for permanent affordable housing. He continued with the CCDC being an immediate solution to the housing situation.

Bonnie Canova addressed the Committee regarding her request to the Committee to vote no to the CCDC MOU. She continued with additional reasons, concluding that the CCDC involves too many layers for a non-profit entity, whereby all layers would deplete the moneys from the grant.

Ashley Phillips addressed the Committee regarding her request to the committee to vote no on the CCDC MOU. Tax dollars should not be used for a nonprofit organization. She continued that this would be a yearly monetary request with additional support staff and special treatment for the development and renovations of those units. She noted that there are other solutions for the workforce housing shortage.

Lee Lucier addressed the Committee regarding the Richardson Group which has recently created Islander housing, worker housing and medical housing, all with private funding and without public assistance. All reasonable models of workforce housing while supporting the inventory and securing of additional long term rental options are necessary. Private funding isn't the only answer, and all feasible models should be pursued by the Town. He reiterated his support for the MOU for CCDC and Habitat for Humanity.

John Zmarzley addressed the Committee regarding clear due diligence on all financial matters. He asked if the CCDC shows any proof of concept to warrant giving a monetary start-up for years to come. The potential has not been verified. He said that the Committee needs to further scrutinize and consider all financial repercussions.

Eric Sommerville addressed the Committee regarding the MOU for the CCDC. He does not support this MOU if the money comes from Town funding. He will support the CCDC MOU if the funding comes from the Federal government. He noted the example of using the American Rescue plan.

Susan Wierzbicki addressed the Committee regarding her opinion for the Committee to vote no on the MOU for the CCDC.

Lynn Fontaine addressed the Committee regarding her support for the CCDC model if it is a purely private initiate that solely utilizes private investments and donations to subsidize housing for workers. She added that this is not an appropriate use of taxpayer dollars.

Susan Giarrusso addressed the Committee regarding voting no on the MOU at this point. She requested that the Committee slow down and find out all the answers first.

Carol Auger addressed the Committee regarding her advocacy for affordable housing. She voiced her concerns over who would be allowed to rent these units. She asked the Committee to vote no on the MOU and study this more.

Thomas Barnwell Jr. addressed the Committee regarding his time on Hilton Head Island. He spoke of his service on the housing committee at the Town. He asked the Committee to support the effort, doing whatever it takes to get housing for working people on Hilton Head Island.

Skip Hoagland addressed the Committee regarding the laws regulating the funds. He continued about the lawsuit regarding the funds spent dredging Harbor Town. He also asked for an independent audit annually with a forensic audit occurring every three years.

Chair Brown brought the matter back to the dais and asked Mr. Gruber for any additional comments.

Mr. Gruber added that the Town is currently working under the requirements of Act 57 of 2023 which authorized the expenditure of those funds for this particular purpose. Within those requirements, Town staff will add additional information to the MOU document, including the addition of an indemnification clause; add clear language on restrictive covenants; require active on-Island employment at the time of qualification; reinvestment of proceeds from the sale of any property to be reinvested back into new properties; include a cap and floor for AMI – 30%-120%; request an Affiliated Agency Application to avoid conflict; remove development of land language and limit activity to the purchase of existing units; prohibit prioritizing selection of CCDC members for occupancy; and develop a list of policy specific questions to review at the next meeting.

Chair Brown thanked Josh for his comments.

There was no action to be taken at this meeting. The item will be placed on an upcoming agenda.

Consideration of Resolution Authorizing a Memorandum of Understanding with Habitat for Humanity to Support Workforce Housing - Josh Gruber, Deputy Town Manager

Josh Gruber addressed the committee regarding a consideration of a resolution authorizing a memorandum of understanding (MOU) with Habitat for Humanity to support Workforce Housing. Mr. Gruber began with the history that during the past year Habitat for Humanity applied through the Affiliated Agency funding cycle a request for $500,000 in funding to be used towards the acquisition of land that would then be used to develop workforce housing units. At the time, Council did not apply funding because Act 57of 2023 was not finalized. Since then, Act 57 was adopted by the South Carolina General Assembly on May 19, 2023. Town staff has been asked to create a MOU associated with providing Habitat with those funds.

Mr. Gruber stated that a draft of the MOU was provided to the Committee. He went on to explain the provisions in the agreement and mortgage financing. There was further explanation of the business plan with the hosing process including permitting to build within the municipal boundaries exclusively on Hilton Head Island; Habitat's business plan; the AMI language in the agreement; insurance requirements; and the accounting with reporting and transparency requirements including an annual independent audit performed by a CPA every year.

Josh Gruber introduced Benda Dooley to address the Committee. Ms. Dooley spoke to the Committee presenting information about the Habitat's Homeownership program including the application process, the leadership of the organization, and accomplishments with the program. She spoke about the challenges to land acquisition and Habitat's solutions to this. Habitat has utilized an architect to design land lots and they are willing to look at building duplexes, triplexes, or quads in the future.

Committee members asked questions and made comments regarding the MOU being a true partnership between Habitat and the Town; applicant's ability to sell a purchased unit; occupants of the houses be employed on the Island; insurance with the additional indemnification language added to the agreement; alternate housing designs along with construction concerns; request for Habitat to build a different type of model due to the limited land available on the Island; structure of the money in the MOU on a reimbursement basis; duration of affordability and a long term thought process; 30 year affordability limits; home ownership model versus a rental model for community benefit; the details on the mortgages and 2nd mortgages within the program; the occupant's benefit to working off Hilton Head Island; and concerns with Habitat's merge into Beaufort and Jasper County.

Chair Brown requested that Mr. Gruber bring this back to the Committee by adding language to the

MOU including indemnification language similar to what was discussed in the CCDC; requirement that applicants be employed on Hilton Head Island; add language that specifies the funding is going to be provided on a reimbursement basis; the Town to use AMI language of 30% to 80%; and discussion with the Habitat board about a potential program that will allow the Town to evaluate a return on investment as well as the right of first refusal in the event of a sale.

Chair Brown opened this item up for public comment.

Tom DeMint addressed the Committee regarding his time on Habitat's board. He spoke of the occupant's sense of pride in the ownership of their own home. This MOU would help fulfill the need for workforce housing on the Island.

Ayaks Castellanos addressed the Committee regarding his blessing to buy his house through Habitat for Humanity. This significantly changed his and his family's life which will have a long-term positive impact for his family. He asked the Committee to support Habitat and this MOU.

Jeb Bush addressed the Committee regarding his work with Habitat. He told of the volunteers in all aspects of the process as well as Habitat's relationships with companies to keep their costs low. The MOU is a great opportunity for both Habitat and the Town, noting that this creates more workforce housing.

Heather Rath addressed the Committee regarding moving the MOU forward today. Ms. Rath addressed comments by the Committee members regarding the request for applicants to work in our community. She countered that the freedom to carry their own mortgage leaves them free to decide where they want to live. The occupant would pay taxes here, shop here and this would be their community. She asked that the Committee reconsider this expectation and move the MOU forward.

Susan Giarrusso addressed the Committee regarding her request that the Committee make the adjustments to the MOU, have further discussions before making a decision.

Chair Brown brought the matter back to the dais.

There was no action to be taken at this meeting. The item will be placed on an upcoming agenda.

Adjournment

The meeting was adjourned at 4:15 p.m.

The recording of this Meeting can be found on the Town's website at www.hiltonheadislandsc.gov

TOWN OF HILTON HEAD ISLAND

Finance & Administrative Committee

TO:	Finance and Administrative Committee
FROM:	Jeff Herriman, Interim Finance Director
CC:	Marc Orlando, ICMA-CM, Town Manager
	Josh Gruber, Deputy Town Manager
DATE:	January 2, 2024
SUBJECT:	Financial Update

RECOMMENDATION:

Town staff recommends the Finance and Administrative Committee hear and discuss the financial update presented by the Interim Finance Director.

BACKGROUND:

The Interim Finance Director seeks to keep the Finance and Administrative Committee up-to-date on the Town's financial status and financial activity. The financial update to the Finance and Administrative Committee has proven to be a useful method to keep the Finance and Administrative Committee informed and prepared to take any action that may be required.

SUMMARY:

The Interim Finance Director will provide the Finance and Administrative Committee an update on the Town's financial status and financial activity through November 2023.

ATTACHMENTS:

1. Financial Update for the five months ending November 30, 2023.

Town of Hilton Head Island Financial Update

Finance and Administrative Committee | For the five months ending November 30, 2023

Key Issues

- The initial months of each fiscal year are traditionally low collections on the revenue side.
- Expenditures, which are primarily personnel related, are incurred more evenly throughout the fiscal year.
- Temporary deficit is the norm for the five months of the fiscal year
- The estimated revenues used to craft the budget are still expected to support the budget as passed.
- The Town is operating within the budget expectations for this time of year – except for – the 4 land purchases – which will require a budget amendment.

Town of Hilton Head Island

General Fund – Revenues and Transfers In

	FY 2024			
	BUDGET	Y-T-D	$ VARIANCE	% OF BUDGET
Revenues and Transfers In:				
Real and Personal Property Taxes	$ 16,942,000	$ 519,525	$ (16,422,475)	3%
Business Licenses	12,421,015	1,858,133	(10,562,882)	15%
Franchise Fees - Cable	967,752	371,530	(596,222)	38%
Franchise Fees - Beach	52,650	-	(52,650)	0%
Permits	1,979,200	997,368	(981,832)	50%
State Shared Funds	926,755	463,377	(463,378)	50%
Public Safety	-	1,440	1,440	0%
EMS	2,117,000	843,418	(1,273,582)	40%
Beach Fees	243,000	56,031	(186,969)	23%
Accommodations Tax - Local	7,034,520	2,965,194	(4,069,326)	42%
Miscellaneous Revenue	345,129	73,135	(271,994)	21%
Investment Income	585,000	862,459	277,459	147%
Subtotal	**43,614,021**	**9,011,610**	**(34,602,411)**	**21%**
Transfers In & Other:				
Short Term Rental	1,750,000	-	(1,750,000)	0%
Accommodations Tax - State	3,515,021	1,456,181	(2,058,840)	41%
Hospitality Tax	5,062,424	2,109,344	(2,953,080)	42%
Beach Preservation Fees	1,983,508	826,462	(1,157,046)	42%
TIF Tax	110,000	45,833	(64,167)	42%
Stormwater Utility	125,000	52,083	(72,917)	42%
Capital Projects	-	-	-	0%
Electric Franchise Fees	540,603	225,251	(315,352)	42%
Sale of Equipment/Vehicles	-	7,247	7,247	0%
Total Revenues & Transfers In	**56,700,577**	**13,734,011**	**(42,966,566)**	**24%**

Town of Hilton Head Island

General Fund – Revenues and Transfers In

	FY 2024 Y-T-D	FY 2023 Y-T-D	FY 2024 vs FY 2023 $ VARIANCE	% VARIANCE
Revenues and Transfers In:				
Real and Personal Property Taxes	$ 519,525	$ 544,898	$ (25,373)	-5%
Business Licenses	1,858,133	607,746	1,250,387	206%
Franchise Fees - Cable	371,530	282,517	89,013	32%
Franchise Fees - Beach	-	-	-	-
Permits	997,368	773,665	223,703	29%
State Shared Funds	463,377	441,311	22,066	5%
Public Safety	1,440	1,410	30	2%
EMS	843,418	972,803	(129,385)	-13%
Beach Fees	56,031	78,092	(22,061)	-28%
Accommodations Tax - Local	2,965,194	2,938,672	26,522	1%
Miscellaneous Revenue	73,135	129,220	(56,085)	-43%
Investment Income	862,459	363,186	499,273	137%
Subtotal	**9,011,610**	**7,133,520**	**1,878,090**	26%
Transfers In & Other:				
Short Term Rental	-	-	-	-
Accommodations Tax - State	1,456,181	1,017,116	439,065	43%
Hospitality Tax	2,109,344	2,109,343	1	0%
Beach Preservation Fees	826,462	826,462	-	0%
TIF Tax	45,833	63,750	(17,917)	-28%
Stormwater Utility	52,083	52,083	-	0%
Capital Projects	-	-	-	-
Electric Franchise Fees	225,251	225,251	-	0%
Sale of Equipment/Vehicles	7,247	3,656	3,591	98%
Total Revenues & Transfers In	**13,734,011**	**11,431,181**	**2,302,830**	20%

Town of Hilton Head Island

General Fund – Expenditures and Transfers Out

	FY 2024 BUDGET	Y-T-D	$ VARIANCE	% OF BUDGET
Expenditures:				
Town Council	450,842	216,046	(234,796)	48%
Town Manager	1,698,127	594,519	(1,103,608)	35%
Administration/Legal	6,356,000	2,624,364	(3,731,636)	41%
Finance	2,667,700	971,257	(1,696,443)	36%
Community Development	4,886,012	1,581,335	(3,304,677)	32%
Public Projects and Facilities	8,770,478	3,196,126	(5,574,352)	36%
Public Safety	1,490,215	527,956	(962,259)	35%
Fire Rescue	21,146,990	7,483,270	(13,663,720)	35%
Townwide	7,514,613	3,270,975	(4,243,638)	44%
Transfers Out:				
Housing	2,000,000	2,000,000	-	100%
Economic Development Corporation	-	-	-	0%
Sale of Land	1,000,000	1,000,000	-	100%
Total Expenditures & Transfers Out	**57,980,977**	**23,465,848**	**(34,515,129)**	**40%**

Town of Hilton Head Island

General Fund – Expenditures and Transfers Out

	FY 2024 Y-T-D	FY 2023 Y-T-D	FY 2024 vs FY 2023 $ VARIANCE	% VARIANCE
Expenditures:				
Town Council	216,046	162,074	53,972	33%
Town Manager	594,519	506,683	87,836	17%
Administration/Legal	2,624,364	2,121,152	503,212	24%
Finance	971,257	854,820	116,437	14%
Community Development	1,581,335	1,122,251	459,084	41%
Public Projects and Facilities	3,196,126	2,673,093	523,033	20%
Public Safety	527,956	1,061,830	(533,874)	-50%
Fire Rescue	7,483,270	6,725,611	757,659	11%
Townwide	3,270,975	2,090,576	1,180,399	56%
Transfers Out:				
Housing	2,000,000	-	2,000,000	-
Economic Development Corporation	-	-	-	-
Sale of Land	1,000,000	-	1,000,000	-
Total Expenditures & Transfers Out	**23,465,848**	**17,318,090**	**6,147,758**	**35%**

General Fund Activity
YTD November FY24 vs FY23

	YTD FY 24	YTD FY 23
Revenues and Transfers In	13,734,011	11,431,181
Expenditures and Transfers Out	(23,465,848)	(17,318,090)
Net Revenues Over/(Under) Expenditures	(9,731,837)	(5,886,909)

Town of Hilton Head Island

Capital Projects Fund
Budgets and Actual
FY24 – through November (5th period)

	Original Budget	Actual	Commitments	Variance with Amended Positive (Negative)
Expenditures:				
Park Development	9,129,500	564,012	1,243,121	7,322,367
Land Acquisition	400,000	11,741,119	20,709	(11,361,828)
Beach Maintenance	4,556,000	693,806	1,522,494	2,339,701
Facilities Improvements	14,033,116	1,462,677	8,638,586	3,931,854
Roadway Improvements	6,204,465	514,420	1,814,520	3,875,525
Stormwater Projects	860,000	66,430	299,471	494,099
Pathway Improvements	4,810,000	297,331	305,016	4,207,653
Housing	-	21,450	117,675	(139,125)
Total Expenditures	**39,993,081**	**15,361,245**	**13,961,592**	**10,670,246**

FY24 Land Acquisitions -- $11,688,000

- Bryant Road -- $3,400,000
- Shelter Cove Lane -- $3,938,000
- Matthews Drive -- $350,000
- Pope Avenue -- $4,000,000

Investment Summary

Monthly summary of the investments and interest income earned by the Town in the South Carolina Local Government Investment Pool (LGIP) and in Wells Fargo Securities. The total invested on November 30, 2023 was $200,092,177 as detailed below.

LGIP

- Total amount invested with LGIP at 11/30/23 was $53,521,857.38

- The average interest rate for int Investment Pool account increased from 5.6438% for October to 5.6787% for November

Wells Fargo Securities

- Total Market Value of Treasury Bills/Treasury Notes/Agency Securities outstanding was $146,570,319.47

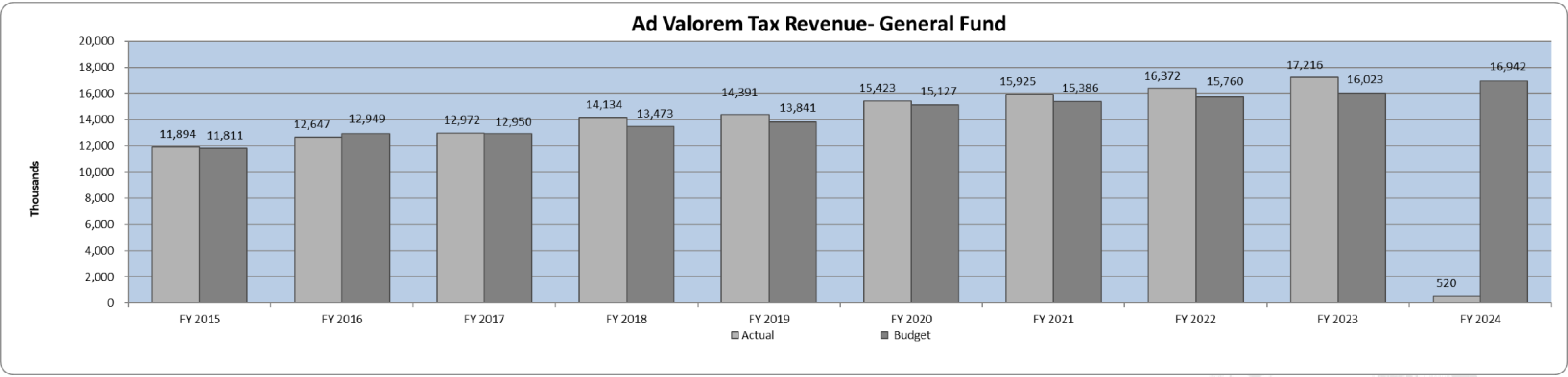
- Maturity dates range from 12/15/2023 to 8/15/2025 and the yields range from 4.013% to 5.408%

Investment Summary cont.

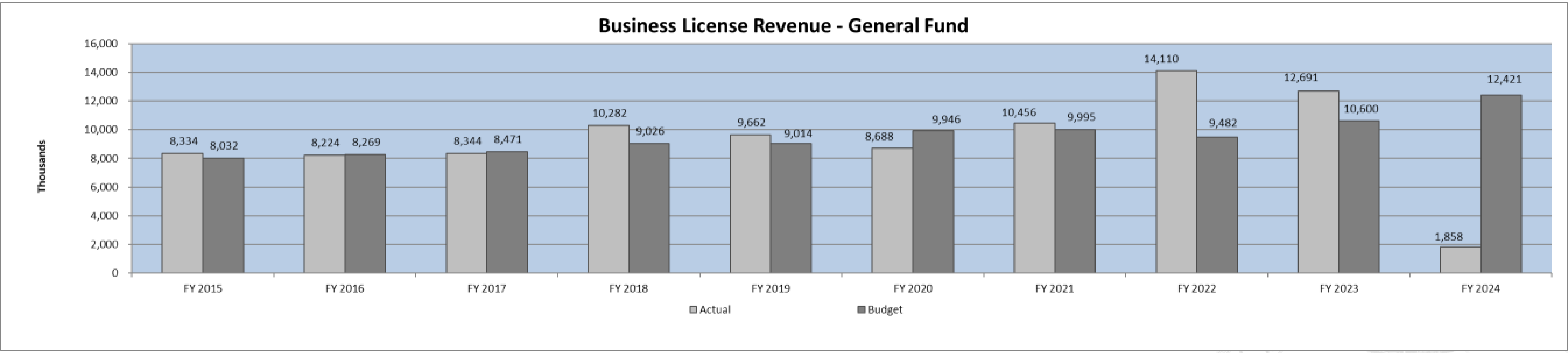
Interest Earned – All Funds

- Total Interest Earned in all funds, including LGIP interest, WF Securities Mark to Market adjustments, Treasury Notes, and Federal Agency Securities semi-annual, and Wells Fargo Bank interest and service charges totaled $4,468,609.92 for YTD FY 24

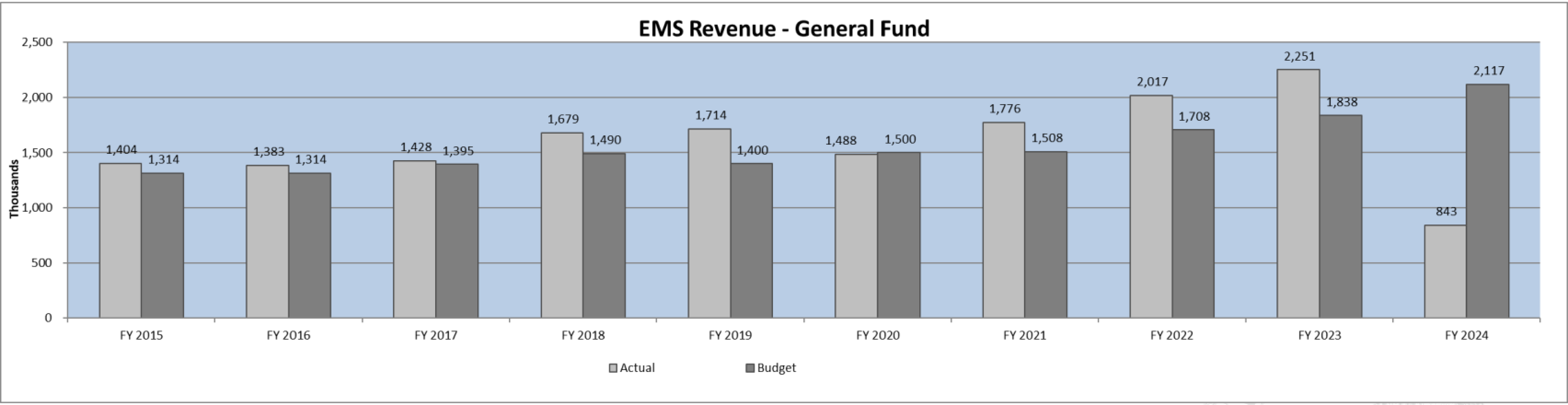
Ad Valorem Tax Revenue - General Fund						
Revenues by Month/Fiscal Year						
Fiscal Year	July	August	September	October	November	**Total**
2015	38,766	40,487	78,203	1,930	65,991	**225,377**
2016	54,378	56,645	44,580	242,654	1,035,837	**1,434,094**
2017	-	45,492	151,125	96,211	1,256,627	**1,549,455**
2018	-	50,808	137,351	72,190	234,127	**494,476**
2019	-	91,400	156,556	97,341	300,315	**645,612**
2020	-	78,876	117,043	77,560	219,771	**493,250**
2021	-	129,642	134,157	78,169	71,690	**413,658**
2022	-	123,150	130,348	88,593	196,604	**538,695**
2023	-	109,860	128,669	92,597	213,772	**544,898**
2024	-	82,227	125,358	101,124	210,816	**519,525**


Ad Valorem Tax Revenue- General Fund
Thousands
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
FY 2015
FY 2016
FY 2017
FY 2018
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024
11,894
11,811
12,647
12,949
12,972
12,950
14,134
13,473
14,391
13,841
15,423
15,127
15,925
15,386
16,372
15,760
17,216
16,023
520
16,942
Actual
Budget

Business License Revenue - General Fund						
Revenues by Month/Fiscal Year						
Fiscal Year	July	August	September	October	November	**Total**
2015	79,439	46,277	37,406	54,303	29,975	**247,400**
2016	27,568	80,864	36,572	29,088	27,176	**201,268**
2017	64,509	86,648	59,972	86,132	28,244	**325,505**
2018	67,290	30,256	20,838	28,558	18,345	**165,287**
2019	120,174	97,474	21,523	18,774	32,052	**289,997**
2020	66,795	70,285	28,064	22,083	18,401	**205,628**
2021	24,115	328,495	1,155,774	28,558	19,766	**1,556,708**
2022	87,288	1,720,313	62,727	16,434	33,564	**1,920,326**
2023	155,970	164,738	175,702	49,355	61,981	**607,746**
2024	422,122	98,915	1,065,622	244,951	26,523	**1,858,133**

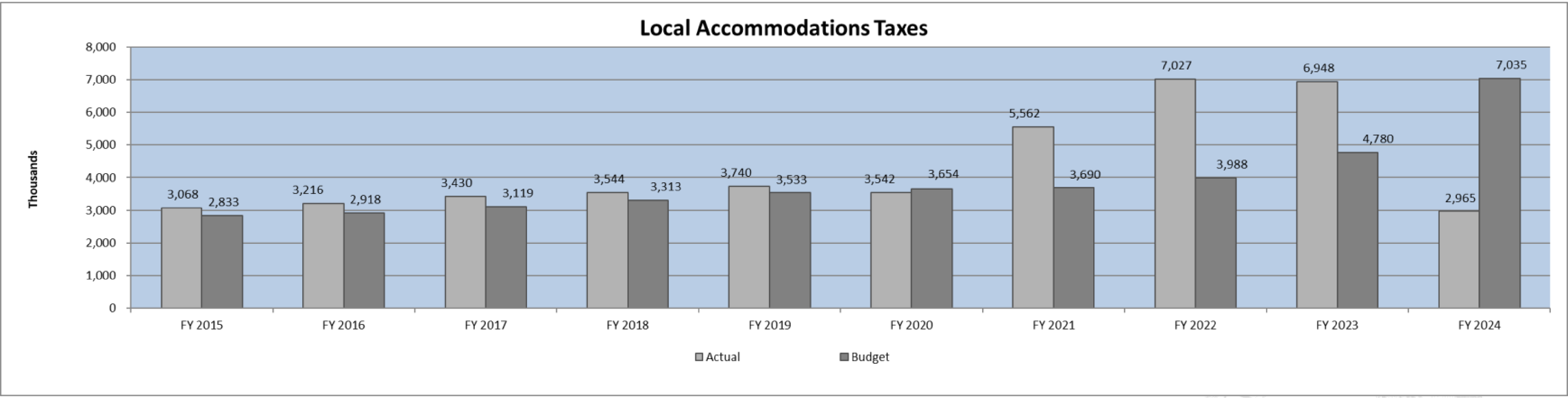

Business License Revenue - General Fund
Thousands
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
8,334
8,032
8,224
8,269
8,344
8,471
10,282
9,026
9,662
9,014
8,688
9,946
10,456
9,995
14,110
9,482
12,691
10,600
1,858
12,421
FY 2015
FY 2016
FY 2017
FY 2018
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024
Actual
Budget

EMS Revenue - General Fund						
Revenues by Month/Fiscal Year						
Fiscal Year	July	August	September	October	November	**Total**
2015	139,480	111,016	153,870	103,719	105,108	**613,193**
2016	145,913	131,219	149,176	139,828	87,393	**653,529**
						35%
2017	233,539	147,126	154,104	27,675	204,987	**767,431**
						30%
2018	227,954	169,694	44,667	127,532	99,611	**669,458**
						34%
2019	156,264	141,829	113,277	118,673	109,743	**639,786**
						36%
2020	99,463	245,680	73,682	176,650	22,233	**617,708**
						32%
2021	191,893	131,658	193,145	107,825	135,283	**759,804**
						32%
2022	254,063	188,742	168,576	117,394	109,493	**838,268**
						27%
2023	230,289	236,286	169,083	174,422	162,723	**972,803**
						35%
2024	169,625	238,513	159,824	242,230	33,226	**843,418**
						33%


EMS Revenue - General Fund
Thousands
2,500
2,000
1,500
1,000
500
0
1,404
1,314
1,383
1,314
1,428
1,395
1,679
1,490
1,714
1,400
1,488
1,500
1,776
1,508
2,017
1,708
2,251
1,838
843
2,117
FY 2015
FY 2016
FY 2017
FY 2018
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024
Actual
Budget

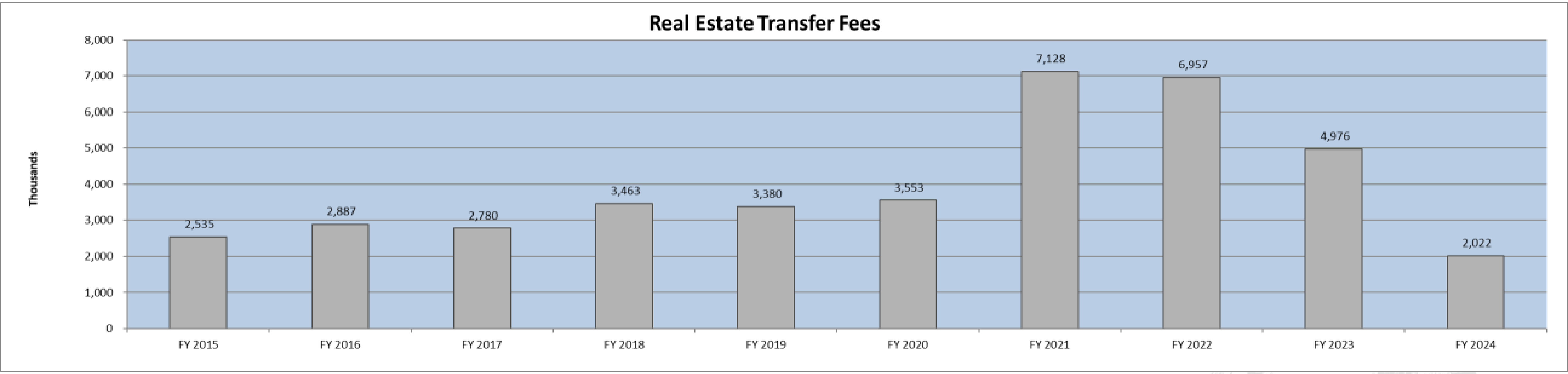
Local ATAX Revenue - General Fund
Revenues by Month/Fiscal Year

Fiscal Year	July	August	September	October	November	Total
2015	(614)	66,510	88,566	1,159,004	45,603	**1,359,069**
2016	(815)	67,305	56,154	1,229,155	57,316	**1,409,115**
2017	(2)	104,685	75,399	1,037,898	266,822	**1,484,802**
2018	121	81,067	50,523	1,274,638	60,517	**1,466,866**
2019	35	110,663	69,539	1,281,174	52,300	**1,513,711**
2020	12	129,431	89,668	1,329,949	77,316	**1,626,376**
2021	(172)	324,378	216,254	1,418,057	172,710	**2,131,227**
2022	(14)	441,439	295,412	2,002,671	162,533	**2,902,041**
2023	1,928	508,911	242,573	2,016,867	168,393	**2,938,672**
2024	(245)	558,108	247,272	1,996,743	163,316	**2,965,194**


Local Accommodations Taxes
Thousands
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
3,068
2,833
3,216
2,918
3,430
3,119
3,544
3,313
3,740
3,533
3,542
3,654
5,562
3,690
7,027
3,988
6,948
4,780
2,965
7,035
FY 2015
FY 2016
FY 2017
FY 2018
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024
Actual
Budget

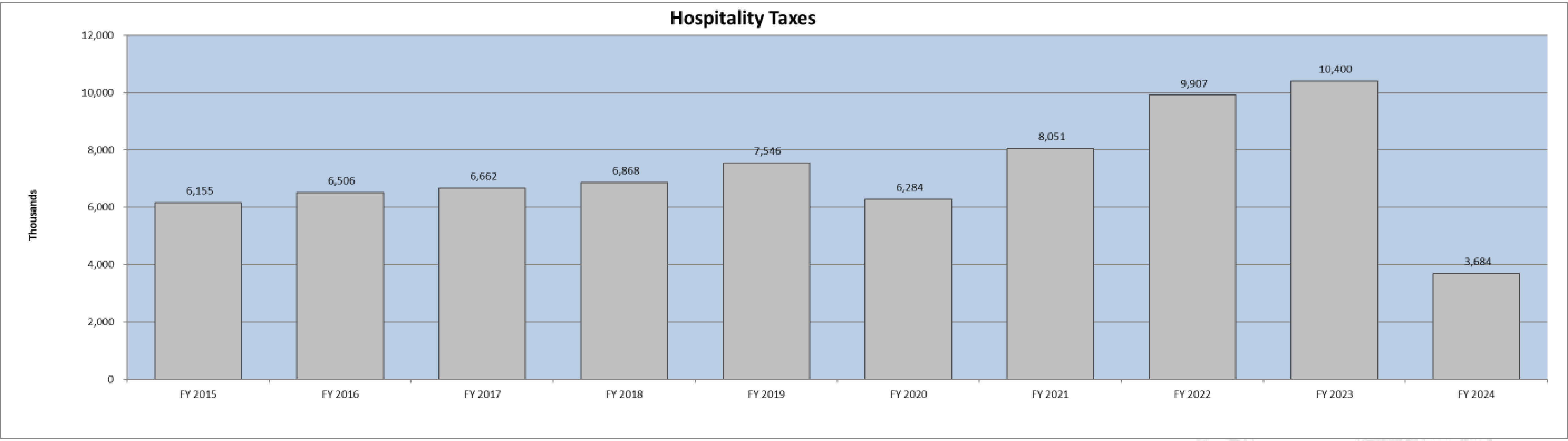
Real Estate Transfer Fee Revenue
Revenues by Month/Fiscal Year

Fiscal Year	July	August	September	October	November	Total
2015	221,317	199,496	188,301	253,080	150,389	**1,012,583**
2016	234,595	279,002	202,973	216,847	167,854	**1,101,271**
2017	211,072	245,654	244,422	174,911	178,434	**1,054,493**
2018	264,872	340,779	262,410	335,365	223,959	**1,427,385**
2019	296,001	313,882	206,316	320,404	263,233	**1,399,836**
2020	351,658	300,875	296,053	339,361	252,246	**1,540,193**
2021	507,895	633,339	590,226	704,857	555,031	**2,991,348**
2022	658,402	625,669	553,975	562,174	565,490	**2,965,710**
2023	502,466	382,365	499,057	432,972	354,800	**2,171,660**
2024	434,928	423,083	460,863	375,976	327,580	**2,022,430**


Real Estate Transfer Fees
Thousands
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
2,535
2,887
2,780
3,463
3,380
3,553
7,128
6,957
4,976
2,022
FY 2015
FY 2016
FY 2017
FY 2018
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024

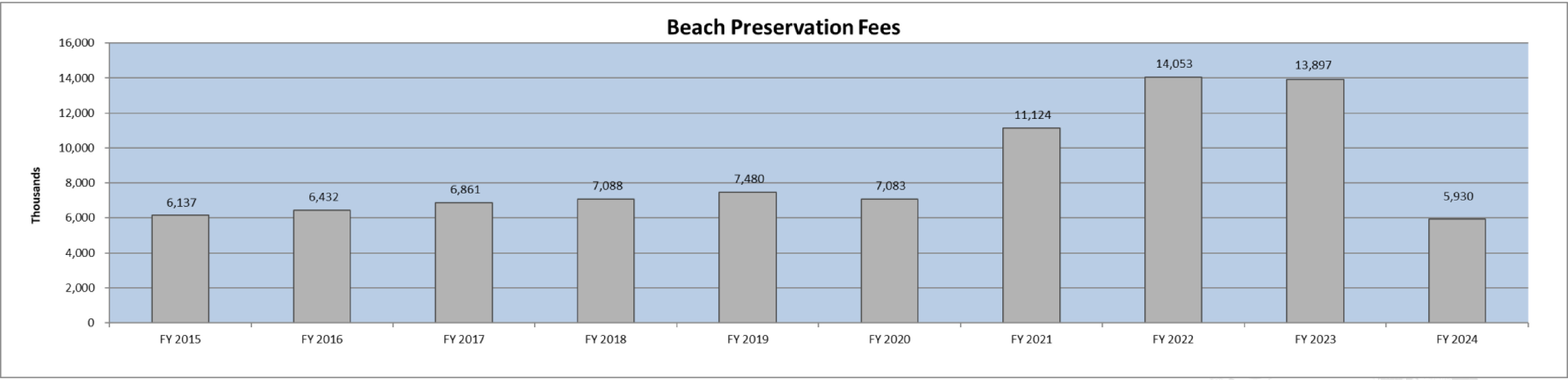
Hospitality Tax Revenue
Revenues by Month/Fiscal Year

Fiscal Year	July	August	September	October	November	Total
2015	-	263,460	250,552	1,376,186	210,948	**2,101,146**
2016	(2,451)	296,736	254,972	1,473,719	215,836	**2,238,812**
2017	(112)	307,641	266,071	1,280,180	386,522	**2,240,302**
2018	(1,896)	350,984	272,962	1,354,343	305,889	**2,282,282**
2019	(9,311)	519,830	311,840	1,442,824	308,357	**2,573,540**
2020	(1,966)	440,781	322,265	1,533,954	320,714	**2,615,748**
2021	(1,066)	479,724	302,201	1,465,205	353,444	**2,599,508**
2022	-	640,898	432,750	1,964,624	379,533	**3,417,805**
2023	-	678,986	420,270	2,000,402	434,292	**3,533,950**
2024	3,569	675,017	446,721	2,123,476	434,832	**3,683,615**


Hospitality Taxes
Thousands
12,000
10,000
8,000
6,000
4,000
2,000
0
6,155
6,506
6,662
6,868
7,546
6,284
8,051
9,907
10,400
3,684
FY 2015
FY 2016
FY 2017
FY 2018
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024

Beach Preservation Fee Revenue
Revenues by Month/Fiscal Year

Fiscal Year	July	August	September	October	November		Total
2015	(1,229)	133,020	177,134	2,318,006	91,207		**2,718,138**
2016	(1,630)	134,604	112,309	2,458,309	114,632		**2,818,224**
2017	(6)	209,371	150,800	2,075,794	533,645		**2,969,604**
					8%		
2018	241	162,135	101,045	2,549,276	121,035		**2,933,732**
2019	70	221,325	139,080	2,562,348	104,599		**3,027,422**
2020	24	258,863	179,335	2,659,898	154,633		**3,252,753**
2021	(344)	648,756	432,509	2,836,113	345,421		**4,262,455**
2022	(28)	882,878	590,824	4,005,343	325,065		**5,804,082**
2023	-	1,021,679	485,145	4,033,734	336,786		**5,877,344**
2024	(490)	1,116,704	494,055	3,993,487	326,632		**5,930,388**


Beach Preservation Fees
Thousands
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
6,137
6,432
6,861
7,088
7,480
7,083
11,124
14,053
13,897
5,930
FY 2015
FY 2016
FY 2017
FY 2018
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024

Comments or Questions?

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For More Information

Be sure to check the Monthly Statements and Annual Reports on the Town's website!

TOWN OF HILTON HEAD ISLAND

Finance and Administrative Committee

TO: Finance and Administrative Committee Members
FROM: Joshua Gruber, *Deputy Town Manager*
CC: Marc Orlando, *Town Manager*
DATE: January 2, 2024
SUBJECT: Consideration of Approval of a Sponsorship Agreement with the Heritage Classic Foundation for the 2024 RBC Golf Tournament

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RECOMMENDATION:

The Committee should review the proposed Sponsorship Agreement with the Heritage Classic Foundation for the 2024 RBC Golf Tournament Presented by Boeing and provide a recommendation to Town Council regarding its support for this Agreement.

BACKGROUND:

The Town has historically been a sponsor of the RBC Golf Tournament. With recent developments within the PGA TOUR, the 2024 Tournament has been designated as a "Signature Event" and will be one of eight Signature Events with limited field sizes on the 2024 PGA TOUR schedule. Each of the eight Signature Events will feature an increased $20 million purse, and five of the Signature Events, including the RBC Heritage, will feature a more limited playing but without players being cut.

On September 13, 2023 the Heritage Classic foundation wrote to the Town regarding a new Sponsorship Agreement for 2024. A copy of that correspondence is enclosed as Attachment 1. Due to the increased expenses of presenting a Signature Event, the Heritage Classic Foundation is requesting an increase in the Town's financial sponsorship from $298,509.71 in 2023 to $500,000 for this year's event. In exchange for this sponsorship, the Town will continue to receive recognition as a sponsor in many of the tournament's promotional materials. It has been estimated that the RBC Golf Tournament Presented by Boeing generates $102 million in economic impact each year. The 2023 Tournament also brought more than 101,000 event attendees to Hilton Head Island over the course of the week.

At its meeting on October 17, 2023, the Committee posed two questions to staff that required additional research. The first question was whether or not the Sponsorship requests of other entities were being increased for this year's event in addition to the Town. The second question was whether or not the Town could work with Heritage Classic Foundation on some of the television media that is provided by the CBS network during its televisions coverage of the event.

At its meeting on November 14, 2023, Mr. Simon Fraser, Chairman of the Heritage Classic Foundation, attended the meeting and addressed both of these questions. Mr. Fraser indicated that tournament sponsorship requests had increased and used the example of RBC as the presenting sponsor whose financial contribution to the tournament has doubled the amount it has been in previous years. Additionally, Mr. Faser indicated that tournament had a very good relationship with CBS and that they welcomed the participation of Town staff in working with CBS and the greater media at large leading up to the tournament to make sure that information regarding aspects of the Island that the Town wishes to highlight is provided to these entities for their use.

Also discussed at the November 14, 2023 Finance and Administrative Committee meeting was a request from Committee members to have a better understanding of the Tournament's increased expenses and any corresponding increases in sponsorships that are being sought in addition to what is being requested from the Town. A copy of that information is enclosed as Attachment 3. The Committee also asked if the Tournament could provide the Town with authorization to place a tent placed outside of the tournament, but within the area of Harbour Town, that could be utilized for official town purposes associated with providing public education. This request was received favorably with additional details to be worked out closer to the tournament dates.

CONCLUSION:

The Committee should review the 2024 Sponsorship Agreement with the Heritage Classic Foundation, for the RBC Golf Tournament Presented by Boeing enclosed as Attachment 2 and provide a recommendation to the Town Council.

ATTACHMENTS:

1. Simon Fraser Letter of September 13, 2023
2. 2024 RBC Heritage Presented by Boeing Sponsorship Agreement
3. 2024 RBC Heritage Tournament Expenses

Heritage Classic Foundation

Championing charities. Lifting lives.

September 13, 2023

Mr. Marc Orlando
Town Manager
Town of Hilton Head Island
1 Town Center Court
Hilton Head Island, SC 29928

Dear Marc,

I am writing you on behalf of the Heritage Classic Foundation for a couple of reasons. First is to thank the Town of Hilton Head Island for its support over the last twelve years, monetarily and otherwise. We feel our relationship with the Town has never been better and is the envy of all other PGA TOUR tournaments. Please convey our appreciation to the Town Council and all staff.

As you know, the RBC Heritage Presented by Boeing has been selected as a PGA TOUR Signature Event in 2024. Being a Signature Event will even further increase viewership of the telecast and entice new fans and sponsors from around the country and world. Our 2023 tournament was already one of the highest-rated telecasts across the entire 2022-23 PGA TOUR season that just ended with the TOUR Championship this past August. Expectations for 2024 are set incredibly high, climbing higher every day.

Becoming a Signature Event means being tasked to provide an enhanced experience for our patrons, sponsors and PGA TOUR professionals. While we believe the tournament has been elevated for many years, there are things we expect to enhance going into 2024 which will require spending more money. We do, therefore, respectfully request the Town to consider increasing its supporting sponsorship to an amount of $500,000 for 2024. The additional funding will help provide a better experience ranging from transportation, security, and tournament operations for everyone on-site, in addition to aiding in our marketing budget which in turn benefits all of Hilton Head Island.

Again, we thank the Town for its past and continued support. Let me know if you need anything further from Steve Wilmot and the tournament staff or from me to consider this request.

We look forward to working with the Town as we prepare for the 2024 RBC Heritage Presented by Boeing, which we expect will be our best tournament to date.

Kindest Regards,

Simon Fraser
Chairman
Heritage Classic Foundation

71 Lighthouse Road | Suite 4200 Hilton Head Island, SC 29928 Phone: (843) 671-2448 HeritageClassicFoundation.com

TOWN OF HILTON HEAD ISLAND BEAUFORT COUNTY, SOUTH CAROLINA

2024 RBC Heritage Presented by Boeing Sponsorship Agreement

TOWN OF HILTON HEAD ISLAND

RBC Heritage Presented by Boeing
April 15-21, 2024

THIS AGREEMENT made this _____day of ________________, 2023, by and among HERITAGE CLASSIC FOUNDATION (hereinafter referred to as "Heritage"), a South Carolina not-for-profit corporation and the TOWN OF HILTON HEAD ISLAND (hereinafter referred to as "TOWN").

WITNESETH

WHEREAS, Heritage contracts annually with the PGA TOUR, Inc. (hereinafter sometimes referred to as "PGA TOUR") to conduct a PGA TOUR sanctioned golf tournament known as the RBC Heritage Presented by Boeing (the "Tournament") on the Harbour Town Golf Links (the "Golf Course") in Sea Pines Resort, Hilton Head Island, South Carolina, such contracts to be hereinafter referred to as the "PGA TOUR Agreement";

WHEREAS, the Tournament provides significant economic impact and publicity to the Town of Hilton Head Island and;

WHEREAS, TOWN desires to become a non-named sponsor of the Tournament under the terms and conditions set forth herein.

NOW, THEREFORE for valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the parties hereto agree as follows:

1. The above WHEREAS clauses are hereby incorporated into the body of this agreement.

2. ***DURATION***

The Agreement shall begin upon the date of signing of this agreement and concluding December 31st, 2024; provided, however, in the event Heritage enters into an agreement with a title sponsor or with a title and presenting sponsor for more than one year, then the term shall be the same as that in the title/presenting sponsor agreements but not beyond 2024.

3. ***TOURNAMENT NAME AND LOGO***

The Tournament shall be known as the "RBC Heritage Presented by Boeing." As a condition of its association with the Tournament, TOWN is hereby required to refer to the Tournament solely as the "RBC Heritage Presented by Boeing" and to only use the OFFICIAL logo as supplied by the Tournament in any promotional or advertising materials wherein the Tournament is mentioned. **Promotional materials must be approved by the Heritage Classic Foundation before they are put into use, that include OFFICIAL Tournament mention. Such materials must be sent to the Heritage for approval at least 48 hours prior to scheduled production.**

Heritage reserves the right to change the name of the Tournament and the official logo. If a change is made, TOWN agrees to refer to the Tournament by the new name and to use the new name from the date of being notified by Heritage of a change in name or official logo.

4. ***PRIVILEGES***

Heritage accepts and designates TOWN as an Official sponsor of the Tournament for the term of this agreement.

Heritage will provide or cause to be provided to TOWN the following, upon request and without cost, for the use by TOWN personnel and their guests:

a) TOWN will receive an upper tier logo placement in the Official Pairings Guide, Wednesday through Sunday of Tournament week;

b) TOWN will receive one (1) full page four (4) color ad in the Official Pairings Guide;

c) TOWN will receive a listing and link on the official website www.rbcheritage.com;

d) TOWN will receive a listing on the Tournament's Official video boards, Tuesday through Wednesday of Tournament week;

e) TOWN will receive an upper tier placement on the year-round Sponsor Board;

f) TOWN will receive a listing in the Official Media Guide;

g) TOWN will provide the Official Welcome Message on the Bus DVD's and placement of one (1) thirty (30) second commercial ad within the running time on the video boards located on the Heritage Lawn.

5. ***FEE***

TOWN agrees to pay Five Hundred Thousand Dollars ($500,000) due no later than April 1, 2024. The sponsorship fee for the Privileges listed in Item #4 above will support the operational needs of the Tournament, including but not limited to transportation and marketing. Further, this contract may be terminated and all the rights and privileges under this Agreement shall be forfeited if payment of the Sponsor fee is not paid within ten (10) days of being given written notice by Heritage that the Sponsor fee has not been paid. In addition to the forfeiture of all privileges, a default under this Agreement which is not timely cured shall also result in the forfeiture of all money paid to date as liquidated damages. Time shall be of the essence regarding the provisions of this section.

6. ***INDEMNIFICATION***

Heritage agrees to hold harmless TOWN, its subsidiaries, successors and assigns from and against all claims, damages, issues and expenses including reasonable attorneys' fees, arising out of or resulting from the Tournament or any of its related activities, provided that any such claims, damages, loss or expense (1) is attributed to bodily injury or property damage, and (2) is caused in whole or in part by any negligent act or omission of Heritage and not proximately caused in whole or in part by TOWN.

TOWN agrees to hold harmless Heritage, from and against all claims, damages, issues and expenses, including reasonable attorney's fees, arising out of or resulting from TOWN use of the Tournament facilities and the skybox/tent or its related activities, provided that any such claims, damages, loss or expense (1) is attributable to bodily injury or property damage, or claims by suppliers, guest, or third parties of TOWN; and (2) is caused in whole or in part by any negligent act or omission of TOWN and not proximately caused by Heritage. Sponsor must show proof of insurance with a Certificate of

Insurance supplied to the Tournament prior to March 31, 2024 with a minimum of $1,000,000 in Liability coverage per occurrence. The Tournament in turn will insure Sponsor under the Tournament's umbrella policy.

7. ***WARRANTIES AND REPRESENTATIONS***

(a) For the term of this Agreement, Heritage warrants and represents to TOWN:

(i) Heritage has the authority to enter into this Agreement and has obtained all permissions and consents necessary to fulfill Heritage's obligations under this Agreement;

(ii) The Tournament will be sanctioned as a scheduled event on the PGA TOUR and televised live by The Golf Channel and CBS;

(iii) Heritage has a valid cosponsor Agreement with the PGA TOUR for the Tournament;

(iv) The Tournament will be held principally to raise proceeds for charity and a substantial majority of Tournament personnel will be volunteers.

8. ***CANCELLATION OF THE TOURNAMENT***

In the event the Tournament or portions of the Tournament are cancelled due to inclement weather or other event (such as acts of God, earthquakes, tornadoes, hurricanes, malicious mischief, flood, insurrections, riots, labor disturbances, public enemy/terrorist activity, war, epidemics, pandemics, explosives, court orders or injunctions beyond the reasonable control of Heritage) during the Tournament or within thirty (30) days prior to the Tournament, Heritage shall have no obligation to refund any portion of the fee paid by TOWN to date.

Should TOWN cancel the Agreement at any time the following cancellation percentage will apply:

- Signing of Agreement to 120 Days of Tournament: 25% of Fee retained by Heritage
- Signing of Agreement to 90 Days of Tournament: 50% of Fee retained by Heritage
- Signing of Agreement to 60 Days of Tournament: 75% of Fee retained by Heritage
- Signing of Agreement to 30- 0 Days of the Tournament: 100% of Fee retained by Heritage

The cancellation percentage will also apply to multiple year Agreements.

9. ***MISCELLANEOUS***

(a) No person not a party to this Agreement shall have any equitable or other rights by virtue of this Agreement.

(b) If any term or provision of this Agreement should be determined to be invalid or unenforceable, such term or provision shall, if possible, be changed to the most minor extent necessary to make it valid and enforceable and to carry out the intent of the parties. In such event, all remaining terms and provisions of this Agreement shall remain in full force and effect with such change or without the effected term or provision, as the case may be.

(c) This Agreement constitutes the entire agreement of the parties and supersedes all prior written and all contemporaneous oral agreements, understandings, and negotiations between the parties.

(d) This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same documents.

(e) This Agreement and any rights herein granted are personal to the parties hereto, and shall not be assigned, sublicensed, encumbered, or otherwise transferred by any party without the prior written consent of the parties. Any attempt at volatile assignment, sublicense, encumbrance, or other transfer, whether voluntary or by operation of law, shall be void and of no force and effect.

(f) Failure of any party to complain of any act or omission on the part of any other party, no matter how long the same may continue, shall not be deemed to be a waiver by any party of its rights under this Agreement.

(g) This Agreement shall be binding on the parties hereto, their successors, assigns and legal representatives.

(h) Notice by any party is deemed given when personally delivered or mailed, postage prepaid, addressed to the other parties at the address appearing below.

(i) In the event either party must resort to litigation to protect or enforce its rights hereunder, the prevailing party is entitled to recover its reasonable attorney's fees and costs.

HERITAGE CLASSIC FOUNDATION	Simon Fraser, Chairman Heritage Classic Foundation Post Office Box 3244 Hilton Head Island, SC 29928

TOWN OF HILTON HEAD ISLAND

(name)______________________________________

(company)____________________________________

(address)_____________________________________

(city, state, zip) __________________________________

WITNESSETH WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

WITNESSES: ***HERITAGE CLASSIC FOUNDATION***

____________________ By:____

Its: ______________________________________

Date: ________________ Date: ________________

WITNESSES: ***TOWN OF HILTON HEAD ISLAND***

______________________ By:____

Its: ______________________________________

Date: ________________ Date: ________________

Attachment 3

2024 RBC HERITAGE PRICING

PRODUCT	2023 Price	2024 PRICE	% Increase	NOTES
TICKETS				
Grounds Tickets (Tuesday - Wednesday)	$ 25	$ 25	0%	
Grounds Tickets (Thursday - Sunday)	$ 75	$ 100	33%	
SHARED HOSPITALITY				
Calibogue Club (Thursday - Sunday)	$ 350	$ 500	43%	
Lighthouse Club (Thursday - Sunday)	$ 275	$ 400	45%	
Doc's At 15 (Thursday - Sunday)	$ 200	$ 300	50%	
Ultimate Patron Pass (Thursday - Sunday)	N/A	$ 1,000		
PRIVATE HOSPITALITY				
18th Green Skybox - Upstairs Behind Green	$ 60,000	$ 75,000	25%	
18th Tee Tent	$ 28,500	$ 32,500	14%	
17th Green Skybox	$ 40,000	$ 45,000	13%	
16th Green Skybox	$ 28,000	$ 35,000	25%	
15th Green Skybox	$ 27,500	$ 32,500	18%	
13th Green Skybox	$ 21,000	$ 24,500	17%	
10th Green Chalet	$ 20,000	$ 22,500	13%	
9th Green Skybox	$ 24,500	$ 27,500	12%	
8th Green Cabana	N/A	$ 20,000		
9th Green Cabana	$ 17,500	$ 20,000	14%	
16th Green Cabana	$ 18,500	$ 21,000	14%	
PRO-AMS				
Monday Pro-Am (Foursomes)	$ 20,000	$ 20,000	0%	
Wednesday Pro-Am (Foursomes)	$ 30,000	$ 40,000	33%	

Heritage CLASSIC FOUNDATION

heritageclassicfoundation.com
843.671.2448

2019 RBC HERITAGE PRESENTED BY BOEING
ECONOMIC IMPACT STUDY

EXECUTIVE SUMMARY

The Heritage Classic Foundation hired Clemson University's Department of Parks, Recreation, and Tourism Management in partnership with USCB to conduct a study to determine the economic impacts of the 2019 RBC Heritage presented by Boeing. During the week of the event, researchers collected data on spending, trip characteristics, marketing, satisfaction with the tournament experience, and demographics from spectators using an iPad-based survey. Over 2200 surveys were completed. An estimate of the economic impact of the tournament was generated using IMPLAN. It is estimated that the economic effects and output (including indirect and induced effects) generated by the 2019 RBC Heritage presented by Boeing were $102 million in total output, 1,131 jobs supported by that economic activity, and $6.72 million generated in state and local tax revenues.

DEMOGRAPHICS

Tournament Attendance:	40.81% 1-2 years (28.8% first time attendees); 21.4% 3-5 years; 16.98% 6-10 years; 11.69% 11-20 years; .5% reported that they have attended the tournament all 51 years
Residence:	43.18% Beaufort County; 20.49% SC outside Beaufort; 33.63% US outside SC; 2.7% International
Gender:	43% female, 57% male
Average Age*:*	53 years old
Income:	57.86% over $100,000/year (31.57% reported incomes of over $150,000/year
Education:	75.37% have completed at least a Bachelor's degree (32.45% Master's or higher)

SATISFACTION

94.58% of respondents indicated they were Satisfied/Very Satisfied with their overall tournament experience

VISITOR PROFILE

Primary Purpose of Trip*:*	84.33% vacation; 7.8% Business; 7.87 Both
Accommodation Location:	69.51% stay on Hilton Head Island; 13.3% stay Elsewhere in Beaufort County
Likelihood of Return Trip:	90.85% indicated they are Likely/High Likely to make a return trip to Hilton Head Another Time of Year
Tournament Attendance:	58.61% attend the tournament 1-2 days; 41.39% attend 3 or more days
Trip Length/Nights Stayed:	Average night stay is 5.33 nights

Heritage
CLASSIC FOUNDATION

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843.671.2448

(Page Two)

SPENDING

Average Expenditure: $672.70 spent per person

Estimate of Total Visitor Expenditures:

Lodging	$19.26m
Dining	$19.56m
Retail	$15.87m
Entertainment	$ 9.62m
Transportation	$ 3.20m
Miscellaneous	$ 6.50m
Other Major Purchases	$ 1.70m
TOTAL:	*$75.71m*

Heritage Classic Foundation Spending: *$ 4.88m*

Estimate of Total Direct Spending: *$80.59m*

ECONOMIC IMPACT/CONTRIBUTION

Impact Type	Employment	Output
Direct Effect	877.1	$65.26m
Indirect Effect	121.4	$18.92m
Induced	133.2	$17.82m
Total	***1,131***	***$102m***
State and Local Tax Revenues	***$6.72m***	

Definitions:
Direct Effect – impact of direct spending
Indirect Effect – expenditures by suppliers
Induced Effect – expenditures by employees
Total Output – combined direct, indirect, and induced effects

71 Lighthouse Road, Suite 4200, Hilton Head Island, SC 29928

TOWN OF HILTON HEAD ISLAND

Finance and Administrative Committee

TO:	Finance and Administrative Committee Members
FROM:	Joshua Gruber, *Deputy Town Manager*
CC:	Marc Orlando, *Town Manager*
DATE:	January 2, 2024
SUBJECT:	Consideration of a Resolution Approving a Memorandum of Understanding with the Coastal Community Development Corporation

RECOMMENDATION:

The Committee should review the proposed Memorandum of Understanding with the Coastal Community Development Corporation and if it is supportive of providing funding to this organization for the purposes of providing workforce housing, what terms and conditions must be set forth concerning the manner in how this funding will be utilized.

BACKGROUND:

The Town was contacted by representatives of the Coastal Community Development Corporation (CCDC), a South Carolina nonprofit corporation, requesting funding in the amount of $600,000 that would allow the organization to pursue the acquisition of various condominium units located on Hilton Head Island. These units would be utilized to provide dedicated affordable workforce housing.

The CCDC has stated that its goal is to increase the availability of homes for the local and regional workforce by preserving existing housing, redeveloping existing property and developing new property to meet the demand of our region while serving working residents. To accomplish this, the organization would purchase various condominiums and villas that would become available on the open market, acquire them, and record restrictive covenants that would limit the Area Median Income (AMI) requirements that could be applied to any rental of the property.

ANALYSIS:

The CCDC made an initial presentation to the Town's Finance and Administrative Committee on August 15, 2023. At the conclusion of this meeting, staff was asked to prepare a Memorandum of Understanding that would outline the various roles and responsibilities of the parties would agree to perform should the Town authorize the requested funding. Staff worked with representatives of the CCDC to create this document and a copy was provided to all members of the Committee in advance of its December 18, 2023 meeting.

At this meeting, there were several requested revisions to the draft document. Those revisions included the following:

- Clarification that the AMI ranges identified in the MOU would not be less than 30% nor greater than 120%.

- A provision was inserted to state that monthly rents will not exceed 30% of the monthly household income of any applicant selected for unit occupancy.

- Added an indemnification provision for any liability arising under the Memorandum.

- Added language requiring submission of restrictive covenants as part it annual plan/funding request.

- Added language requiring active employment on Hilton Head Island as an express condition for selection to occupy any workforce housing unit.

- Removed language regarding the development of workforce housing and restricted use of funds to acquisition of existing residential or multi-family housing units.

- Added language to prohibit providing a preference to housing applicants based upon their employer or the nature of their employment.

- Added language requiring the reinvestment of the proceeds from the sale of any unit acquired under this Memorandum into a comparable workforce housing unit.

A copy of the revised Memorandum inclusive of these amendments is included as Attachment 1.

CONCLUSION:

The Committee should review the revised Memorandum of Understanding with the Coastal Community Development Corporation and determine if it is supportive of this funding request. If it is, then any corresponding amendments to the Memorandum of Understanding should be included in the recommendation that is sent to the Town Council for its consideration.

ATTACHMENTS:

1. Draft Memorandum of Understanding with the Coastal Community Development Corporation (Revised)
2. CCDC Presentation Materials

3. CCDC 2023 13 Unit Purchase Model
4. CCDC Villa Purchase Model
5. CCDC 2023 AMI & Rent Schedule
6. CCDC Rental Guidelines
7. Critical Path Timeline on Use of State Accommodation Tax Funds
8. State A-Tax Availability Summary

STATE OF SOUTH CAROLINA)
) MEMORANDUM OF UNDERSTANDING
COUNTY OF BEAUFORT)

This Memorandum of Understanding ("Agreement") is entered into this _____ day of __________________, 2023, by and between the Town of Hilton Head Island ("Town"), a South Carolina Municipal Corporation, and the Coastal Community Development Corporation ("Coastal"), a South Carolina nonprofit corporation. When referred to jointly, these entities shall be referred to as the "Parties."

WHEREAS, the Town is committed to fostering a strong sense of community and well-being for all of its residents through the creation of affordable workforce housing; and

WHEREAS, within *Our Plan*, the Town of Hilton Head Island's Comprehensive Plan, the Town has identified a specific goal of encouraging the development of workforce housing and home ownership through effective incentives; and

WHEREAS, one of the strategies identified within Comprehensive Plan is to support programs that are aimed at increasing workforce housing availability similar to the program that is offered by the Coastal Community Development Corporation; and

WHEREAS, Coastal is dedicated to the acquisition of affordable workforce housing and has presented a plan whereby it would acquire existing residential units on Hilton Head Island and restrict their future occupation and use to established affordable housing criteria; and

WHEREAS, both parties acknowledge the need for an effective partnership between the Town and Coastal to facilitate the acquisition of affordable workforce housing within the municipal limits of Hilton Head Island.

NOW, THEREFORE, for and in consideration of the mutual promises, undertakings, and covenants set forth herein, the receipt and sufficiency of which is acknowledged and affirmed by both the Town and Coastal, the Parties do hereby agree as follows:

1. **Governing Document**

It is the intent of the parties that this Memorandum shall only govern circumstances wherein the Town has provided funding to Coastal for the purposes of acquiring affordable workforce housing units.

2. **Funding**

The Town will consider an annual financial contribution to Coastal through its Affiliated Agency funding process to support the acquisition of land, the creation of affordable workforce housing, and the oversight and management of the same. The balance of any capital or operating funding that may be necessary to accomplish this purpose above and beyond any amount appropriated by the Town shall be raised by Coastal from sources other than what has been provided by the Town through its Affiliated Agency funding.

Nothing in this document, or the Affiliated Agency funding process shall be deemed to require the Town to continue the Affiliated Agency funding process, or to otherwise be deemed a commitment of the Town to provide any future funding. The use of funding identified in this Memorandum is conditioned upon the Town taking such actions as may be necessary in order to satisfy the requirements outlined in Act 57 of 2023.

3. **Roles and Responsibilities**

A. Coastal's Obligations:

i. Approval of Plan and Budget. Prior to awarding any funding identified under this Agreement, Coastal shall submit annually through the Town's Affiliated Agency program. Among other program requirements, this submission shall include a detailed plan (the "Plan") and budget (the "Budget") for the acquisition of workforce housing for which this funding will be utilized. The Town will provide Coastal with access to its staff to assist in the development of both the Plan and the Budget should it request such support.

ii. Use of Funding. Coastal may only use the above referenced funding for the purposes of acquiring single and/or multi-family workforce housing units within the municipal boundaries of Hilton Head Island.

iii. Maintenance Plan. Within its Plan, Coastal shall provide information outlining how the affordable workforce housing units acquired with the use of the Town's funding will be maintained in accordance with generally accepted maintenance standards. Coastal shall also identify how applicants will be screened and ultimately selected to own and/or occupy any units created under this Agreement. These screening and selection criteria shall include a mandatory requirement that at least one or more members of a household that qualifies to acquire any units created under this Memorandum shall be actively employed within the municipal boundaries of the Town of Hilton Head Island at the time that they are qualified and selected for such unit.

iv. Selection of Tenants. Coastal shall offer the workforce housing units created or acquired under this Memorandum to any qualified individual meeting the terms and conditions outlined herein and shall not grant any preference to applicant based upon the identity of their employer or nature of their employment on Hilton Head Island. When requested, Coastal shall provide the Town with written documentation identifying how it is conducting its application and selection process and shall include detailed information on its review and qualification of such applications. This information shall also include a detailed list of the individuals selected as tenants of any workforce housing units and the waiting lists, if any, that it may maintain for future units.

v. Income Requirements. Within its submitted Plan, Coastal shall identify the Area Median Incomes ("AMI") applicable to the affordable workforce housing units that it seeks to create under this Agreement. The rental or conveyance of any workforce housing homes created under this Agreement shall not be less than 30% nor greater than 120% of the AMI applicable to Hilton Head Island, South Carolina without the express prior written approval by the Town. Additionally, the monthly rental amount to be charged on any unit that is created or acquired under this program shall not exceed thirty percent (30%) of the total household income identified at the time or qualification for such unit.

vi. Ongoing Affordable Nature of Housing Units. Within its submitted Plan, Coastal shall identify the nature and extent to which the affordable workforce housing units it seeks to create under this Agreement shall be maintained and the duration of time, expressed in years, that it will ensure that the affordability standards for these units are maintained as stated in its submitted Plan. Coastal shall provide the Town with copies of the restrictive covenants that will be created for these purposes which shall be provided as part of Coastal's annual Plan and Budget submission. Additionally, within the submitted Plan, any units acquired and/or created under this agreement shall be documented as being restricted from use as a short-term rental during any period of time to which the unit is limited to workforce housing purposes.

vii. Limitations on sale. No units acquired or created under this agreement shall be sold by Coastal without the express written consent of the Town. The proceeds of any such units that are authorized for sale shall be reinvested into acquiring comparable workforce housing units.

viii. Annual Report. Coastal shall prepare and submit an annual report to the Town identifying the manner in which any funding that it has received by the Town was utilized, the outcomes that it has created to support the acquisition of workforce housing on Hilton Head Island, and any performance metrics that may be that may be necessary to evaluate the overall effectiveness that this funding has had in addressing workforce housing issues on Hilton Head Island.

ix. Insurance. Coastal shall provide a Certificate of Insurance covering all activities necessary in the carrying out of acquiring real property, and/or during any occupancy of either single and/or multi-family workforce housing units within the municipal boundaries of Hilton Head Island. The Town shall be named as an additional insured within this document. The insurance policies required by this agreement shall include:
   a. Fire insurance with limits equal to the replacement cost of any structure covered by this agreement;
   b. General liability insurance with limits of no less that $1million

x. Indemnification. Coastal shall defend, indemnify, and hold harmless the Town, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses, and/or damages, including attorney's fees, whether incurred prior to the institution of litigation, during litigation, or on appeal arising out of or resulting from the conduct of any activity hereby authorized or the performance of any requirement imposed pursuant by this Agreement, however caused or occasioned, unless caused by the willful misconduct or gross negligence of the Town.

B. Town's Obligations

i. Staff Support: The Town will provide Coastal with access to its staff to support its activities provided for under this Agreement.

ii. Processing of Permits. The Town agrees to work with Coastal to expeditiously process any requests that it may submit for the renovation or repair of any residential units that it acquires or maintains, and the building permits associated with any workforce housing units provided for under this Agreement.

4. **Specific Obligations**

Because of the unknown nature of future Plans and Budgets that may be submitted by Coastal, as a condition of any funding that may be awarded to Coastal through the Affiliated Agency funding process, the Town may require additional obligations that shall be consistent with both the Plan and Budget approved by the Town Council. Any such specific obligations will be incorporated via separate agreement and shall identify the nature and scope to which such specific obligations shall apply.

5. **Claw Backs and Dissolution**

In the event Coastal materially breaches this Agreement, the Town reserves the right to claw back the entirety of the Grant funds, or a portion thereof, that it has provided to Coastal. Additionally, should any funding awarded under this Agreement not be utilized pursuant to the terms and conditions outlined herein, or any additional specific obligations that may be associated with any such award, then Coastal agrees to refund any such funding to the Town upon the receipt of a written demand by the Town to return such funding.

Should at any time in the future Coastal cease to exist or otherwise operate as a South Carolina nonprofit corporation, Coastal's assets shall be transferred to another similar entity, with the consent of the Town, who shall assume the ownership and responsibilities for the residential units outlined within this agreement and shall continue their occupation, maintenance, and management of these units under the same terms and conditions outlined herein or in any corresponding Plan or Budget that has been approved by the Town Council. Should a sufficient successor organization not be identified, the Town shall have the right to assume the ownership and responsibility for these units under the same terms and conditions outlined herein or in any corresponding Plan or Budget that has been approved by the Town Council.

6. **Notices**

All notices required under this Memorandum shall be deemed to have been given if in writing and

1. delivered personally; or

2. mailed first class, postage prepaid, to the address of record set forth below, in which case delivery shall be deemed to have occurred two calendar days after the date of postmark.

COASTAL COMMUNITY DEVELOPMENT CORPORATION
Executive Director
1000 Main Street Suite 100-B
Hilton Head Island, South Carolina 29926

TOWN OF HILTON HEAD ISLAND
Town Manager
One Town Center Court
Hilton Head Island, SC 29928

The address of record may be changed by written notice to the other party.

7. Term

The term of this Memorandum of Understanding shall be for a period of five (5) years from the date of its execution. No less than one hundred and eighty (180) days prior to the conclusion of this Memorandum, the Town and Coastal shall meet to discuss any extensions, modifications, or terminations of the same. Changes to this Agreement may be made only with and by the mutual written consent of both Parties. This Agreement and any future requests for funding that are contemplated herein are subject to an annual budget appropriation by the Town Council as part of its Affiliated Agency funding program.

8. Termination

In addition to any other rights of termination set forth in this Memorandum, each party shall have the right to terminate this Memorandum, by written notice to the other party, if the other party is in default of any term or provision of this Memorandum, and the defaulting party fails to cure or correct such default within fourteen (14) days of notice thereof from the non-defaulting party. A party may elect to disregard a default for the period of time without waiving its right to declare a default at a subsequent time or upon reoccurrence of the default. Additionally, either of the Parties may elect to terminate this Agreement for convenience by written notice to the other party, thirty (30) days in advance of such termination.

(SIGNATURE PAGES FOLLOW)

IN WITNESS WHEREOF, Coastal has caused this Agreement to be signed and sealed this
______ day of __________________________, 20_____.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:	**COASTAL COMMUNITY DEVELOPMENT CORPORATION**
______________________________	By:_________________________________ Executive Director
	Attest:______________________________
	Print Name:__________________________

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGEMENT**
COUNTY OF ______________________)

I, the undersigned Notary Public, do hereby certify that _________________________ and

______________________________ personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the Coastal Community Development Corporation.

Witness my hand and seal this _____ day of _____________________, 20_____.

Notary Public for South Carolina
My Commission Expires:__________

IN WITNESS WHEREOF, the Town has caused this Agreement to be signed and sealed this ______ day of __________________________, 20_____.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:	**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**
____________________________________	By:____________________________ Alan Perry, Mayor
	Attest:_________________________ Marc Orlando, ICMA~CM Town Manager

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGEMENT
COUNTY OF BEAUFORT)

I, the undersigned Notary Public, do hereby certify that Alan Perry and Marc Orlando personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the Town of Hilton Head Island, South Carolina.

Witness my hand and seal this _____ day of_____________________, 20_____.

Notary Public for South Carolina
My Commission Expires: __________

Coastal Community Development Corporation

501c3 Non-Profit Overview

8/15/23

coastal community development corporation

https://ccdc-sc.org/

WHO We Are

2

Organizational Design - Governance

- 501c3 Non-Profit Organization
- 7 Member Board of Directors to oversee the strategy and implementation of non-profit work
  - Board Chairman: Alan Wolf - President, SERG Restaurant Group
  - Kim Likins –Director, Boys & Girls Club of Hilton Head Island
  - Ken Campbell – Entrepreneur, Founder Planned Development Co.
  - Geoff Block – Entrepreneur, Manager RLB Squared Development
  - Timothy Zwerner – Partner, Burr-Forman LLP Law Firm
  - Tony Alfieri – Retired RBC Managing Director of LIHTC
  - Dave Wetmore – Retired Investment Banker, Venture Capitalist, Public Co CEO & CPA
- Advisory Board of community and regional leaders for development

ccdc
coastal
community
development
corporation

WHAT

we are doing.

Coastal Community Development Corporation Mission

The Coastal Community Development Corporation (CCDC) seeks to increase the availability of homes for our local and regional workforce by preserving existing housing, redeveloping existing property and developing new property to meet the demand of our region while serving working residents.

Mechanisms to Serve Workforce

- Targeted rents that serve 50%-150% AMI
- Units will be deed restricted in line with funding source requirements
- Application process will ensure workers have first access to CCDC owned housing inventory in the community they work in
- No short term rentals, i.e. AIR BnB

coastal
community
development
corporation

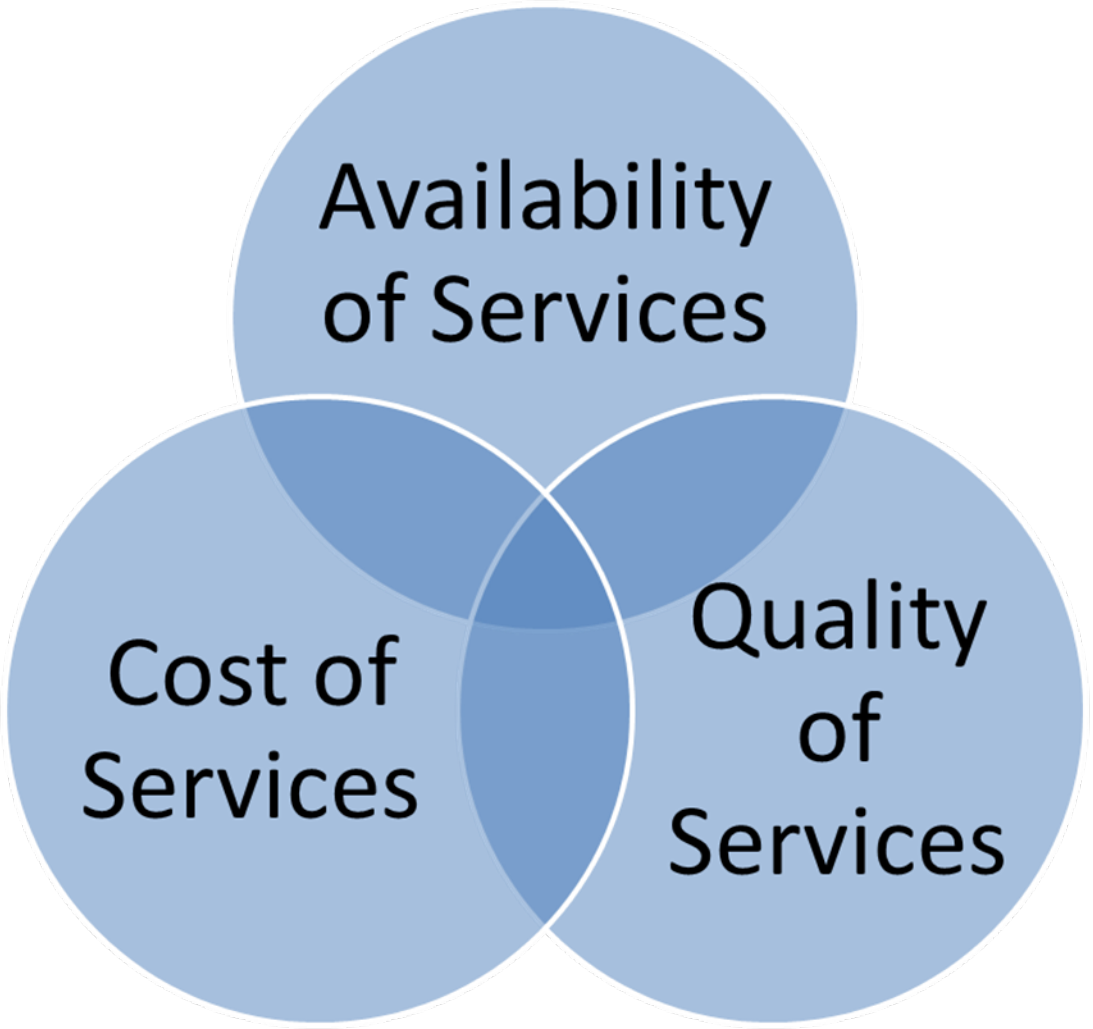
WHY

we are doing it.

The Challenge:

Resident quality of life on Hilton Head Island and throughout the Lowcountry is at risk due to workforce housing.

Ensuring Resident Quality of Life



Housing Needs Assessment

- Released in April 2018
- Identified the necessary additional rental units in Beaufort County markets
- Broke out 2017-2022 and 2017- 2027 targets


Beaufort County, South Carolina
Housing Needs Assessment

FINAL

Prepared For:

Beaufort County Purchasing Department
106 Industrial Village Road, Building #2
Beaufort, SC 29906-4291

Prepared By:

Bowen National Research
Author: Patrick M. Bowen, President
155 E. Columbus Street, Ste. 220
Pickerington, Ohio 43147
(614) 833-9300
patrickb@bowennational.com

Effective Date

April 6, 2018
Revised: May 24, 2018

Town of Hilton Head

Rental Units Needed	2017-2022	2017-2027
<$20K/rent <$500	138	152
$20K-$24K/rent $500-$874	88	29
$35K-$59K/rent $875-$1,474	494	733
$60K-$84K/rent $1,475-$2,099	446	706
$85K+/rent $2,100+	449	715
	1,615	2,335

Town of Bluffton

Rental Units Needed	2017-2022	2017-2027
<$20K/rent <$500	16	11
$20K-$24K/rent $500-$874	78	105
$35K-$59K/rent $875-$1,474	228	317
$60K-$84K/rent $1,475-$2,099	281	432
$85K+/rent $2,100+	188	309
	791	1,174

These numbers cannot be attained through development alone and require an alternative approach.

coastal community development corporation

HOW
we are doing it.

Phased Approach: Phase 1-3 Strategy

Overall

- Ensure long term rentals remain as such for minimum of 99 years
- Stop the turnover of properties that drive workforce housing costs higher
  - This stops the cycle of buy, short term rent, resale at higher price, further expanding the gap in affordability
- Remove short term rental units from the market and return them to long term market

Hilton Head Island

- Purchase of existing condos and villas

Bluffton

- Purchase of existing condos and homes

Beaufort & Jasper

- Purchase of existing condos and homes

For profit private development alone will not solve the challenge over the short term in a sustainable manner for the region.

Cost Curve Bending Strategies

Property Tax Abatement	Low-Cost Capital	Grants & Donations	Local, State & Federal	Profit Interest
IRS Safe Harbor and SC Law provides property tax relief for 50-120% AMI	Altruistic Investment Community Investment Bank Mortgages	Foundations Businesses Non-Profits Churches Town of HHI	Bonds Tax Credits AARPA State Housing Programs	Non-profit approach removes developer or investor profit

Property Taxes

A 501c3 Non-Profit Organization in South Carolina can qualify for 0% property tax

- This conforms to the IRS Safe Harbor standards of a 501c3
- 501c3 must be the sole managing member of any properties it owns or manages
- Units must be rented at defined AMI's

	Ratio for acquisition:
- 20% of units must be at 50% of AMI	1:
- 55% of units must can be up to 80% of AMI	2:
- 25% of units can be over 81% of AMI	1:

Units that exceed this AMI schedule will serve workforce members earning up to 150% of AMI and not be eligible for full property tax abatement

- Working with Beaufort County Tax Assessor to limit taxes to 4% or lower based on income valuation which will be limited by deed and rent restrictions

Acquisition Funding Strategy

40% DOWN PAYMENT

Grants & Donations

- Town of Hilton Head Island
- Businesses
- Local Churches

Altruistic Investors

60% MORTGAGE

- 5% 30-year fixed mortgages
- 60% Loan to value
- Mortgages on each property but issued through guidance line of credit
- Secured by rental incomes of the properties

Property Ownership

- Units and houses will be purchased and owned by the non-profit and kept on the balance sheet
- Non-profit is incentivized to maintain as the they own the property and the equity for resale
- CCDC will prioritize sale to existing renters with covenant at time of sale for 99-year restriction on home sale price tied to AMI
- Sales will recycle capital for purchasing additional inventory from market

Household AMI Eligibility

CCDC Workforce Housing Income Limits Based on 2022 Beaufort County AMI									
# In Household		1	2	3	4	5	6	7	8
Income Limit	50%	$ 39,000.00	$ 44,550.00	$ 50,100.00	$ 55,650.00	$ 60,150.00	$ 64,600.00	$ 69,050.00	$ 73,500.00
Monthly Income		$ 3,250.00	$ 3,712.50	$ 4,175.00	$ 4,637.50	$ 5,012.50	$ 5,383.33	$ 5,754.17	$ 6,125.00
Monthly Rent		$ 975.00	$ 1,113.75	$ 1,252.50	$ 1,391.25	$ 1,503.75	$ 1,615.00	$ 1,726.25	$ 1,837.50
Income Limit	80%	$ 62,350.00	$ 71,250.00	$ 80,150.00	$ 89,050.00	$ 96,200.00	$ 103,300.00	$ 110,450.00	$ 117,550.00
Monthly Income		$ 5,195.83	$ 5,937.50	$ 6,679.17	$ 7,420.83	$ 8,016.67	$ 8,608.33	$ 9,204.17	$ 9,795.83
Monthly Rent		$ 1,558.75	$ 1,781.25	$ 2,003.75	$ 2,226.25	$ 2,405.00	$ 2,582.50	$ 2,761.25	$ 2,938.75
Income Limit	100%	$ 77,950.00	$ 89,050.00	$ 100,200.00	$ 111,300.00	$ 120,250.00	$ 129,150.00	$ 138,050.00	$ 146,950.00
Monthly Income		$ 6,495.83	$ 7,420.83	$ 8,350.00	$ 9,275.00	$ 10,020.83	$ 10,762.50	$ 11,504.17	$ 12,245.83
Monthly Rent		$ 1,948.75	$ 2,226.25	$ 2,505.00	$ 2,782.50	$ 3,006.25	$ 3,228.75	$ 3,451.25	$ 3,673.75
Income Limit	120%	$ 93,540.00	$ 106,860.00	$ 120,240.00	$ 133,560.00	$ 144,300.00	$ 154,980.00	$ 165,660.00	$ 176,340.00
Monthly Income		$ 7,795.00	$ 8,905.00	$ 10,020.00	$ 11,130.00	$ 12,025.00	$ 12,915.00	$ 13,805.00	$ 14,695.00
Monthly Rent		$ 2,338.50	$ 2,671.50	$ 3,006.00	$ 3,339.00	$ 3,607.50	$ 3,874.50	$ 4,141.50	$ 4,408.50
Income Limit	150%	$ 116,925.00	$ 133,575.00	$ 150,300.00	$ 166,950.00	$ 180,375.00	$ 193,725.00	$ 207,075.00	$ 220,425.00
Monthly Income		$ 9,743.75	$ 11,131.25	$ 12,525.00	$ 13,912.50	$ 15,031.25	$ 16,143.75	$ 17,256.25	$ 18,368.75
Monthly Rent		$ 2,923.13	$ 3,339.38	$ 3,757.50	$ 4,173.75	$ 4,509.38	$ 4,843.13	$ 5,176.88	$ 5,510.63

Household AMI Eligibility

A	B	C	D	E	F	G	H	I
Based on 2022 Beaufort County Area Median Income								
Income Classification	**Gross Income**		**Rental Housing @ 30% with utilities**	**Utilities Allowance HUD Rates SFH all Electric**	**Monthly Rent @30% before adding utilities**	**Rental Housing @ 30% with utilities**	**Utilities Allowance HUD Rates SFH all Electric**	**Monthly Rent @30% before adding utilities**
Household of 1	Annual	Monthly	1 bedroom					
50% AMI= very low	$ 39,000	$ 3,250	$ 975	$ 176	$ 799			
80% AMI= low	$ 62,350	$ 5,196	$ 1,559	$ 176	$ 1,383			
100% AMI= median	$ 77,950	$ 6,496	$ 1,949	$ 176	$ 1,773			
120% AMI= moderate	$ 93,540	$ 7,795	$ 2,339	$ 176	$ 2,163			
150% AMI= high	$ 116,925	$ 9,744	$ 2,923	$ 176	$ 2,747			
Household of 2	Annual	Monthly	1 bedrooms			2 bedrooms		
50% AMI= very low	$ 44,550	$ 3,713	$ 1,114	$ 176	$ 938	$ 1,114	$ 212	$ 902
80% AMI= low	$ 71,250	$ 5,938	$ 1,781	$ 176	$ 1,605	$ 1,781	$ 212	$ 1,569
100% AMI= median	$ 89,050	$ 7,421	$ 2,226	$ 176	$ 2,050	$ 2,226	$ 212	$ 2,014
120% AMI= moderate	$ 106,860	$ 8,905	$ 2,672	$ 176	$ 2,496	$ 2,672	$ 212	$ 2,460
150% AMI= high	$ 133,575	$ 11,131	$ 3,339	$ 176	$ 3,163	$ 3,339	$ 212	$ 3,127
Household of 3	Annual	Monthly	2 bedrooms			3 bedrooms		
50% AMI= very low	$ 50,100	$ 4,175	$ 1,253	$ 212	$ 1,041	$ 1,253	$ 270	$ 983
80% AMI= low	$ 80,150	$ 6,679	$ 2,004	$ 212	$ 1,792	$ 2,004	$ 270	$ 1,734
100% AMI= median	$ 100,200	$ 8,350	$ 2,505	$ 212	$ 2,293	$ 2,505	$ 270	$ 2,235
120% AMI= moderate	$ 120,240	$ 10,020	$ 3,006	$ 212	$ 2,794	$ 3,006	$ 270	$ 2,736
150% AMI= high	$ 150,300	$ 12,525	$ 3,758	$ 212	$ 3,546	$ 3,758	$ 270	$ 3,488

AMI Household Income Examples

The Ultrasound Tech

- Single Mother
- Household of 2
- Income of $80,000

CCDC Application Qualifies Tenant → Income Verification Provides Max Allowable Rent → CCDC Matches Tenant to Available Unit at Defined AMI

Income Classification	**Gross Income**		**Rental Housing @ 30% with utilities**	**Utilities Allowance HUD Rates SFH all Electric**	**Monthly Rent @30% before adding utilities**
Household of 2	Annual	Monthly	2 bedrooms		
50% AMI= very low	$ 44,550	$ 3,713	$ 1,114	$ 212	$ 902
80% AMI= low	$ 71,250	$ 5,938	$ 1,781	$ 212	$ 1,569
100% AMI= median	$ 89,050	$ 7,421	$ 2,226	$ 212	$ 2,014
120% AMI= moderate	$ 106,860	$ 8,905	$ 2,672	$ 212	$ 2,460
150% AMI= high	$ 133,575	$ 11,131	$ 3,339	$ 212	$ 3,127

AMI Household Income Examples

The Program Manager & Teacher

- Household of 3
- Combined Income of $120,000

CCDC Application Qualifies Tenant → Income Verification Provides Max Allowable Rent → CCDC Matches Tenant to Available Unit at Defined AMI

Income Classification	Gross Income		Rental Housing @ 30% with utilities	Utilities Allowance HUD Rates SFH all Electric	Monthly Rent @30% before adding utilities
Household of 3	Annual	Monthly	2 bedrooms		
50% AMI= very low	$ 50,100	$ 4,175	$ 1,253	$ 212	$ 1,041
80% AMI= low	$ 80,150	$ 6,679	$ 2,004	$ 212	$ 1,792
100% AMI= median	$ 100,200	$ 8,350	$ 2,505	$ 212	$ 2,293
120% AMI= moderate	$ 120,240	$ 10,020	$ 3,006	$ 212	$ 2,794
150% AMI= high	$ 150,300	$ 12,525	$ 3,758	$ 212	$ 3,546

AMI Household Income Examples

The Director of Sales

- Single Guy
- Salary of $100,000

CCDC Application Qualifies Tenant → Income Verification Provides Max Allowable Rent → CCDC Matches Tenant to Available Unit at Defined AMI

Income Classification	Gross Income		Rental Housing @ 30% with utilities	Utilities Allowance HUD Rates SFH all Electric	Monthly Rent @30% before adding utilities
Household of 1	Annual	Monthly	1 bedroom		
50% AMI= very low	$ 39,000	$ 3,250	$ 975	$ 176	$ 799
80% AMI= low	$ 62,350	$ 5,196	$ 1,559	$ 176	$ 1,383
100% AMI= median	$ 77,950	$ 6,496	$ 1,949	$ 176	$ 1,773
120% AMI= moderate	$ 93,540	$ 7,795	$ 2,339	$ 176	$ 2,163
150% AMI= high	$ 116,925	$ 9,744	$ 2,923	$ 176	$ 2,747

AMI Household Income Examples

The Ultrasound Tech &
The Director of Sales

- Married
- Household of 4
- Income of $180,000

Income Classification	Gross Income	
Household of 4	Annual	Monthly
50% AMI= very low	$ 55,650	$ 4,638
80% AMI= low	$ 89,050	$ 7,421
100% AMI= median	$ 111,300	$ 9,275
120% AMI= moderate	$ 133,560	$ 11,130
150% AMI= high	$ 166,950	$ 13,913

CCDC Provides Long Runway for Relocation → Offers Tenant Opportunity to Purchase Unit → CCDC Provides Reduced Purchase Rate for Unit Based on Model Appreciation

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HOW

we are doing it.

CCDC Phased Approach

Phase One – 13 Units on Hilton Head Island

- Submitted formal request for $600K of funds
- Targeting 13 units on Hilton Head Island
- $3.0m total budget for acquisition

Phase 1 Details: Hilton Head Island

	MLS	Community	Address	Address 2	BR	Full Bath	Half Bath	Year Built	List Price	Sale Price	Down Payment 40%	Mortgage 60%	Annual Loan Payment P&I
1	432932	The Oaks	400 Wm Hltn Pkwy	#4	1	1	0		$ 175,000.00	$ 166,250.00	$ 66,500.00	$ 99,750.00	$6,425.75
2	431720	Marsh Side	5 Gumtree Rd	#D8	1	1	0	1984	$ 224,000.00	$ 212,800.00	$ 85,120.00	$ 127,680.00	$8,224.97
3	430181	Woodlake	96 Mathews Dr #216	#452B	2	2	1	1982	$ 230,000.00	$ 218,500.00	$ 87,400.00	$ 131,100.00	$8,445.28
4	430729	Woodlake	96 Mathews Dr #207	#324B	2	2	0	1982	$ 275,000.00	$ 261,250.00	$ 104,500.00	$ 156,750.00	$10,097.61
5	431526	Woodlake	96 Mathews Dr #74	#240C	2	2	1	1982	$ 230,000.00	$ 218,500.00	$ 87,400.00	$ 131,100.00	$8,445.28
6	431692	Woodlake	96 Mathews Dr #45	#016B	2	2	0	1982	$ 230,000.00	$ 218,500.00	$ 87,400.00	$ 131,100.00	$8,445.28
7	432325	Cotton Hope	155 Dillon Road #242	#2427	2	2	1	1979	$ 249,000.00	$ 236,550.00	$ 94,620.00	$ 141,930.00	$9,142.93
8	430215	Cordillo Courts	104 Cordillo Pkwy	#B5	2	1	1	1979	$ 224,000.00	$ 212,800.00	$ 85,120.00	$ 127,680.00	$8,224.97
9	432685	Woodlake	96 Mathews Dr #154	#217A	2	2	0	1982	$ 225,600.00	$ 214,320.00	$ 85,728.00	$ 128,592.00	$8,283.72
10	432978	Woodlake	96 Mathews Dr #114	#245C	2	2	0	1982	$ 239,900.00	$ 227,905.00	$ 91,162.00	$ 136,743.00	$8,808.79
11	431351	Forest Cove	110 Broad Creek Land	#110	2	2	0		$ 255,000.00	$ 242,250.00	$ 96,900.00	$ 145,350.00	$9,363.24
12	433238	Forest Cove	110 Broad Creek Land	#41	2	2	0		$ 285,000.00	$ 270,750.00	$ 108,300.00	$ 162,450.00	$10,464.80
13	432113	Marsh Side	5 Gumtree Rd	#M-17	2	2	0	1984	$ 295,000.00	$ 280,250.00	$ 112,100.00	$ 168,150.00	$10,831.99
					24				$ 3,137,500.00	$ 2,980,625.00	$ 1,192,250.00	$ 1,788,375.00	$115,204.60

	MLS	Community	Address	Monthly Regime	Annual Regime	Proposed Monthly Rent	Annual Gross Rent	Rent/BR	**MAX AMI**	**# In Family**	Annual MGT Fee 10%
1	432932	The Oaks	400 Wm Hltn Pkwy	$ 309.00	$ 3,708.00	$ 1,383.00	$ 16,596.00	$ 1,383.00	**80%**	**1**	$ 1,659.60
2	431720	Marsh Side	5 Gumtree Rd	$ 452.00	$ 5,424.00	$ 1,605.00	$ 19,260.00	$ 1,605.00	**80%**	**2**	$ 1,926.00
3	430181	Woodlake	96 Mathews Dr #216	$ 619.00	$ 7,428.00	$ 938.00	$ 11,256.00	$ 469.00	**50%**	**2**	$ 1,125.60
4	430729	Woodlake	96 Mathews Dr #207	$ 619.00	$ 7,428.00	$ 1,041.00	$ 12,492.00	$ 520.50	**50%**	**3**	$ 1,249.20
5	431526	Woodlake	96 Mathews Dr #74	$ 619.00	$ 7,428.00	$ 1,179.00	$ 14,148.00	$ 589.50	**50%**	**4**	$ 1,414.80
6	431692	Woodlake	96 Mathews Dr #45	$ 619.00	$ 7,428.00	$ 1,234.00	$ 14,808.00	$ 617.00	**50%**	**5**	$ 1,480.80
7	432325	Cotton Hope	155 Dillon Road #2427	$ 410.00	$ 4,920.00	$ 1,600.00	$ 19,200.00	$ 800.00	**80%**	**2**	$ 1,920.00
8	430215	Cordillo Courts	104 Cordillo Pkwy	$ 395.00	$ 4,740.00	$ 1,700.00	$ 20,400.00	$ 850.00	**80%**	**3**	$ 2,040.00
9	432685	Woodlake	96 Mathews Dr #154	$ 619.00	$ 7,428.00	$ 2,000.00	$ 24,000.00	$ 1,000.00	**80%**	**4**	$ 2,400.00
10	432978	Woodlake	96 Mathews Dr #114	$ 619.00	$ 7,428.00	$ 2,100.00	$ 25,200.00	$ 1,050.00	**80%**	**5**	$ 2,520.00
11	431351	Forest Cove	110 Broad Creek Landir	$ 402.00	$ 4,824.00	$ 2,400.00	$ 28,800.00	$ 1,200.00	**120%**	**2**	$ 2,880.00
12	433238	Forest Cove	110 Broad Creek Landir	$ 402.00	$ 4,824.00	$ 2,600.00	$ 31,200.00	$ 1,300.00	**120%**	**3**	$ 3,120.00
13	432113	Marsh Side	5 Gumtree Rd	$ 477.00	$ 5,724.00	$ 2,800.00	$ 33,600.00	$ 1,400.00	**120%**	**4**	$ 3,360.00
				$ 6,561.00	$ 78,732.00	$ 22,580.00	$ 270,960.00				$ 27,096.00

Sample of MLS listings of for sale units on Hilton Head Island over past 6 months.

Phase 1 Hilton Head 13 Unit Model

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Cash Receipts													
Gross Rent	Increase	4.17%	$ 240,853	$ 282,259	$ 294,029	$ 306,290	$ 319,063	$ 332,367	$ 346,227	$ 360,665	$ 375,705	$ 391,371	
Interest on Available Cash		2.00%		$ -	$ 142	$ 200	$ 168	$ 223	$ 368	$ 608	$ 947	$ 1,390	
Total Cash Receipts			$ 240,853	$ 282,259	$ 294,171	$ 306,490	$ 319,231	$ 332,590	$ 346,595	$ 361,273	$ 376,652	$ 392,762	
Cash Disbursements for Expenses													
MGT Fee	Fixed	10.00%	$ 24,085	$ 28,226	$ 29,403	$ 30,629	$ 31,906	$ 33,237	$ 34,623	$ 36,066	$ 37,570	$ 39,137	
CCDC Admin Fee	Fixed	2.00%	$ 4,817	$ 5,645	$ 5,881	$ 6,126	$ 6,381	$ 6,647	$ 6,925	$ 7,213	$ 7,514	$ 7,827	
Repairs & Maintenance	Fixed	12.00%	$ 7,226	$ 16,936	$ 26,463	$ 36,755	$ 38,288	$ 39,884	$ 41,547	$ 43,280	$ 45,085	$ 46,965	
(Y1@3%, Y2@6%, Y3@9%, Y4-Y10@12%)													
Owners Insurance Units	Increase	7.50%	$ 8,436	$ 9,069	$ 9,749	$ 10,480	$ 11,266	$ 12,111	$ 13,019	$ 13,996	$ 15,045	$ 16,174	
Regime	Increase	5.00%	$ 78,732	$ 82,669	$ 86,802	$ 91,142	$ 95,699	$ 100,484	$ 105,508	$ 110,784	$ 116,323	$ 122,139	
Principal & Interest Paymei	Rate	6.00%	$ 99,451	$ 115,205	$ 115,205	$ 115,205	$ 115,205	$ 115,205	$ 115,205	$ 115,205	$ 115,205	$ 115,205	
Total Cash Disbursements for Expenses			$ 222,747	$ 257,749	$ 273,502	$ 290,336	$ 298,745	$ 307,568	$ 316,827	$ 326,544	$ 336,742	$ 347,447	
Cash Flow			$ 18,106	$ 24,511	$ 20,670	$ 16,154	$ 20,486	$ 25,022	$ 29,768	$ 34,729	$ 39,910	$ 45,315	$ 274,669
Return to Investors (Annual Distribution at Year Er		3.00%	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 177,600
Net Available Cash After Return to Investors			$ 346	$ 7,096	$ 10,006	$ 8,400	$ 11,126	$ 18,388	$ 30,396	$ 47,365	$ 69,514	$ 97,069	
Principal Paydown			$ 26,918	$ 28,263	$ 29,677	$ 31,160	$ 32,719	$ 34,354	$ 36,072	$ 37,876	$ 39,770	$ 41,758	$ 338,567
Annual Net Investment Equity		Fix to Y1	$ 27,263	$ 35,360	$ 50,346	$ 47,314	$ 53,204	$ 59,376	$ 65,840	$ 72,605	$ 79,679	$ 87,073	
Compound Net Investment Equity			$ 27,263	$ 62,623	$ 112,970	$ 160,284	$ 213,488	$ 272,865	$ 338,705	$ 411,310	$ 490,989	$ 578,062	$ 578,062
Housing Unit Appreciation	20 yr avg	4.17%	$ 124,292	$ 129,475	$ 134,874	$ 140,498	$ 146,357	$ 152,460	$ 158,818	$ 165,441	$ 172,339	$ 179,526	$ 1,504,081

Phase 1 HHI 13 Unit Model

Phase 1 HHI 13 Unit Model

Source of Funds			
	Town of Hilton Head	$ 600,000	
	Investors (CFL)	$ 592,000	
	Bank Loan	$ 1,788,375	
	Total	$ 2,980,375	
Recapitalization Table at End of Year 10	Original Loan	$ 1,788,375	
	Plus:		
	Principal Return to Investoı	$ 600,000	
	Apprection Return to Inves	$ 131,397	
	Less:		
	Principal Paydown	$ (338,567)	
	Available Cash	$ (97,069)	
	New Loan for Years 11-20	$ 2,084,135	
Max Loan Amount End of Year 10 that Year 11 Can Find & Maintain Positive Cash Flow			$ 2,200,000
(Maintaining Working Capital Minimum of $20K in Year 11)			

Progress Update

- Matching Grant of $100,000 from CFL along with $125,000 in donations has provided administrative operating funds for first year.
- Interviewing for Program Managers is underway.
- Risk disclosure documents drafted to receive debt for financing from altruistic investors.
- Closed on 3 units on Hilton Head Island
- Two Woodlake 2 Bedroom Units
- One Marshside 1 Bedroom Unit

Benefits of CCDC Approach

1. Immediacy: The CCDC can begin immediately preserving existing housing for workforce without changes to zoning, development applications or permitting.

2. The purchase of existing units ties into initiative of growth management that is so important on Hilton Head Island and throughout the Lowcountry as it requires no new development.

3. Our efforts will have an immediate impact on the growing short term rental market by ensuring existing long term housing inventory remains as such and in many cases we'll be able to purchase units that are currently in the short term market and add them back to the long term market.

Benefits of CCDC Approach

4. Eventual home ownership in the community will be encouraged by the accrual over time of funds that the occupant will have available towards a down payment on a home.

5. The CCDC intends to rent units tied to AMI for 99 years through covenants on the properties. Over that period of time the resale value of the units will be capped for resale purposes based on any growth of the area AMI. This will ensure affordability for the next 99 years.

Benefits of CCDC Approach

6. Home ownership will be prioritized to renters who earn out of the restricted rental income limits. This will ensure working citizens have the opportunity to live and work in their community without risk of displacement.

7. Our approach will provide housing options to workers across the workforce spectrum. Civil, medical, educational, hospitality, services and trade workers will have the ability to find affordable workforce housing in the community that they work in.

Benefits of CCDC Approach

8. The benefits to the Town of HHI and other municipalities include not having to enter the landlord business and manage housing inventory, a model that has proved challenging to countless communities that have attempted this approach. In addition, the municipalities will be able to fund its share of future phases with both grants and investment dollars if it chooses.

9. Investment in the CCDC is not a one-way hand out to developers to pad their profits but an investment of taxpayer dollars in the community that can be recouped and or reinvested over time

Next Steps

- Expand community outreach
- Begin presentation to altruistic investors
- Secure financial commitments for phases 1-3
- Town of Hilton Head taking a leadership role in our region by supporting our effort with grant request and annual source of funding.

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Take a leadership role in our region by supporting our effort with grant request and annual source of funding.

WHERE
do you fit in?

Phase 1 Hilton Head 13 Unit Model

				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Cash Receipts														
	Gross Rent	Increase	4.17%	$ 240,853	$ 282,259	$ 294,029	$ 306,290	$ 319,063	$ 332,367	$ 346,227	$ 360,665	$ 375,705	$ 391,371	
	Interest on Available Cash		2.00%		$ -	$ 142	$ 200	$ 168	$ 223	$ 368	$ 608	$ 947	$ 1,390	
Total Cash Receipts				$ 240,853	$ 282,259	$ 294,171	$ 306,490	$ 319,231	$ 332,590	$ 346,595	$ 361,273	$ 376,652	$ 392,762	
Cash Disbursements for Expenses														
	MGT Fee	Fixed	10.00%	$ 24,085	$ 28,226	$ 29,403	$ 30,629	$ 31,906	$ 33,237	$ 34,623	$ 36,066	$ 37,570	$ 39,137	
	CCDC Admin Fee	Fixed	2.00%	$ 4,817	$ 5,645	$ 5,881	$ 6,126	$ 6,381	$ 6,647	$ 6,925	$ 7,213	$ 7,514	$ 7,827	
	Repairs & Maintenance (Y1@3%, Y2@6%, Y3@9%, Y4-Y10@12%)	Fixed	12.00%	$ 7,226	$ 16,936	$ 26,463	$ 36,755	$ 38,288	$ 39,884	$ 41,547	$ 43,280	$ 45,085	$ 46,965	
	Owners Insurance Units	Increase	7.50%	$ 8,436	$ 9,069	$ 9,749	$ 10,480	$ 11,266	$ 12,111	$ 13,019	$ 13,996	$ 15,045	$ 16,174	
	Regime	Increase	5.00%	$ 78,732	$ 82,669	$ 86,802	$ 91,142	$ 95,699	$ 100,484	$ 105,508	$ 110,784	$ 116,323	$ 122,139	
	Principal & Interest Payment	Rate	5.00%	$ 99,451	$ 115,205	$ 115,205	$ 115,205	$ 115,205	$ 115,205	$ 115,205	$ 115,205	$ 115,205	$ 115,205	
Total Cash Disbursements for Expenses				$ 222,747	$ 257,749	$ 273,502	$ 290,336	$ 298,745	$ 307,568	$ 316,827	$ 326,544	$ 336,742	$ 347,447	
Cash Flow				$ 18,106	$ 24,511	$ 20,670	$ 16,154	$ 20,486	$ 25,022	$ 29,768	$ 34,729	$ 39,910	$ 45,315	$ 274,669
Return to Investors (Annual Distribution at Year End)			3.00%	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 17,760	$ 177,600
Net Available Cash After Return to Investors				$ 346	$ 7,096	$ 10,006	$ 8,400	$ 11,126	$ 18,388	$ 30,396	$ 47,365	$ 69,514	$ 97,069	
Principal Paydown				$ 26,918	$ 28,263	$ 29,677	$ 31,160	$ 32,719	$ 34,354	$ 36,072	$ 37,876	$ 39,770	$ 41,758	$ 338,567
Housing Unit Appreciation		20 yr avg	4.17%	$ 124,292	$ 129,475	$ 134,874	$ 140,498	$ 146,357	$ 152,460	$ 158,818	$ 165,441	$ 172,339	$ 179,526	$1,504,081
HUA Plus Principal Paydown														$1,842,648
		Annual Return Rate	Compounding Rate	Annual Return										
Payment at End Year 10 based on Appreciation		2.0%	2.0%	$ 12,000	$ 12,240	$ 12,485	$ 12,734	$ 12,989	$ 13,249	$ 13,514	$ 13,784	$ 14,060	$ 14,341	$ 131,397

	Payment Required	Minumum Appreciation Above Historical Rate
Minumum HUA Appreciation to Make Payment	$ 131,397	$218,994

Note: Total Return to Investors is 5%: Distribution at 3% Annually and Appreciation Based Payment at 2% Compounded Annually at 2% and Paid at the End of 10 Years

Appreciation Range Table	Estimated Total Value of the Units	4.17%	$ 3,104,917	$ 3,234,392	$ 3,369,266	$ 3,509,765	$ 3,656,122	$ 3,808,582	$ 3,967,400	$ 4,132,841	$ 4,305,180	$ 4,484,706
	Rate Requiured to Return 2% to Investors	4.67%	$ 3,119,820	$ 3,265,516	$ 3,418,015	$ 3,577,637	$ 3,744,712	$ 3,919,590	$ 4,102,635	$ 4,294,228	$ 4,494,769	$ 4,704,674
	Rate Required Value Less HAR Value	0.50%										$ 219,968

Source of Funds

Town of Hilton Head	$	600,000
Investors	$	592,000
Bank Loan	$	1,788,375
Total	$	2,980,375

Recapitalization Table at End c	Original Loan	$	1,788,375
	Plus:		
	Principal Return to Investors	$	600,000
	Apprection Return to Investors	$	131,397
	Less:		
	Principal Paydown	$	(338,567)
	Available Cash	$	(97,069)
	New Loan for Years 11-20	$	2,084,135

Max Loan Amount End of Year 10 that Year 11 Can Find & Maintain Positive Cash I $ 2,200,000
(Maintaining Working Capital Minimum of $20K in Year 11)

Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Total
$ 407,692	$ 424,692	$ 442,402	$ 460,850	$ 480,068	$ 500,087	$ 520,940	$ 542,663	$ 565,292	$ 588,865	
	$ 573	$ 1,258	$ 2,061	$ 2,984	$ 4,033	$ 5,211	$ 6,523	$ 7,973	$ 9,566	
$ 407,692	$ 425,265	$ 443,660	$ 462,911	$ 483,052	$ 504,120	$ 526,151	$ 549,187	$ 573,266	$ 598,431	
$ 40,769	$ 42,527	$ 44,366	$ 46,291	$ 48,305	$ 50,412	$ 52,615	$ 54,919	$ 57,327	$ 59,843	
$ 8,154	$ 8,505	$ 8,873	$ 9,258	$ 9,661	$ 10,082	$ 10,523	$ 10,984	$ 11,465	$ 11,969	
$ 48,923	$ 51,032	$ 53,239	$ 55,549	$ 57,966	$ 60,494	$ 63,138	$ 65,902	$ 68,792	$ 71,812	
$ 17,387	$ 18,691	$ 20,093	$ 21,600	$ 23,220	$ 24,961	$ 26,833	$ 28,846	$ 31,009	$ 33,335	
$ 128,246	$ 134,658	$ 141,391	$ 148,461	$ 155,884	$ 163,678	$ 171,862	$ 180,455	$ 189,478	$ 198,952	
$ 135,576	$ 135,576	$ 135,576	$ 135,576	$ 135,576	$ 135,576	$ 135,576	$ 135,576	$ 135,576	$ 135,576	
$ 379,055	$ 390,989	$ 403,539	$ 416,735	$ 430,612	$ 445,204	$ 460,548	$ 476,682	$ 493,647	$ 511,486	
$ 28,637	$ 34,276	$ 40,122	$ 46,176	$ 52,440	$ 58,916	$ 65,604	$ 72,505	$ 79,619	$ 86,945	
$ 28,637	$ 62,913	$ 103,035	$ 149,210	$ 201,650	$ 260,566	$ 326,170	$ 398,675	$ 478,294	$ 565,239	

Phase 1 Impact Fund

		Annual Increase	% of Revenue		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Cash Receipts										
	AMI Rent		4.17%		$ 533,553.20	$ 751,086.53	$ 782,406.84	$ 815,033.21	$ 849,020.09	$ 884,424.23
	Interest Income on Available Cash					$ 1,728.38	$ 2,243.97	$ 2,614.15	$ 2,803.05	$ 3,408.26
Total Cash Receipts					$ 533,553.20	$ 752,814.92	$ 784,650.82	$ 817,647.36	$ 851,823.14	$ 887,832.49
Cash Disbursements										
	Property Management Fee		10.00%		$ 53,355.32	$ 75,108.65	$ 78,240.68	$ 81,503.32	$ 84,902.01	$ 88,442.42
	CCDC Admin Fee		2.00%		$ 10,671.06	$ 15,021.73	$ 15,648.14	$ 16,300.66	$ 16,980.40	$ 17,688.48
	Repairs & Maintenance		12.00%		$ 16,006.60	$ 45,065.19	$ 70,416.62	$ 97,803.98	$ 101,882.41	$ 106,130.91
	(Note: R&M is 3% in Y1, 6% in Y2, 9% in Y3, 12% Y4-Y10)									
	Property Taxes	4.00%			$ 29,773.61	$ 61,929.12	$ 64,406.28	$ 66,982.53	$ 69,661.83	$ 72,448.31
	Regime - Villas & Condos	5.00%			$ 39,032.13	$ 81,967.47	$ 86,065.85	$ 90,369.14	$ 94,887.60	$ 99,631.98
	POA - Homes	5.00%			$ 3,897.75	$ 8,185.28	$ 8,594.54	$ 9,024.27	$ 9,475.48	$ 9,949.25
	Homeowners Insurance	5.00%			$ 14,836.48	$ 31,156.60	$ 32,714.43	$ 34,350.15	$ 36,067.66	$ 37,871.04
Total Cash Disbursements for Expenses					$ 167,572.95	$ 318,434.04	$ 356,086.53	$ 396,334.06	$ 413,857.39	$ 432,162.39
Memo: Total Expenses Minus Loan Payment % of Gross Rent					31%	42%	46%	49%	49%	49%
Net Cash Flow From Operations					$ 365,980.25	$ 434,380.88	$ 428,564.28	$ 421,313.30	$ 437,965.75	$ 455,670.10
	Mortgage Payments at 6%	6.00%			$206,844.93	$323,757.28	$323,757.28	$323,757.28	$323,757.28	$323,757.28
Net Cash Flow After Mortgage Payments					$ 159,135.32	$ 110,623.59	$ 104,807.00	$ 97,556.02	$ 114,208.47	$ 131,912.82
		Note Value	Annual Interest Rate	Annual Payment						
Interest Paid to Note Holders		$ 3,000,000.00	3.00%	$ 90,000.00	$ 90,000.00	$ 90,000.00	$ 90,000.00	$ 90,000.00	$ 90,000.00	$ 90,000.00
(Maintain Minumum Balance for Working Capital)		$ 20,000.00								
Net Cash Available					$ 69,135.32	$ 89,758.91	$ 104,565.91	$ 112,121.93	$ 136,330.40	$ 178,243.22
Cash Disbursements to Note Holders Shortfall					$ -	$ -	$ -	$ -	$ -	$ -
Net Income (GAAP)	Net Cash Flow from Operations				$ 365,980.25	$ 434,380.88	$ 428,564.28	$ 421,313.30	$ 437,965.75	$ 455,670.10
	Less: Depreciation				$ (37,500.00)	$ (75,000.00)	$ (75,000.00)	$ (75,000.00)	$ (75,000.00)	$ (75,000.00)
	Less: Loan Interest				($134,248.38)	(265,088.41)	(261,469.84)	(257,628.09)	(253,549.38)	(249,219.11)
	Net Income (GAAP)				$ 194,231.87	$ 94,292.47	$ 92,094.44	$ 88,685.21	$ 109,416.37	$ 131,450.99

Housing Unit Appreciation (HUA)		2.17%		$ 81,375.00	$ 164,515.84	$ 168,085.83	$ 171,733.29	$ 175,459.91	$ 179,267.39
		4.17%		$ 156,375.00	$ 319,270.84	$ 332,584.43	$ 346,453.20	$ 360,900.30	$ 375,949.84
Breakeven Point for Note Holders to Earn Roughly 5% Return over 10 Years		4.60%		$ 172,500.00	$ 352,935.00	$ 369,170.01	$ 386,151.83	$ 403,914.81	$ 422,494.90
(3% Annual Distribution Plus 2% Appreciation Compounded Annually at 2%)		6.00%		$ 225,000.00	$ 463,500.00	$ 491,310.00	$ 520,788.60	$ 552,035.92	$ 585,158.07
		7.00%		$ 262,500.00	$ 543,375.00	$ 581,411.25	$ 622,110.04	$ 665,657.74	$ 712,253.78
		8.00%		$ 300,000.00	$ 624,000.00	$ 673,920.00	$ 727,833.60	$ 786,060.29	$ 848,945.11
	Annual Return Rate	Compounding Rate	Annual Return						
Payment at End Year 10 based on Appreciation	2.0%	2.0%	$ 60,000.00	$ 60,000.00	$ 61,200.00	$ 62,424.00	$ 63,672.48	$ 64,945.93	$ 66,244.85
Principal Paydown				$55,260.53	$58,668.88	$ 62,287.44	$ 66,129.20	$ 70,207.90	$ 74,538.17
HUA Plus Principal Paydown - Investment Equity				$ 211,635.53	$ 377,939.71	$ 394,871.87	$ 412,582.40	$ 431,108.20	$ 450,488.01

Source of Funds for Purchase $15M + Renovations $750K	
Bank	$ 4,500,000.00
Town of Hilton Head	$ -
Gated Community Investors	$ 2,000,000.00
CFL/Local Businesses	$ 1,000,000.00
Total	$ 7,500,000.00
Annual Interest Income Rate	2.50%

Memo: Depreciation Pass Through Tax Benefit	$ 277,777.78	27.00%	$ 75,000.00	$ 75,000.00	$ 75,000.00	$ 75,000.00	$ 75,000.00	$ 75,000.00
Note: Housing Unit Cost Plus Appreciation		2.17%	$ 7,581,375	$ 7,745,891	$ 7,913,977	$ 8,085,710	$ 8,261,170	$ 8,440,437
		4.17%	$ 7,656,375	$ 7,975,646	$ 8,308,230	$ 8,654,683	$ 9,015,584	$ 9,391,534
		4.60%	$ 7,672,500	$ 8,025,435	$ 8,394,605	$ 8,780,757	$ 9,184,672	$ 9,607,167
		6.00%	$ 7,725,000	$ 8,188,500	$ 8,679,810	$ 9,200,599	$ 9,752,635	$ 10,337,793
		7.00%	$ 7,762,500	$ 8,305,875	$ 8,887,286	$ 9,509,396	$ 10,175,054	$ 10,887,308
		8.00%	$ 7,800,000	$ 8,424,000	$ 9,097,920	$ 9,825,754	$ 10,611,814	$ 11,460,759

Year 11 thru 20 Amortization Schedule		
Annual Interest rate	6.00%	
Loan Term	30	
Payments per year	12	
	LA For Calculating Max Debt	LA in Model
Loan Amount (LA)	$ 7,350,000.00	$ 6,897,062.68
Sensitivity: Year 11-20 Payments @	6.00%	($496,216.51)

Amount to be Refinanced in Year 11			
	Original Loan	$	4,500,000.00
	Less Principal Paydown	$	(734,142.38)
	Plus Payback to:		
	Appreciation Payment to Note Holders	$	656,983.26
	Gated Community Investors (Note Holder)	$	2,000,000.00
	CFL/Local Businesses (Note Holder)	$	1,000,000.00
	Less: Available Cash (ex WC)	$	(525,778.20)
		$	6,897,062.68
Minumum Appreciated Value to Finance LTV at 60%		$	11,495,058.49

Year One Payment Calculation	Amount Borrowed		% of Total Loan	
January				
February				
March	$	300,000.00	6.667%	$1,798.65
April	$	1,200,000.00	26.667%	$7,194.61
May	$	2,400,000.00	53.333%	$14,389.21
June	$	3,600,000.00	80.000%	$21,583.82
July	$	4,500,000.00	100%	$26,979.77
August	$	4,500,000.00	100%	$26,979.77
September	$	4,500,000.00	100%	$26,979.77
October	$	4,500,000.00	100%	$26,979.77
November	$	4,500,000.00	100%	$26,979.77
December	$	4,500,000.00	100%	$26,979.77
Total Year One Payment				$206,844.93

Year 7	Year 8	Year 9	Year 10	Total
$ 921,304.72	$ 959,723.13	$ 999,743.58	$ 1,041,432.89	
$ 4,456.08	$ 5,974.06	$ 7,991.07	$ 10,537.32	
$ 925,760.80	$ 965,697.19	$ 1,007,734.65	$ 1,051,970.20	
$ 92,130.47	$ 95,972.31	$ 99,974.36	$ 104,143.29	
$ 18,426.09	$ 19,194.46	$ 19,994.87	$ 20,828.66	
$ 110,556.57	$ 115,166.78	$ 119,969.23	$ 124,971.95	
$ 75,346.24	$ 78,360.09	$ 81,494.49	$ 84,754.27	
$ 104,613.57	$ 109,844.25	$ 115,336.47	$ 121,103.29	
$ 10,446.72	$ 10,969.05	$ 11,517.50	$ 12,093.38	
$ 39,764.59	$ 41,752.82	$ 43,840.46	$ 46,032.48	
$ 451,284.25	$ 471,259.77	$ 492,127.38	$ 513,927.32	
49%	49%	49%	49%	
$ 474,476.55	$ 494,437.42	$ 515,607.26	$ 538,042.89	
$323,757.28	$323,757.28	$323,757.28	$323,757.28	
$ 150,719.26	$ 170,680.14	$ 191,849.98	$ 214,285.60	
$ 90,000.00	$ 90,000.00	$ 90,000.00	$ 90,000.00	$ 900,000.00
$ 238,962.48	$ 319,642.62	$ 421,492.60	$ 545,778.20	
$ -				
$ 474,476.55	$ 494,437.42	$ 515,607.26	$ 538,042.89	
$ (75,000.00)	$ (75,000.00)	$ (75,000.00)	$ (75,000.00)	
(244,621.76)	(239,740.86)	(234,558.91)	(229,057.35)	
$ 154,854.79	$ 179,696.57	$ 206,048.36	$ 233,985.54	

$ 183,157.49	$ 187,132.01	$ 191,192.77	$ 195,341.65	$ 1,697,261.17
$ 391,626.95	$ 407,957.80	$ 424,969.64	$ 442,690.87	$ 3,558,778.87
$ 441,929.66	$ 462,258.43	$ 483,522.31	$ 505,764.34	$ 4,000,641.29
$ 620,267.56	$ 657,483.61	$ 696,932.63	$ 738,748.58	$ 5,551,224.96
$ 762,111.55	$ 815,459.35	$ 872,541.51	$ 933,619.42	$ 6,771,039.64
$ 916,860.72	$ 990,209.58	$ 1,069,426.34	$ 1,154,980.45	$ 8,092,236.09

$ 67,569.75	$ 68,921.14	$ 70,299.56	$ 71,705.55	$ 656,983.26
$ 79,135.52	$ 84,016.43	$ 89,198.38	$ 94,699.94	$ 734,142.38
$ 470,762.47	$ 491,974.22	$ 514,168.01	$ 537,390.81	$ 4,292,921.24

$ 75,000.00	$ 75,000.00	$ 75,000.00	$ 75,000.00	$ 750,000.00
$ 8,623,595	$ 8,810,727	$ 9,001,920	$ 9,197,261	
$ 9,783,161	$ 10,191,118	$ 10,616,088	$ 11,058,779	
$ 10,049,096	$ 10,511,355	$ 10,994,877	$ 11,500,641	
$ 10,958,060	$ 11,615,544	$ 12,312,476	$ 13,051,225	
$ 11,649,419	$ 12,464,879	$ 13,337,420	$ 14,271,040	
$ 12,377,620	$ 13,367,829	$ 14,437,256	$ 15,592,236	

Attachment 5

CCDC Rent Calculations

Based on 2022 Beaufort County Area Median Income

Income Classification	Gross Income		Rental Housing @ 30% with utilities	Utilities Allowance HUD Rates SFH all Electric	Monthly Rent @30% before adding utilities	Rental Housing @ 30% with utilities	Utilities Allowance HUD Rates SFH all Electric	Monthly Rent @30% before adding utilities
Household of 1	Annual	Monthly	1 bedroom					
50% AMI= very low	$ 39,000	$ 3,250	$ 975	$ 176	$ 799			
80% AMI= low	$ 62,350	$ 5,196	$ 1,559	$ 176	$ 1,383			
100% AMI= median	$ 77,950	$ 6,496	$ 1,949	$ 176	$ 1,773			
120% AMI= moderate	$ 93,540	$ 7,795	$ 2,339	$ 176	$ 2,163			
150% AMI= high	$ 116,925	$ 9,744	$ 2,923	$ 176	$ 2,747			
Household of 2	Annual	Monthly	1 bedrooms			2 bedrooms		
50% AMI= very low	$ 44,550	$ 3,713	$ 1,114	$ 176	$ 938	$ 1,114	$ 212	$ 902
80% AMI= low	$ 71,250	$ 5,938	$ 1,781	$ 176	$ 1,605	$ 1,781	$ 212	$ 1,569
100% AMI= median	$ 89,050	$ 7,421	$ 2,226	$ 176	$ 2,050	$ 2,226	$ 212	$ 2,014
120% AMI= moderate	$ 106,860	$ 8,905	$ 2,672	$ 176	$ 2,496	$ 2,672	$ 212	$ 2,460
150% AMI= high	$ 133,575	$ 11,131	$ 3,339	$ 176	$ 3,163	$ 3,339	$ 212	$ 3,127
Household of 3	Annual	Monthly	2 bedrooms			3 bedrooms		
50% AMI= very low	$ 50,100	$ 4,175	$ 1,253	$ 212	$ 1,041	$ 1,253	$ 270	$ 983
80% AMI= low	$ 80,150	$ 6,679	$ 2,004	$ 212	$ 1,792	$ 2,004	$ 270	$ 1,734
100% AMI= median	$ 100,200	$ 8,350	$ 2,505	$ 212	$ 2,293	$ 2,505	$ 270	$ 2,235
120% AMI= moderate	$ 120,240	$ 10,020	$ 3,006	$ 212	$ 2,794	$ 3,006	$ 270	$ 2,736
150% AMI= high	$ 150,300	$ 12,525	$ 3,758	$ 212	$ 3,546	$ 3,758	$ 270	$ 3,488
Household of 4	Annual	Monthly	2 bedrooms			3 bedrooms		
50% AMI= very low	$ 55,650	$ 4,638	$ 1,391	$ 212	$ 1,179	$ 1,391	$ 270	$ 1,121
80% AMI= low	$ 89,050	$ 7,421	$ 2,226	$ 212	$ 2,014	$ 2,226	$ 270	$ 1,956
100% AMI= median	$ 111,300	$ 9,275	$ 2,783	$ 212	$ 2,571	$ 2,783	$ 270	$ 2,513
120% AMI= moderate	$ 133,560	$ 11,130	$ 3,339	$ 212	$ 3,127	$ 3,339	$ 270	$ 3,069
150% AMI= high	$ 166,950	$ 13,913	$ 4,174	$ 212	$ 3,962	$ 4,174	$ 270	$ 3,904

CCDC Rent Calculations

Based on 2022 Beaufort County Area Median Income

Income Classification	Gross Income		Rental Housing @ 30% with utilities	Utilities Allowance HUD Rates SFH all Electric	Monthly Rent @30% before adding utilities	Rental Housing @ 30% with utilities	Utilities Allowance HUD Rates SFH all Electric	Monthly Rent @30% before adding utilities
Household of 5	Annual	Monthly	3 bedrooms			4 bedrooms		
50% AMI= very low	$ 60,150	$ 5,013	$ 1,504	$ 270	$ 1,234	$ 1,504	$ 313	$ 1,191
80% AMI= low	$ 96,200	$ 8,017	$ 2,405	$ 270	$ 2,135	$ 2,405	$ 313	$ 2,092
100% AMI= median	$ 120,250	$ 10,021	$ 3,006	$ 270	$ 2,736	$ 3,006	$ 313	$ 2,693
120% AMI= moderate	$ 144,300	$ 12,025	$ 3,608	$ 270	$ 3,338	$ 3,608	$ 313	$ 3,295
150% AMI= high	$ 180,375	$ 15,031	$ 4,509	$ 270	$ 4,239	$ 4,509	$ 313	$ 4,196
Household of 6	Annual	Monthly	4 bedrooms			5 bedrooms		
50% AMI= very low	$ 64,600	$ 5,383	$ 1,615	$ 313	$ 1,302	$ 1,615	$ 364	$ 1,251
80% AMI= low	$ 103,300	$ 8,608	$ 2,583	$ 313	$ 2,270	$ 2,583	$ 364	$ 2,219
100% AMI= median	$ 129,150	$ 10,763	$ 3,229	$ 313	$ 2,916	$ 3,229	$ 364	$ 2,865
120% AMI= moderate	$ 154,980	$ 12,915	$ 3,875	$ 313	$ 3,562	$ 3,875	$ 364	$ 3,511
150% AMI= high	$ 193,725	$ 16,144	$ 4,843	$ 313	$ 4,530	$ 4,843	$ 364	$ 4,479
Houeshold of 7	Annual	Monthly	5 bedrooms					
50% AMI= very low	$ 69,050	$ 5,754	$ 1,726	$ 364	$ 1,362			
80% AMI= low	$ 110,450	$ 9,204	$ 2,761	$ 364	$ 2,397			
100% AMI= median	$ 138,050	$ 11,504	$ 3,451	$ 364	$ 3,087			
120% AMI= moderate	$ 165,660	$ 13,805	$ 4,142	$ 364	$ 3,778			
150% AMI= high	$ 207,075	$ 17,256	$ 5,177	$ 364	$ 4,813			
Household of 8	Annual	Monthly	5 bedrooms					
50% AMI= very low	$ 73,500	$ 6,125	$ 1,838	$ 364	$ 1,474			
80% AMI= low	$ 117,550	$ 9,796	$ 2,939	$ 364	$ 2,575			
100% AMI= median	$ 146,950	$ 12,246	$ 3,674	$ 364	$ 3,310			
120% AMI= moderate	$ 176,340	$ 14,695	$ 4,409	$ 364	$ 4,045			
150% AMI= high	$ 220,425	$ 18,369	$ 5,511	$ 364	$ 5,147			

Utility Allowances are based on all electric single family home

Coastal Community Development Corporation

Workforce Housing Rental Qualifications, Occupancy & Use and Application Guidelines

Key Points

Qualifications

- CCDC owned properties have an income limit of 150% of AMI
- No Asset limits
- One person in the household must work full-time for a Local Business (see definition below) (1,560 hours per year - an average of 30 hours/week)
- 75% of total household's income must be earned from a Local Business (see definition below) at time of rental and during occupancy
- May not own residential real estate within 50 miles of Beaufort County, South Carolina

Occupancy & Use

- There is no minimum household size for Workforce units.
- May not sublet/rent any rooms in the home or the home without prior approval of the CCDC.
- Must occupy the home for 80% of the lease term.
- Rental units must not be owner occupied and must remain rental units

Rental Preferences

- First priority is given to eligible households that work for CCDC affiliate partners.
- Second priority is given to eligible households that have been or will be involuntarily displaced from the municipality or unincorporated county in which they resided or reside and work at a Local Business in, in which the available unit is located.
- Third priority is given to eligible households that reside and work at a Local Business within the municipality or unincorporated county in which the available unit is located.
- Fourth priority is given to eligible households that work at a Local Business within the municipality or unincorporated county in which the available unit is located.
- Fifth priority is given to eligible households that reside and work at a Local Business within Beaufort or Jasper County, South Carolina.
- Sixth priority is given to eligible households that work at a Local Business within Beaufort or Jasper County, South Carolina.

Rental Process

- All tenants of Workforce rentals are selected by the CCDC via application process.
  - Application includes income qualification and Local Business work history documentation and proof thereof.
- Rental rates are capped at pre-determined rates tied to household size and Area Median Income of the county in which the property resides in.
  - For CCDC owned or managed units rental rates are capped at 150% of AMI.
- Units may not remain vacant for more than 60 days.
- The CCDC must qualify the household at time of application and requalify the household annually.
- The CCDC must keep verification records of tenants who qualify for at least 3 years.
- Income limits by household size and AMI used for qualification are listed below.

CCDC Workforce Housing Income Limits Based on 2022 Beaufort County AMI									
# In Family		1	2	3	4	5	6	7	8
Income Limit	50%	$ 30,350.00	$ 34,700.00	$ 39,050.00	$ 43,350.00	$ 46,850.00	$ 50,300.00	$ 53,800.00	$ 57,250.00
Monthly Income		$ 2,529.17	$ 2,891.67	$ 3,254.17	$ 3,612.50	$ 3,904.17	$ 4,191.67	$ 4,483.33	$ 4,770.83
Monthly Rent		$ 758.75	$ 867.50	$ 976.25	$ 1,083.75	$ 1,171.25	$ 1,257.50	$ 1,345.00	$ 1,431.25
Income Limit	80%	$ 48,550.00	$ 55,500.00	$ 62,450.00	$ 69,350.00	$ 74,900.00	$ 80,450.00	$ 86,000.00	$ 91,550.00
Monthly Income		$ 4,045.83	$ 4,625.00	$ 5,204.17	$ 5,779.17	$ 6,241.67	$ 6,704.17	$ 7,166.67	$ 7,629.17
Monthly Rent		$ 1,213.75	$ 1,387.50	$ 1,561.25	$ 1,733.75	$ 1,872.50	$ 2,011.25	$ 2,150.00	$ 2,288.75
Income Limit	100%	$ 60,700.00	$ 69,400.00	$ 78,100.00	$ 86,700.00	$ 93,700.00	$ 100,600.00	$ 107,600.00	$ 114,500.00
Monthly Income		$ 5,058.33	$ 5,783.33	$ 6,508.33	$ 7,225.00	$ 7,808.33	$ 8,383.33	$ 8,966.67	$ 9,541.67
Monthly Rent		$ 1,517.50	$ 1,735.00	$ 1,952.50	$ 2,167.50	$ 2,342.50	$ 2,515.00	$ 2,690.00	$ 2,862.50
Income Limit	120%	$ 72,840.00	$ 83,280.00	$ 93,720.00	$ 104,040.00	$ 112,440.00	$ 120,720.00	$ 129,120.00	$ 137,400.00
Monthly Income		$ 6,070.00	$ 6,940.00	$ 7,810.00	$ 8,670.00	$ 9,370.00	$ 10,060.00	$ 10,760.00	$ 11,450.00
Monthly Rent		$ 1,821.00	$ 2,082.00	$ 2,343.00	$ 2,601.00	$ 2,811.00	$ 3,018.00	$ 3,228.00	$ 3,435.00
Income Limit	150%	$ 91,050.00	$ 104,100.00	$ 117,150.00	$ 130,050.00	$ 140,550.00	$ 150,900.00	$ 161,400.00	$ 171,750.00
Monthly Income		$ 7,587.50	$ 8,675.00	$ 9,762.50	$ 10,837.50	$ 11,712.50	$ 12,575.00	$ 13,450.00	$ 14,312.50
Monthly Rent		$ 2,276.25	$ 2,602.50	$ 2,928.75	$ 3,251.25	$ 3,513.75	$ 3,772.50	$ 4,035.00	$ 4,293.75
Income Limit	180%	$ 109,260.00	$ 124,920.00	$ 140,580.00	$ 156,060.00	$ 168,660.00	$ 181,080.00	$ 193,680.00	$ 206,100.00
Monthly Income		$ 9,105.00	$ 10,410.00	$ 11,715.00	$ 13,005.00	$ 14,055.00	$ 15,090.00	$ 16,140.00	$ 17,175.00
Monthly Rent		$ 2,731.50	$ 3,123.00	$ 3,514.50	$ 3,901.50	$ 4,216.50	$ 4,527.00	$ 4,842.00	$ 5,152.50
Income Limit	200%	$ 121,400.00	$ 138,800.00	$ 156,200.00	$ 173,400.00	$ 187,400.00	$ 201,200.00	$ 215,200.00	$ 229,000.00
Monthly Income		$ 10,116.67	$ 11,566.67	$ 13,016.67	$ 14,450.00	$ 15,616.67	$ 16,766.67	$ 17,933.33	$ 19,083.33
Monthly Rent		$ 3,035.00	$ 3,470.00	$ 3,905.00	$ 4,335.00	$ 4,685.00	$ 5,030.00	$ 5,380.00	$ 5,725.00

Local Business Definition

To qualify as a Local Business, the business must meet all of 'A' below or all of 'B'.

A.) (1) a business physically located within Beaufort or Jasper County, South Carolina, holding a business license with the Town of Hilton Head Island, Town of Bluffton, Town of Port Royal, Town of Hardeeville, Beaufort County or Jasper County, South Carolina or one that can provide other verification of business status physically located in Beaufort or Jasper County, South Carolina, and (2) A minimum of seventy-five percent (75%) of the business' clients or customers are physically located in Beaufort or Jasper County, South Carolina, and (3) the employees/owners must work in Beaufort or Jasper County, South Carolina to perform their job.

Or

B.) A business physically located in Beaufort or Jasper County, South Carolina who employs two or more Qualified Employees, which qualified employees must work in Beaufort or Jasper County, South Carolina to perform their job.

State Accommodations Tax for Workforce Housing Critical Path

Housing Impact Analysis Adoption/Comprehensive Plan Amendment

December 17, 2023:	Legal ad in newspaper posting deadline.
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Town of Hilton Head Island
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Updated - December 7, 2023

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Expected Interest Earnings (July-December 2023)	245,000	
Expected ATAX Revenue and Interest Earning (July-December 2023)		4,623,616
Expected Available ATAX Funds at December 31, 2023		3,995,632
Possible Uses of Available ATAX Funds		
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Possible Workforce Housing	(1,200,000)	
Total Possible Uses		(3,200,000)
Expected Amounts on Hand for Future Decisions		795,632

Note - the numbers are fiscal years - the grants are based on calendar years.
Possibly uses will be Town Council decisions.

TOWN OF HILTON HEAD ISLAND

Finance and Administrative Committee

TO:	Finance and Administrative Committee Members
FROM:	Joshua Gruber, *Deputy Town Manager*
CC:	Marc Orlando, *Town Manager*
DATE:	January 2, 2024
SUBJECT:	Consideration of a Resolution Approving a Memorandum of Understanding with the Hilton Head Regional Habitat for Humanity

RECOMMENDATION:

The Committee should review the proposed Memorandum of Understanding with the Hilton Head Regional Habitat for Humanity and if it is supportive of providing funding to this organization for the purposes of providing workforce housing, what terms and conditions must be set forth concerning the manner in how this funding will be utilized.

BACKGROUND:

As part of the Fiscal Year 2024 Budget adoption process, the Hilton Head Regional Habitat for Humanity ("Habitat") applied to receive funding as an Affiliated Agency. Habitat's mission is to put God's love into action, and brings together people to build affordable homes, communities, and hope. Habitat partners with local families who are in need of a home of own and fosters a sense of stability, self-reliance, and a strong sense of community.

In its application, Habitat requested $500,000 to be utilized towards the purchase of land on Hilton Head Island to build affordable homes. With this funding, Habitat hoped to be able to purchase a 1 acre plot and develop somewhere between 8-10 single-family homes for purchase by qualified individuals through the Habitat for Humanity program. To become a family partner (a homebuyer through Habitat), the family must go through an intensive application process, attend home-ownership classes, and perform at least 300 hours of sweat equity. At completion of the build, they purchase the home with a no-interest mortgage which has a monthly payment plan at 30% or less of their household income. To qualify, homeowners must earn between 30% and 70% of the average median household income for southern Beaufort and Jasper Counties.

Habitat did not receive any funding as a part of its Fiscal Year 2024 Affiliated Agency application. However, on May 19, 2023, Act 57 of 2023 was adopted by the South Carolina General Assembly. Shortly after this, staff was asked to create a draft Memorandum of Understanding associated with providing Habitat with funding to create affordable workforce housing.

ANALYSIS:

At its December 19, 2023 meeting, the Finance and Administrative Committee reviewed the terms of the draft Memorandum and requested several revisions. Those revisions are identified as follows:

- Added language requiring active employment on Hilton Head Island as a condition of selection for any workforce housing unit created under the Memorandum.

- Inserted indemnification language to protect the Town from any liability arising under the Memorandum.

- Clarified that any funding authorized for these purposes will be provided to Habitat on a periodic draw down basis.

- Revised the applicable AMI ranges to match the existing program requirements offered by Habitat that range from 30% - 80% of AMI.

A copy of the revised Memorandum including these revisions is enclosed as Attachment 1.

CONCLUSION:

The Committee should review the proposed Memorandum of Understanding with the Hilton Head Regional Habitat for Humanity and determine if it is supportive of this funding request. If it is, then any corresponding amendments to the Memorandum of Understanding should be included in the recommendation that is sent to Town Council for its consideration.

ATTACHMENTS:

1. Draft Memorandum of Understanding with the Hilton Head Regional Habitat for Humanity (Revised)
2. Critical Path Timeline on State Accommodation Tax Usage
3. State A-Tax Funding Summary

STATE OF SOUTH CAROLINA)
) **MEMORANDUM OF UNDERSTANDING**
COUNTY OF BEAUFORT)

This Memorandum of Understanding ("Agreement") is entered into this _____ day of __________________, 2023, by and between the Town of Hilton Head Island ("Town"), a South Carolina Municipal Corporation, and Hilton Head Regional Habitat for Humanity ("Habitat"), a South Carolina nonprofit corporation. When referred to jointly, these entities shall be referred to as the "Parties."

WHEREAS, the Town is committed to fostering a strong sense of community and well-being for all of its residents through the creation of affordable workforce housing; and

WHEREAS, within *Our Plan*, the Town of Hilton Head Island's Comprehensive Plan, the Town has identified a specific goal of encouraging the development of workforce housing and home ownership through effective incentives; and

WHEREAS, one of the strategies identified within Comprehensive Plan is to support programs that are aimed at increasing workforce housing home ownership similar to the program that is offered by Habitat for Humanity; and

WHEREAS, Habitat is dedicated to the development of affordable workforce housing and has proven experience in both the construction and management of such projects on Hilton Head Island; and

WHEREAS, both parties support Habitat's pursuit of financial support for workforce housing development through the Town's adopted Affiliated Agency funding process; and

WHEREAS, both parties acknowledge the need for an effective partnership between the Town and Habitat to facilitate the development of affordable workforce housing within the municipal limits of Hilton Head Island.

NOW, THEREFORE, for and in consideration of the mutual promises, undertakings, and covenants set forth herein, the receipt and sufficiency of which is acknowledged and affirmed by both the Town and Habitat, the Parties do hereby agree as follows:

1. **Governing Document**

It is the intent of the parties that this Memorandum shall only govern circumstances wherein the Town has provided funding to Habitat for the purposes of developing affordable workforce housing. Any additional capital and operating costs necessary for the development of qualified affordable workforce housing will be the responsibility of Habitat.

2. **Funding**

The Town will consider an annual financial contribution to Habitat through its Affiliated Agency funding process to support the acquisition of land, the creation of affordable workforce housing, and the oversight and management of the same. The balance of any capital or operating funding that may be necessary to accomplish this purpose above and beyond any amount appropriated by the Town shall be raised by Habitat from sources other than what has been provided by the Town through its Affiliated Agency funding.

3. **Roles and Responsibilities**

a. Habitat's Obligations:

i. Approval of Plan and Budget. Prior to awarding any funding identified under this Agreement, Habitat shall submit annually through the Town's Affiliated Agency program. Among other program requirements, this submission shall include a detailed plan (the "Plan") and budget (the "Budget") for the development of workforce housing for which this funding will be utilized. The Town will provide Habitat with access to its staff to assist in the development of both the Plan and the Budget. The use of funding identified in this Memorandum is conditioned upon the Town taking such actions as may be necessary in order to satisfy the requirements outlined in Act 57 of 2023.

ii. Use of Funding. Habitat may only use the above referenced funding for the purposes of acquiring real property, and/or designing and constructing single and/or multi-family workforce housing units within the municipal boundaries of Hilton Head Island.

iii. Review of Plans. Habitat shall submit all conceptual, design, engineering, and site plans to the Town for review and approval consistent with the standard and ordinary development review and building construction process. The plans submitted by Habitat shall follow the Town's Land Management Ordinance as well as any other applicable laws and regulations.

iv. Maintenance Plan. Within its Plan, Habitat shall provide information outlining how the affordable workforce housing units developed with the use of the Town's funding will be maintained in accordance with generally accepted maintenance standards. Habitat shall also identify how applicants will be screened and ultimately selected to own and/or occupy any units created under this Agreement. These screening and selection criteria shall include a mandatory requirement that at least one or more members of a household that qualifies to acquire any units created under this Memorandum shall be actively employed within the municipal boundaries of the Town of Hilton Head Island at the time that they are qualified and selected for such unit.

v. Income Requirements. Within its submitted Plan, Habitat shall identify the Area Median Incomes ("AMI") applicable to the affordable workforce housing units that it seeks to create under this Agreement. The rental or conveyance of any workforce housing homes created under this Agreement shall be between thirty percent (30%) to eighty percent (80%) ~~not exceed 120%~~ of the AMI applicable to Hilton Head Island, South Carolina without the express prior written approval by the Town.

vi. Ongoing Affordable Nature of Housing Units. Within its submitted Plan, Habitat shall identify the nature and extent to which the affordable workforce housing units it seeks to create under this Agreement shall be maintained and the duration of time, expressed in years, that it will ensure that the affordability standards for these units are maintained as stated in its submitted Plan. Additionally, within the submitted Plan, any units created under this agreement shall be restricted from being used for short-term rental purposes.

vii. Accounting, Reporting, and Transparency. Any funding awarded under this Agreement shall be accounted for in a separate fund according to Generally Accepted Accounting Principles for governmental and non-profit entities. Habitat shall allow the Town to access all records related to the Grant funds upon seventy-two (72) hour written notice. To the extent that it should become necessary, Habitat agrees that it will provide the Town with any documentation that may be necessary to appropriately identify and account for any funding that it may receive. Habitat shall also work with the Town to provide any documentation that may be requested of any state or federal entity pertaining to this funding.

Habitat shall cause a financial statement to be prepared each year at the conclusion of Habitat's fiscal year by an entity independent of, and unconnected to, Habitat. Habitat shall deliver a copy of its financial statement to the Town within thirty (30) days of the completion of the financial statement each calendar year.

Habitat shall provide the Town with an annual independent audit report or review report prepared by a Certified Public Accountant (CPA) acceptable to the Town. An annual report shall be submitted no less than every third year.

Habitat shall prepare and submit an annual report to the Town identifying the manner in which any funding that it has received by the Town was utilized, the outcomes that it has created to support the development of workforce housing on Hilton Head Island, and any performance metrics that may be necessary to evaluate the overall effectiveness that this funding has had in addressing workforce housing issues on Hilton Head Island.

viii. Insurance. Habitat shall provide a Certificate of Insurance covering all activities necessary in the carrying out of acquiring real property, and/or designing and constructing single and/or multi-family workforce housing units within the municipal boundaries of Hilton Head Island. The Town shall be named as an additional insured within this document.

ix. Indemnification. Habitat shall defend, indemnify, and hold harmless the Town, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses, and/or damages, including attorney's fees, whether incurred prior to the institution of litigation, during litigation, or on appeal arising out of or resulting from the conduct of any activity hereby authorized or the performance of any requirement imposed pursuant by this Agreement, however caused or occasioned, unless caused by the willful misconduct or gross negligence of the Town.

b. Town Obligations:

i. Support for Habitat Services: The Town will encourage and guide Habitat in the submission of any necessary procurement documentation that may be required in order to facilitate Habitat's participation as a qualified vendor in the Town's Home Safe and Repair program as well as any additional contracting opportunities that may be appropriate for Habitat's services in the home construction and home repair industry.

ii. Staff Support: The Town will provide Habitat with access to its staff to support identifying opportunities within historic neighborhoods and the development of home ownership opportunities on all properties located within the Town of Hilton Head Island inclusive of Gullah land. This access to staff will include, but will not be limited to, the Historic Neighborhoods Principal Planner, staff from the Gullah Geechee Historic Neighborhoods Community Development Corporation, and others as may be necessary to accomplish this purpose.

iii. Development Support: The Town will work cooperatively with Habitat to assist in performing site selection, site design, building design, and construction related activities that support the creation of home ownership workforce housing on Hilton Head Island.

iv. Processing of Permits. The Town agrees to work with Habitat to expeditiously process any requests that it may submit for development and/or building permits associated with the creation of affordable workforce housing called for under this Agreement.

v. Project Assistance. The Town may assist and/or perform functions that aid in the acquisition, transfer, and/or development of affordable workforce housing properties for homeownership in a joint partnership with Habitat as provided for within Section 11-1-911 of the Municipal Code of the Town of Hilton Head Island, South Carolina.

vi. Project Payments. The Town will provide any funding authorized under this Memorandum to Habitat based upon on a periodic draw down basis. The Town Manager shall be authorized to determine the appropriate amounts to be paid under each draw down request based upon the project progress that has been achieved at the time of the draw down request.

vii. Future Funding Opportunities: The Town will work cooperatively with Habitat to jointly pursue external funding opportunities that support workforce housing development.

4. **Specific Obligations**

Because of the unknown nature of future Plans and Budget that may be submitted by Habitat, as a condition of any funding that may be awarded to Habitat through the Affiliated Agency funding process, the Town may require additional obligations that shall be consistent with the Plan and Budget approved by the Town Council. Any such specific obligations will be incorporated via separate agreement and shall identify the nature and scope to which such specific obligations shall apply.

5. **Claw Backs**

In the event Habitat materially breaches this Agreement, the Town reserves the right to claw back the entirety of the Grant funds, or a portion thereof, that it has provided to Habitat. Additionally, should any funding awarded under this Agreement not be utilized pursuant to the terms and conditions outlined herein, or any additional specific obligations that may be associated with any such award, then Habitat agrees to refund any such funding to the Town upon the receipt of a written demand by the Town to return such funding.

6. **Notices**

All notices required under this Memorandum shall be deemed to have been given if in writing and

a. delivered personally; or

b. mailed first class, postage prepaid, to the address of record set forth below, in which case delivery shall be deemed to have occurred two calendar days after the date of postmark.

HILTON HEAD REGIONAL HABITAT FOR HUMANITY
Executive Director
PO Box 2747
Bluffton, SC 29910

TOWN OF HILTON HEAD ISLAND
Town Manager
One Town Center Court
Hilton Head Island, SC 29928

The address of record may be changed by written notice to the other party.

7. **Term**

The term of this Memorandum of Understanding shall be for a period of five (5) years from the date of its execution. No less than one hundred and eighty (180) days prior to the conclusion of this Memorandum, the Town and Habitat shall meet to discuss any extensions, modifications, or terminations of the same. Changes to this Agreement may be made only with and by the mutual written consent of both Parties. This Agreement and any future requests for funding that are contemplated herein are subject to an annual budget appropriation by the Town Council as part of its Affiliated Agency funding program.

8. **Termination**

In addition to any other rights of termination set forth in this Memorandum, each party shall have the right to terminate this Memorandum, by written notice to the other party, if the other party is in default of any term or provision of this Memorandum, and the defaulting party fails to cure or correct such default within fourteen (14) days of notice thereof from the non-defaulting party. A party may elect to disregard a default for the period of time without waiving its right to declare a default at a subsequent time or upon reoccurrence of the default. Additionally, either of the Parties may elect to terminate this Agreement for convenience by written notice to the other party, thirty (30) days in advance of such termination.

(SIGNATURE PAGES FOLLOW)

IN WITNESS WHEREOF, Habitat has caused this Agreement to be signed and sealed this ______ day of __________________________, 20_____.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

____

____

HILTON HEAD REGIONAL HABITAT FOR HUMANITY

By:_________________________________
Brenda Dooley
Executive Director

Attest:______________________________

Print Name:__________________________

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGEMENT**
COUNTY OF ______________________)

I, the undersigned Notary Public, do hereby certify that Brenda Dooley and ______________________________ personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the Hilton Head Regional Habitat for Humanity, Inc.

Witness my hand and seal this _____ day of _____________________, 20_____.

____
Notary Public for South Carolina
My Commission Expires:__________

IN WITNESS WHEREOF, the Town has caused this Agreement to be signed and sealed this ______ day of __________________________, 20_____.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:	**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**
____________________________________	By:____________________________ Alan Perry, Mayor
____________________________________	Attest:_________________________ Marc Orlando, ICMA~CM Town Manager

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGEMENT
COUNTY OF BEAUFORT)

I, the undersigned Notary Public, do hereby certify that Alan Perry and Marc Orlando personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the Town of Hilton Head Island, South Carolina.

Witness my hand and seal this _____ day of_____________________, 20_____.

____
Notary Public for South Carolina
My Commission Expires:__________

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TOWN OF HILTON HEAD ISLAND

Finance and Administrative Committee

TO:	Finance and Administrative Committee Members
FROM:	Joshua Gruber, *Deputy Town Manager*
CC:	Marc Orlando, *Town Manager*
DATE:	January 2, 2024
SUBJECT:	Consideration of a Fiscal Year 2024 Affiliated Agency Funding Application by the Coastal Community Development Corporation

RECOMMENDATION:

The Committee should review the Fiscal Year 2024 Affiliated Agency Funding Application submitted by the Coastal Community Development Corporation and determine a recommendation on the amount of funding that should be awarded, if any, which will be communicated to Town Council for its consideration.

BACKGROUND:

The Coastal Community Development Corporation submitted a request to the Town asking that it be provided with funding to support its acquisition of various existing residential units to support its workforce housing efforts on Hilton Head Island. Subsequent to this request, the Town's Finance and Administration Committee requested that staff prepare a draft Memorandum of Understanding which would outline the various roles and responsibilities of the parties should the Town ultimate award this funding request.

As part of these discussions, the Town requested that the Coastal Community Development Corporation prepare an Affiliated Agency Application to identify the specific level of financial support that it is seeking. A copy of this Application for the FY24 period is attached to this staff Memorandum for the Committee's review and discussion.

CONCLUSION:

The Committee should review the Fiscal Year 2024 Affiliated Agency Funding Application submitted by the Coastal Community Development Corporation and determine the recommended funding amount that it will transmit to Town Council for its consideration.

ATTACHMENTS:

1. Coastal Community Development Corporation FY24 Affiliated Agency Application

Fiscal Year 2024
Affiliated Agency Grant Application

Organization Name: Coastal Community Development Corporation

Project Name: Hilton Head Island Workforce Housing

Executive Summary

An Affiliated Agency Effectiveness Measurement form has been attached to this application.

Fiscal Year 2024
Affiliated Agency Grant Application

Date Received:	Time Received:	By:

Applications will not be accepted if submitted after 4 pm on January 31, 2023

A. SUMMARY OF GRANT REQUEST:

Organization Name: Coastal Community Development Corporation

Contact Name: Carletha Frazier Title: Project Manager

Address: 1000 Main Street Suite 100 B, Hilton Head, SC 29926

Email Address: carletha@ccdc-sc.org Contact Phone: 843-715-4209

Total Budget: $3,000,000.00 **Grant Amount Requested:** $600,000.00

Provide a brief summary on the intended use of the grant and how the funding would be used. *(100 words or less)*

The entirety of the grant would be used for down payment capital for the purchase of affordable workforce housing. The grant would be used for 20% of the down payment on units and will be matched by 20% of altruistic capital along with 60% of bank financing.

B. DESCRIPTION OF OPERATIONS:

1. For reporting purposes, give a brief description of the organization. *(250 words or less)*

The Coastal Community Development Corporation (CCDC) seeks to increase the availability of homes for our local and regional workforce by preserving existing housing, redeveloping existing property and developing new property to meet the demand of our region while serving working residents.

The purpose of requested funding is to purchase units that are for sale on Hilton Head Island and make them available as rental units to workers earning between 50% - 120% of area median income and keep the future rents of those units tied to the AMI restrictions for a period of 99 years. The requested funds would be used as down payment capital representing 20% of the purchase price of units purchased.

Preservation of workforce housing units by the CCDC ensures that units that are sold will not end up in the short term rental market and will often return inventory of housing to the long term market from the short term market. The benefit to the Island's citizens and visitors is an increase in workforce availability and increased quality and availability of services as well as increased tax revenues to the Town from local businesses who are, at present, unable to operate at full staffing and business levels.

2. Describe in detail how the grant would be used? *(250 words or less)*

The CCDC will deploy grant funds as downpayment capital for housing units on HHI that will serve workers and families with household incomes between 50%-120% of AMI. The units will be deed restricted to serve those AMIs for 99 years to provide long term benefits to the community.

The entirety of the grant funds would be used for down payment capital for the purchase of housing
units on Hilton Head Island. The grant would be matched by altruistic capital the CCDC has raised.
The total of those two sources represents 40% of the purchase price of the units.

Local bank loans will fund the remaining 60% of the purchases

The sources of other funds includes altruistic capital loaned to CCDC for 10 years at 3% APR raised through unsecured promissory notes and through local bank funding secured for 10 years at 7.25% or lower.

3. What impact would partial funding have on the activities, if full funding were not received? What would the organization change to account for partial funding? *(100 words or less)*

Partial funding would reduce the amount of units the CCDC can purchase to preserve workforce housing units. The CCDC would continue to pursue its mission of providing workforce housing but would be limited in its impact due to partial funding.

4. What is the expected public benefit to these expenditures to the Island's, citizens, visitors, and/or the Town? *(100 words or less)*

Preservation of workforce housing units by the CCDC ensures that units that are sold will not end up in the short term rental market and will often return inventory of housing to the long term market from the short term market. The benefit to the Island's citizens and visitors is an increase in workforce availability and increased quality and availability of services as well as increased tax revenues to the Town from local businesses who are, at present, unable to operate at full staffing and business levels.

5. Additional comments. *(250 words or less)*

C. **FUNDING:**

1. Please describe how the organization is currently funded. *(100 words or less)*

The administrative budget is funded through donations from local businesses and residents which total in excess of $125,000 to date in 2023 and a matching grant from the Community Foundation of the Lowcountry. All funding through municipal sources, altruistic capital and bank loans is used for acquisition capital.

2. Please also estimate, as a percentage, the source of the organization's total annual funding.

10	Government Sources	30	Private Contributions, Donations and Grants
10	Corporate Support, Sponsors		Membership, Dues, Subscriptions
	Ticket Sales, or Sales and Services	50	Other

3. Please provide a summary of previous governmental funding applied for, or received, for fiscal year 2023 and fiscal year 2024. *(100 words or less)*

Over $1.1 million has been secured in altruistic capital from residents of Long Cove Club Community. CCDC will be seeking altruistic capital from other communities on Hilton Head Island and throughout Beaufort County.

Bank loan funding is also being sourced with a 10 year term for the debt financed at 7.25% or lower.

4. Please provide a summary of other sources of funding or secured for this initiative. *(250 words or less)*

Over $1.1 million has been secured in altruistic capital from residents of Long Cove Club Community. CCDC will be seeking altruistic capital from other communities on Hilton Head Island and throughout Beaufort County.

Bank loan funding is also being sourced with a 10 year term for the debt financed at 7.25% or lower.

D. FINANCIAL INFORMATION:

Fiscal Year Disclosure: Start Month: January End Month: December

Financial Statement Requirements:

1. The upcoming year's **operating budget** for the organization.
2. The previous two years and current year **profit and loss reports** for the organization.
3. The previous two years and current year **balance sheets**.

E. MEASURING EFFECTIVENESS:

1. List any award amounts received in fiscal year 2023 and/or 2024.

How were those funds used? To what extent were the objectives achieved? *(200 words or less)*

The $100,000 Community Foundation of the Lowcountry grant along with $125,000 in donations secured has allowed us to hire a program manager and will fully fund the administrative budget through Q3 of 2024. The Program Manager is already managing five units owned by the CCDC.

2. What impact did this have on the success of the organization and how did it benefit the community? *(200 words or less)*

The six units purchased to date have already provided secure workforce rental housing for working families and over 12 workers on Hilton Head Island.

3. How does the organization measure the effectiveness of both the overall activity and of individual programs? *(200 words or less)*

The Coastal Community Development Corporation measures effectiveness by successfully purchasing units and renting them to workers in the community that they live in.

F. EXECUTIVE SUMMARY

Provide an executive summary using the Effectiveness Measurement spreadsheet provided or your own format. If creating your own format, please refer to the Effectiveness Measurement sample spreadsheet and use the criteria as a guideline *(1300 words or less)*

An Effectiveness Measurement spreadsheet has been attached to this application.

Executive Summary: Stabalize workforce housing

Topic	Plan	Budget for downpayments	Actaul Spent on downpayments	Anticipated Results	Actual Results
Purchase 12 Workforce Housing Units for long term rental preservation, utilizing town grant funds for down payment capital	Identify and purchase 12 housing units	600,000		Purchase 12 Workforce housing units to preserve them under deed restricition	

TOWN OF HILTON HEAD ISLAND

Finance and Administrative Committee

TO:	Finance and Administrative Committee Members
FROM:	Joshua Gruber, *Deputy Town Manager*
CC:	Marc Orlando, *Town Manager*
DATE:	January 2, 2024
SUBJECT:	Consideration of a Fiscal Year 2024 Affiliated Agency Funding Application by the Hilton Head Regional Habitat for Humanity

RECOMMENDATION:

The Committee should review the Fiscal Year 2024 Affiliated Agency Funding Application submitted by the Hilton Head Regional Habitat for Humanity and determine a recommendation on the amount of funding that should be awarded, if any, which will be communicated to Town Council for its consideration.

BACKGROUND:

In January of 2023, the Hilton Head Regional Habitat for Humanity submitted an FY2024 Affiliated Agency Application requesting funding for the acquisition of land that would ultimately be utilized to develop affordable homes as part of Habitat's charitable mission.

At the time, the Town did not authorize any funding due to the pending nature of legislation that was before the South Carolina General Assembly. That legislation was ultimately adopted as Act 57 of 2023.

Following the adoption of this legislation, the Town's Finance and Administration Committee requested that staff prepare a draft Memorandum of Understanding which would outline the various roles and responsibilities of the parties should the Town ultimate award funding pursuant to this request. Contemporaneously with these discussions, Habitat's FY24 Affiliated Agency Application is being provided for consideration of a specific funding level that would be considered in conjunction with this Memorandum of Understanding.

A copy of this Application for the FY24 period is attached to this staff Memorandum for the Committee's review and discussion.

CONCLUSION:

The Committee should review the Fiscal Year 2024 Affiliated Agency Funding Application submitted by the Hilton Head Regional Habitat for Humanity and determine the recommended funding amount that it will transmit to Town Council for its consideration.

ATTACHMENTS:

1. Hilton Head Regional Habitat for Humanity FY24 Affiliated Agency Application

Fiscal Year 2024
Affiliated Agency Grant Application

Organization Name: Hilton Head Regional Habitat for Humanity

Project Name: Land Purchase to Build Workforce Housing

Executive Summary

An Effectiveness Measurement spreadsheet has been attached to this application.

Fiscal Year 2024
Affiliated Agency Grant Application

Date Received: 02/03/2023	Time Received: 11:30 AM	By: Online Submittal

Applications will not be accepted if submitted after 4 pm on February 3, 2023

A. SUMMARY OF GRANT REQUEST:

ORGANIZATION NAME: Hilton Head Regional Habitat for Humanity	
Project/Event Name: Land Purchase to Build Workforce Housing	
Contact Name: Brenda Dooley	Title: Executive Director
Address: PO Box 2747, Bluffton, SC 29910	
Email Address: brendadooley@habitathhi.org	Contact Phone: 843-651-5864
Total Budget: $2,328,225.00	**Grant Amount Requested:** $500,000.00

Provide a brief summary on the intended use of the grant and how the money would be used. *(100 words or less)*

Hilton Head Regional Habitat for Humanity is requesting $500,000 for the Affiliated Organization Grant. As affordable housing on the island is not readily available, all the funds from this grant will go to purchasing land on Hilton Head Island so we can build more affordable homes on the island for the area's growing workforce. We hope to be able to find a one-acre plot that we can purchase to add 8-10 Habitat homes.

B. DESCRIPTION OF OPERATIONS:

1. For state reporting purposes, give a brief description of the organization. *(250 words or less)*

Habitat for Humanity's mission is "Seeking to put God's love into action, Habitat for Humanity brings people together to build affordable homes, communities, and hope." Hilton Head Regional Habitat for Humanity partners with families in need of an affordable home of their own; fostering stability, self-reliance, and a strong sense of community.

Affordable housing on the Hilton Head Island has all but disappeared. This puts a burden on low-income/workforce families who are trying to work and live in this area. HHRHFH is addressing this by creating a pathway for home ownership for these families. To become a family partner (a homebuyer through Habitat), the family must go through an intensive application process, attend home-ownership classes, and perform at least 300 hours of sweat equity. At completion of the build, they purchase the home with a no-interest mortgage which has a monthly payment plan at 30% or less of their household income. To date, HHRHFH has completed 124 homes in Jasper and in southern Beaufort Counties.

All the funds from this grant will go to purchasing land on Hilton Head Island so we can build more affordable homes on the island for the area's growing workforce. We hope to be able to find a one-acre plot that we can purchase to add 8-10 Habitat homes

2. Describe in detail how the grant would be used? *(250 words or less)*

The final outcome of the grants fund would be to create up to ten new affordable houses on Hilton Head Island for low-income/workforce families. The funds would be used just to purchase the land. The homes would be built through HHRHFH fundraising. This current year, we already have the funds secured to build six houses, and this is typical of our fundraising efforts. These funds are raised through events, mailings, social media, grants, and general donations. The past few years have shown that many donors are more likely to give to projects that are on the Hilton Head Island. Each house costs approximately $110,000 to build. After securing the land, it would take us approximately two years to fundraise the remaining costs for building the homes and to complete construction.

HHRHFH serves families earning between 30% and 70% of the average median household in southern Beaufort and Jasper Counties. We do not discriminate based on age, race, ethnicity, religion, or any other status.

3. What impact would partial funding have on the activities, if full funding were not received? What would the organization change to account for partial funding? *(100 words or less)*

We currently have land in Ridgeland where we could spend our time raising money for infrastructure and beginning to build there. While that is a great option, we know that the need is the greatest on Hilton Head. If available, we could look at smaller lots on Hilton Head.

4. What is the expected public benefit to these expenditures to the Island's, citizens, visitors, and/or the Town? *(100 words or less)*

The public benefit would be for ten workforce families on Hilton Head Island to have a home on the island, increasing the probability that they will work on Hilton Head. As mentioned above, we will be looking for funding to build infrastructure in Ridgeland. We currently estimate that will cost over $2,000,000. Our only change in service is that we are currently piloting a "Home Repair Project." This project is currently working with existing Habitat Homes that need critical home repairs to maintain health and safety.

5. Additional comments. *(250 words or less)*

HHRHFH has enjoyed a long partnership with the Town of HIlton Head Island. In the past, council members as well as staff have come to work on our job sites, literally building workforce housing. We are constantly looking for ways to deepen the community spirit here on Hilton Head Island of everyone partnering together to solve a problem.

C. **FUNDING:**

1. Please describe how the organization is currently funded. *(100 words or less)*

Administrative and program support salaries are funded through our ReStore, the Habitat thrift-shop. Other adminstrative funds are offset through year-end fundraising efforts. Funds for building houses are raised through local events, mailings, social media, grants, and general donations.

2. Please also estimate, as a percentage, the source of the organization's total annual funding.

1	Government Sources	0	Private Contributions, Donations and Grants
22	Corporate Support, Sponsors		Membership, Dues, Subscriptions
5	Ticket Sales, or Sales and Services	72	Other

3. Please provide a summary of previous governmental funding applied for, or received, for fiscal year 2023 and fiscal year 2024. *(100 words or less)*

While searching for land and building homes is not new, specifically looking to purchase land on Hilton Head Island is. We know that if we can raise the money to purchase the land, we will be able to raise the funds to build each individual house.

4. Please provide a summary of other sources of funding or secured for this initiative. *(250 words or less)*

While searching for land and building homes is not new, specifically looking to purchase land on Hilton Head Island is. We know that if we can raise the money to purchase the land, we will be able to raise the funds to build each individual house.

D. **FINANCIAL INFORMATION:**

Fiscal Year Disclosure: Start Month: July End Month: June

Financial Statement Requirements:

1. The upcoming year's **operating budget** for the organization.

   An Organization Budget has been attached to this Application.

2. The previous two years and current year **profit and loss reports** for the organization.

   A Current Profit & Loss Report has been attached to this Application.

   Profit and Loss Years Provided:

   FY22
   FY 2021

3. The previous two years and current year **balance sheets**.

   A Current Balance Sheet has been attached to this Application.

   Balance Sheet Years Provided:

   FY 21

E. **MEASURING EFFECTIVENESS:**

1. List any award amounts received in fiscal year 2022 and/or 2023.

2. How were those funds used? To what extent were the objectives achieved? *(200 words or less)*

   n/a

3. What impact did this have on the success of the organization and how did it benefit the community? *(200 words or less)*

   n/a

4. How does the organization measure the effectiveness of both the overall activity and of individual programs? *(200 words or less)*

   The objective is to provide safe, secure, housing to 10 low-income/workforce families. The overall project budget to build 10 houses is $1.7 Million. It will cost us $500,000 to purchase an acre of land on the island, and each home will cost $110,000. We measure effectiveness by number of participants who complete the program and purchase the home, followed by number of participants who pay their mortgage on time.

   This accrues to public benefit because workforce housing is at a critical point on Hilton Head Island. This is on the council's priority list and in

November the council adopted a Workforce Housing Framework after studying a Workforce Housing Needs Assessment. The biggest areas of growth in population are those making under $25,000 or above $150,000. With no housing for middle class families, these families have moved to other areas of the Lowcountry and accepting work positions off of the island. This is causing a workforce shortage on Hilton Head.

Our affiliate builds 6-8 houses per year, and we work with families through the life of their mortgages serving almost 400 individuals per year. Demographics for our current homeowners include 47% African American, 46% Hispanic, 6% White/Caucasian, 1% Asian Indian.

F. EXECUTIVE SUMMARY

Provide an executive summary using the Effectiveness Measurement spreadsheet provided or your own format. If creating your own format, please refer to the Effectiveness Measurement sample spreadsheet and use the criteria as a guideline. *(1300 words or less)*

An Effectiveness Measurement spreadsheet has been attached to this application.

Signature: Jeb Bush

Title/Position: Development Director

Mailing Address: PO Box 2747, Bluffton, SC 29910

Email Address: jebbush@habitathhi.org

Phone Number: 843-681-5864

AFFILIATED AGENCIES
EFFECTIVENESS MEASUREMENT

Please refer to the SAMPLE Effectiveness Measurement Form for examples. When completing this form, please expand, contract, or add to the sections as needed (but contain the form to a total of approximately 2 pages). You may choose to use your own format instead of this form, and if doing so, please use the criteria below as a guideline. Regardless of format, ***each applicant should choose how they measure degree of success. Applicants need to explain why this is an effective measurement technique that reflects results and how that relates to the objective.***

TOPIC	THE PLAN	BUDGET	ACTUAL SPENT	RESULTS ***When possible, provide planned results vs. actual results, and/or current year vs. prior year results*** .
Purchase of land				
Land	Purchase an acre of land on Hilton Head Island	$500,000		Habitat affiliate gaining an acre of property on Hilton Head Island to build houses on.
Total		$ 500,000.00	$ -	

Construction				
Building	Build ten houses for low-income/workforce families	$ 1,100,000.00		Ten workforce families will be able to live and work on Hilton Head Island, increasing the workforce
Total		$ 1,100,000.00	$ -	

Total Budget to Actual	$ 1,600,000.00	$ -

Hilton Head Regional Habitat for Humanity

Budget FYE 6/30/23

Income	Budget
Contributions Individuals	200,000
Contributions Businesses	85,000
Contributions Churches	80,000
Grants	60,000
Transfers from Int'l	7,200
Sale to Homeowners	460,000
Special Events Income	95,000
ReStore Income	1,320,000
Other Income	21,025
Total Income	2,328,225
Expenses	
Cost of Construction	850,000
Insurance	31,210
Other Program Services	170,645
Management & General Expenses	79,420
Fundraising Expense	30,800
Wages & Benefits	537,898
ReStore Expense	578,224
Total Expense	2,278,197
Net Income	50,028

Approved 6/15/21

Hilton Head Regional Habitat for Humanity, Inc
Balance Sheet
As of December 31, 2022

		Dec 31, 22
ASSETS		
Current Assets		
Checking/Savings		
1015 · Operating Funds		
1015.27 · Sharonview MMA #2	127,165.23	
1015.26 · Sharon View MMA #1	207,362.97	
1015.25 · Sharonview Federal Credit Union	-7.91	
1015.24 · Synovus Bank MMA	382,418.54	
1015.23 · Synovus Bank Operating	83,450.99	
1015.13 · Coastal States MMA	835,884.19	
1015.14 · Coastal States Operating	164.75	
1015.28 · Coastal States Operating II	206,182.26	
Total 1015 · Operating Funds		1,842,621.02
Total Checking/Savings		1,842,621.02
Accounts Receivable		
1110 · Accounts Receivable		
1110.01 · Allowance for A/R Escrow	-27,523.00	
1110 · Accounts Receivable - Other	44,165.62	
Total 1110 · Accounts Receivable		16,642.62
Total Accounts Receivable		16,642.62
Other Current Assets		
1259 · Inventory - ReStore		
1259.01 · ReStore Inventory	104,682.00	
Total 1259 · Inventory - ReStore		104,682.00
1240 · Prepaid Insurance		20,040.00
1245 · Refundable Deposits		2,000.00
1250 · Inventory - Land & Lot		
1253.06 · Investment - Colony Drive	82,988.47	
1253.04 · Investment - Alex Patterson Roa	13,438.68	
1252.01 · Investment - Rice Shire	384,999.83	
1254.01 · Investment- Honey Hill	1,017,500.00	
Total 1250 · Inventory - Land & Lot		1,498,926.98
1255 · Inventory - Building Materials		
1255.01 · Inventory, const. materials	4,350.00	
Total 1255 · Inventory - Building Materials		4,350.00
1300 · Construction In Process		427,175.14
Total Other Current Assets		2,057,174.12
Total Current Assets		3,916,437.76
Fixed Assets		
1420.01 · ReStore Bldg.18 Plantation Park		1,377,531.47
1428.01 · Computer Equipment		86,292.80
1426.00 · Vehicles		148,675.13
1410 · Land Used by Affiliate		
1410.01 · Land ReStore Bldg.18 Plan. Park	350,000.00	
1410 · Land Used by Affiliate - Other	15,484.00	
Total 1410 · Land Used by Affiliate		365,484.00
1420 · Buildings Used by Affiliate		
1425 · Depreciation - Buildings	-280,023.85	
1420 · Buildings Used by Affiliate - Other	136,109.49	
Total 1420 · Buildings Used by Affiliate		-143,914.36

Hilton Head Regional Habitat for Humanity, Inc
Balance Sheet
As of December 31, 2022

		Dec 31, 22
1430 · Equipment & Furniture Major		
1435 · Depreciation Equip. & Furn.	-198,305.25	
Total 1430 · Equipment & Furniture Major		-198,305.25
Total Fixed Assets		1,635,763.79
Other Assets		
1610 · Mortgages Receivable		
1610.01 · Mortgage Notes Receivable	3,763,806.12	
1620 · Unamortized Mortgage Discount	-1,641,262.95	
Total 1610 · Mortgages Receivable		2,122,543.17
Total Other Assets		2,122,543.17
TOTAL ASSETS		**7,674,744.72**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
2101 · *Payroll Liabilities		11,995.04
2210 · Homeowner Escrow Deposits		-64,972.31
2220 · Home Deposits and Downpayments		10,445.25
Total Other Current Liabilities		-42,532.02
Total Current Liabilities		-42,532.02
Long Term Liabilities		
2510 · Notes Payable		
2518 · . Note Payable - Synovous	552,903.79	
2515 · Note Payable Bank of the Ozarks	1,121,027.40	
Total 2510 · Notes Payable		1,673,931.19
Total Long Term Liabilities		1,673,931.19
Total Liabilities		1,631,399.17
Equity		
3200 · Temporarily Restricted		1,713,500.00
3100 · Retained Earnings		4,194,432.78
Net Income		135,412.77
Total Equity		6,043,345.55
TOTAL LIABILITIES & EQUITY		**7,674,744.72**

Hilton Head Regional Habitat for Humanity, Inc
Balance Sheet
As of June 30, 2022

		Jun 30, 22
ASSETS		
Current Assets		
Checking/Savings		
1015 · Operating Funds		
1015.27 · Sharonview MMA #2	125,830.62	
1015.26 · Sharon View MMA #1	205,186.66	
1015.25 · Sharonview Federal Credit Union	991.22	
1015.24 · Synovus Bank MMA	381,659.18	
1015.23 · Synovus Bank Operating	112,095.60	
1015.13 · Coastal States MMA	846,688.48	
1015.14 · Coastal States Operating	14,946.23	
1015.28 · Coastal States Operating II	-712.00	
Total 1015 · Operating Funds		1,686,685.99
Total Checking/Savings		1,686,685.99
Accounts Receivable		
1110 · Accounts Receivable		
1110.01 · Allowance for A/R Escrow	-27,523.00	
1110 · Accounts Receivable - Other	44,165.62	
Total 1110 · Accounts Receivable		16,642.62
Total Accounts Receivable		16,642.62
Other Current Assets		
1259 · Inventory - ReStore		
1259.01 · ReStore Inventory	104,682.00	
Total 1259 · Inventory - ReStore		104,682.00
1510 · Due From Amerinational		11,538.73
1240 · Prepaid Insurance		20,040.00
1245 · Refundable Deposits		2,000.00
1250 · Inventory - Land & Lot		
1253.06 · Investment - Colony Drive	82,988.47	
1253.04 · Investment - Alex Patterson Roa	26,877.35	
1252.01 · Investment - Rice Shire	384,999.83	
1254.01 · Investment- Honey Hill	1,017,500.00	
Total 1250 · Inventory - Land & Lot		1,512,365.65
1255 · Inventory - Building Materials		
1255.01 · Inventory, const. materials	4,350.00	
Total 1255 · Inventory - Building Materials		4,350.00
1300 · Construction In Process		597,080.05
Total Other Current Assets		2,252,056.43
Total Current Assets		3,955,385.04
Fixed Assets		
1420.01 · ReStore Bldg.18 Plantation Park		1,377,531.47
1428.01 · Computer Equipment		86,292.80
1426.00 · Vehicles		148,675.13
1410 · Land Used by Affiliate		
1410.01 · Land ReStore Bldg.18 Plan. Park	350,000.00	
1410 · Land Used by Affiliate - Other	15,484.00	
Total 1410 · Land Used by Affiliate		365,484.00
1420 · Buildings Used by Affiliate		
1425 · Depreciation - Buildings	-280,023.85	
1420 · Buildings Used by Affiliate - Other	136,109.49	
Total 1420 · Buildings Used by Affiliate		-143,914.36

Hilton Head Regional Habitat for Humanity, Inc
Balance Sheet
As of June 30, 2022

	Jun 30, 22
1430 · Equipment & Furniture Major	
1435 · Depreciation Equip. & Furn.	-198,305.25
Total 1430 · Equipment & Furniture Major	-198,305.25
Total Fixed Assets	1,635,763.79
Other Assets	
1610 · Mortgages Receivable	
1610.01 · Mortgage Notes Receivable	3,726,058.15
1620 · Unamortized Mortgage Discount	-1,641,262.95
Total 1610 · Mortgages Receivable	2,084,795.20
Total Other Assets	2,084,795.20
TOTAL ASSETS	**7,675,944.03**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	60,309.15
Total Accounts Payable	60,309.15
Other Current Liabilities	
2210 · Homeowner Escrow Deposits	-40,092.64
2220 · Home Deposits and Downpayments	11,045.25
Total Other Current Liabilities	-29,047.39
Total Current Liabilities	31,261.76
Long Term Liabilities	
2510 · Notes Payable	
2518 · . Note Payable - Synovous	594,809.59
2515 · Note Payable Bank of the Ozarks	1,141,939.90
Total 2510 · Notes Payable	1,736,749.49
Total Long Term Liabilities	1,736,749.49
Total Liabilities	1,768,011.25
Equity	
3200 · Temporarily Restricted	1,713,500.00
3100 · Retained Earnings	4,122,880.00
Net Income	71,552.78
Total Equity	5,907,932.78
TOTAL LIABILITIES & EQUITY	**7,675,944.03**

Hilton Head Regional Habitat for Humanity, Inc
Balance Sheet
As of June 30, 2021

		Jun 30, 21
ASSETS		
Current Assets		
Checking/Savings		
1015 · Operating Funds		
1015.27 · Sharonview MMA #2	124,894.18	
1015.26 · Sharon View MMA #1	203,659.65	
1015.25 · Sharonview Federal Credit Union	120,558.11	
1015.24 · Synovus Bank MMA	381,434.96	
1015.23 · Synovus Bank Operating	94,395.53	
1015.13 · Coastal States MMA	727,028.33	
1015.14 · Coastal States Operating	38,537.60	
Total 1015 · Operating Funds		1,690,508.36
Total Checking/Savings		1,690,508.36
Accounts Receivable		
1110 · Accounts Receivable		
1110.01 · Allowance for A/R Escrow	-34,715.00	
1110 · Accounts Receivable - Other	63,310.62	
Total 1110 · Accounts Receivable		28,595.62
Total Accounts Receivable		28,595.62
Other Current Assets		
1259 · Inventory - ReStore		
1259.01 · ReStore Inventory	107,258.00	
Total 1259 · Inventory - ReStore		107,258.00
1510 · Due From Amerinational		14,035.18
1240 · Prepaid Insurance		18,990.00
1245 · Refundable Deposits		2,000.00
1250 · Inventory - Land & Lot		
1253.06 · Investment - Colony Drive	10,000.00	
1253.04 · Investment - Alex Patterson Roa	67,187.45	
1252.01 · Investment - Rice Shire	384,999.83	
1254.01 · Investment- Honey Hill	1,017,500.00	
Total 1250 · Inventory - Land & Lot		1,479,687.28
1255 · Inventory - Building Materials		
1255.01 · Inventory, const. materials	4,350.00	
Total 1255 · Inventory - Building Materials		4,350.00
1300 · Construction In Process		816,042.06
Total Other Current Assets		2,442,362.52
Total Current Assets		4,161,466.50
Fixed Assets		
1420.01 · ReStore Bldg.18 Plantation Park		1,377,531.47
1428.01 · Computer Equipment		86,292.80
1426.00 · Vehicles		148,675.13
1410 · Land Used by Affiliate		
1410.01 · Land ReStore Bldg.18 Plan. Park	350,000.00	
1410 · Land Used by Affiliate - Other	15,484.00	
Total 1410 · Land Used by Affiliate		365,484.00
1420 · Buildings Used by Affiliate		
1425 · Depreciation - Buildings	-241,212.55	
1420 · Buildings Used by Affiliate - Other	136,109.49	
Total 1420 · Buildings Used by Affiliate		-105,103.06

Hilton Head Regional Habitat for Humanity, Inc
Balance Sheet
As of June 30, 2021

		Jun 30, 21
1430 · Equipment & Furniture Major		
1435 · Depreciation Equip. & Furn.	-180,080.65	
Total 1430 · Equipment & Furniture Major		-180,080.65
Total Fixed Assets		1,692,799.69
Other Assets		
1610 · Mortgages Receivable		
1610.01 · Mortgage Notes Receivable	3,483,903.02	
1620 · Unamortized Mortgage Discount	-1,588,474.99	
Total 1610 · Mortgages Receivable		1,895,428.03
Total Other Assets		1,895,428.03
TOTAL ASSETS		**7,749,694.22**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2010 · Accounts Payable		28,450.43
Total Accounts Payable		28,450.43
Other Current Liabilities		
2210 · Homeowner Escrow Deposits		11,690.67
2220 · Home Deposits and Downpayments		14,695.25
Total Other Current Liabilities		26,385.92
Total Current Liabilities		54,836.35
Long Term Liabilities		
2510 · Notes Payable		
2518 · . Note Payable - Synovous	675,767.47	
2515 · Note Payable Bank of the Ozarks	1,182,773.59	
Total 2510 · Notes Payable		1,858,541.06
Total Long Term Liabilities		1,858,541.06
Total Liabilities		1,913,377.41
Equity		
3200 · Temporarily Restricted		1,713,500.00
3100 · Retained Earnings		3,867,504.39
Net Income		255,312.42
Total Equity		5,836,316.81
TOTAL LIABILITIES & EQUITY		**7,749,694.22**

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July through December 2022

			Jul - Dec 22
Ordinary Income/Expense			
Income			
4010 · $ Contributions Individuals			
4010.01 · Individual Donations		33,825.18	
4010.11 · Adopt-A-Home Colleton		72,914.73	
4010.18 · Adopt-A-Home Women's Build		500.00	
Total 4010 · $ Contributions Individuals			107,239.91
4020 · $ Contributions Businesses			
4020.18 · Adopt-A-Home Publix		12,500.00	
4020.09 · Adopt-A-Home Oldfield		56,970.84	
4020.13 · Corp. Donations		11.55	
Total 4020 · $ Contributions Businesses			69,482.39
4030 · $ Contributions Churches			
4030.05 · Adopt-A-Home Faith House		7,405.00	
Total 4030 · $ Contributions Churches			7,405.00
4040 · $ Contributions/Transfers HFHI			
4040.01 · Habitat Intl.		89.00	
Total 4040 · $ Contributions/Transfers HFHI			89.00
4060 · $ Grants - Other			
4060.07 · Community Foundation Home Repai		60,000.00	
4060.04 · Other		53,520.00	
Total 4060 · $ Grants - Other			113,520.00
4200 · Sale to Homeowners			160,000.00
4300 · Special Events Income Net			
4310 · Special Event Income Gross			
4310.32 · Direct Mail 2022	95,564.81		
Total 4310 · Special Event Income Gross		95,564.81	
Total 4300 · Special Events Income Net			95,564.81
4500 · Other Program Income			
4520 · Miscellaneous Program Income		25.00	
Total 4500 · Other Program Income			25.00

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July through December 2022

	Jul - Dec 22
4600 · Other Non-Program Income	
4610 · Interest Income	
4610.01 · Interest Income	7,539.12
Total 4610 · Interest Income	7,539.12
Total 4600 · Other Non-Program Income	7,539.12
4999 · Uncategorized Income	
4913.04 · HOA Assessment	140.00
Total 4999 · Uncategorized Income	140.00
Total Income	561,005.23
Gross Profit	561,005.23
Expense	
5000 · Program Services	
5102 · Cost of Construction from CIP	
5102.35 · Construction Repair Program	5,756.82
5102.00 · Cost of new construction	168,214.49
5102.15 · Cons't- Sheds	438.34
5102.16 · Cons't-Tools	716.11
5102.30 · Infrastructure	462.50
5102.32 · Cons't-Gen. Expense	31,979.71
5102 · Cost of Construction from CIP - Other	179,833.53
Total 5102 · Cost of Construction from CIP	387,401.50
5104 · Liability Insurance	
5104.04 · Insurance - Builder's Risk	175.00
5104.05 · Insurance - D&O	720.00
5104.06 · Insurance - General Liability	3,931.00
5104.07 · Insurance - Health Insurance	8,165.40
5104.08 · Insurance - Property & Liabilit	6,160.00
5104.09 · Insurance - Volunteer Accident	151.00
5104.10 · Insurance - Volunteer Disabilit	70.00
5104.11 · Insurance - Worker's Comp	-6,691.66
5104.12 · Gen.Liability & Builders Risk	175.00
5104.13 · Insurance - Umbrella	1,036.00
Total 5104 · Liability Insurance	13,891.74
5150 · Land & Acquisition Costs	
5150.03 · Surveys/Appraisals	3,750.00
Total 5150 · Land & Acquisition Costs	3,750.00

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July through December 2022

			Jul - Dec 22
5200 · Other Mission Specific Costs			
5200.22 · Interest Synovus Loan	13,949.52		
5200.07 · Family Selection - Sled, etc.	355.47		
5200.11 · Tithe - HFH International	5,000.00		
5200.12 · Loan Servicing	5,872.50		
5200 · Other Mission Specific Costs - Other	-7,589.32		
Total 5200 · Other Mission Specific Costs		17,588.17	
5260 · Salary & Wages Other			
5260.01 · Payroll	55,407.64		
Total 5260 · Salary & Wages Other		55,407.64	
5280 · Other Employee Benefits			
5280.01 · Medical	14,829.42		
Total 5280 · Other Employee Benefits		14,829.42	
5360 · Occupancy Expense			
5360.04 · Property Taxes	2,937.20		
Total 5360 · Occupancy Expense		2,937.20	
5490 · Other Expenses			
5490.07 · Security Lights Brendan Woods	1,350.20		
5490.11 · Security Lights New Ridge	195.59		
5490 · Other Expenses - Other	5.00		
Total 5490 · Other Expenses		1,550.79	
5498 · Expenses-Other		998.00	
Total 5000 · Program Services			498,354.46
5999.16 · *Payroll Expenses			29,869.20
6560 · Payroll Expenses			0.45
7000 · Management and General			
7260 · Salary, & Wages Other		108,805.10	
7290 · Payroll Taxes			
7290.01 · Employer P/R Taxes	26,632.48		
Total 7290 · Payroll Taxes		26,632.48	
7310 · Accounting Fees		8,600.00	
7320 · Legal Fees		5,525.00	

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July through December 2022

	Jul - Dec 22		
7330 · Supplies			
7330.04 · Office Operating Expense	28,458.62		
Total 7330 · Supplies		28,458.62	
7340 · Telephone and Fax		3,012.28	
7360 · Occupancy Expense			
7360.03 · Utilities	1,447.80		
7360.06 · Janitorial & maintenance	6,628.28		
Total 7360 · Occupancy Expense		8,076.08	
7370 · Equipment Costs			
7370.02 · Office - Copier Rental	1,208.40		
7370.04 · Office Equipment	3,701.21		
Total 7370 · Equipment Costs		4,909.61	
Total 7000 · Management and General			194,019.17
8000 · Fundraising			
8000.06 · Fundraiser-Postage		3,500.96	
8000.15 · Fundraising Expenses		24,442.78	
8330 · Supplies			
8330.01 · Fundraising Supplies	606.07		
Total 8330 · Supplies		606.07	
Total 8000 · Fundraising			28,549.81
Total Expense			750,793.09
Net Ordinary Income			-189,787.86
Other Income/Expense			
Other Income			
9400 · Retail store income			
9410.02 · Gross sales- Bluffton		696,572.96	
Total 9400 · Retail store income			696,572.96
Total Other Income			696,572.96
Other Expense			
9260 · ReStore Salary & Wages			
9260.01 · Hourly wages		128,629.68	
9260.02 · Salaried personnel		44,319.25	
9260.03 · Overtime hourly rate		14,407.95	
Total 9260 · ReStore Salary & Wages			187,356.88

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July through December 2022

		Jul - Dec 22
9340 · Transportation		
9340.01 · Truck purchase	80,000.00	
9340.02 · Gasoline	4,379.44	
9340.03 · Truck insurance	3,397.00	
9340.04 · Other expenses	5,119.99	
Total 9340 · Transportation		92,896.43
9360 · Occupancy		
9360.09 · Marketing	1,450.00	
9360.08 · Interest Plantation Park Mtge.	20,162.12	
9360.01 · Operating Expense	52,550.44	
9360.02 · Utilities	12,477.45	
9360.05 · Repairs & maintenance	2,614.74	
9360.06 · Telephone	2,264.29	
Total 9360 · Occupancy		91,519.04
Total Other Expense		371,772.35
Net Other Income		324,800.61
Net Income		**135,012.75**

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July 2021 through June 2022

			Jul '21 - Jun 22
Ordinary Income/Expense			
Income			
4010 · $ Contributions Individuals			
4010.33 · Patricia Carey Wirth House		58,662.24	
4010.32 · Adopt-A-Home Silletti		15,000.00	
4010.01 · Individual Donations		27,763.01	
4010.11 · Adopt-A-Home Colleton		73,758.96	
4010.18 · Adopt-A-Home Women's Build		23,700.00	
Total 4010 · $ Contributions Individuals			198,884.21
4020 · $ Contributions Businesses			
4020.18 · Adopt-A-Home Publix		12,500.00	
4020.08 · Adopt-A-Home Realtors		28,428.82	
4020.09 · Adopt-A-Home Oldfield		41,417.39	
4020.13 · Corp. Donations		15,193.22	
Total 4020 · $ Contributions Businesses			97,539.43
4030 · $ Contributions Churches			
4030.12 · Thrivent Faith House		55,626.08	
4030.05 · Adopt-A-Home Faith House		22,525.43	
Total 4030 · $ Contributions Churches			78,151.51
4040 · $ Contributions/Transfers HFHI			
4040.01 · Habitat Intl.		10,454.55	
Total 4040 · $ Contributions/Transfers HFHI			10,454.55
4050 · $ Contrib./Grants Government			
4050.01 · Grants		24,002.00	
Total 4050 · $ Contrib./Grants Government			24,002.00
4060 · $ Grants - Other			
4060.05 · Community Foundation Escrow Ass		0.00	
4060.04 · Other		0.00	
Total 4060 · $ Grants - Other			0.00
4200 · Sale to Homeowners			480,000.00
4300 · Special Events Income Net			
4310 · Special Event Income Gross			
4310.31 · Direct Mail 2021	83,049.26		
Total 4310 · Special Event Income Gross		83,049.26	
Total 4300 · Special Events Income Net			83,049.26

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July 2021 through June 2022

			Jul '21 - Jun 22
4500 · Other Program Income			
4510 · Rental Income		12,000.00	
4520 · Miscellaneous Program Income		16,821.81	
Total 4500 · Other Program Income			28,821.81
4600 · Other Non-Program Income			
4610 · Interest Income			
4610.01 · Interest Income	173,654.12		
4610 · Interest Income - Other	16.20		
Total 4610 · Interest Income		173,670.32	
Total 4600 · Other Non-Program Income			173,670.32
4999 · Uncategorized Income			
4913.04 · HOA Assessment		190.00	
4999.10 · Other Inc		20,255.25	
Total 4999 · Uncategorized Income			20,445.25
Total Income			1,195,018.34
Gross Profit			1,195,018.34
Expense			
8500.00 · Depreciation Expense			57,035.90
5000 · Program Services			
5102 · Cost of Construction from CIP			
5102.00 · Cost of new construction	945,439.96		
5102.15 · Cons't- Sheds	3,609.67		
5102.16 · Cons't-Tools	3,283.63		
5102.32 · Cons't-Gen. Expense	88,729.43		
Total 5102 · Cost of Construction from CIP		1,041,062.69	
5104 · Liability Insurance			
5104.02 · Insurance - Auto	5,272.00		
5104.04 · Insurance - Builder's Risk	595.00		
5104.05 · Insurance - D&O	1,440.00		
5104.06 · Insurance - General Liability	7,221.50		
5104.08 · Insurance - Property & Liabilit	12,065.50		
5104.09 · Insurance - Volunteer Accident	308.00		
5104.10 · Insurance - Volunteer Disabilit	147.00		
5104.11 · Insurance - Worker's Comp	19,907.80		
5104.13 · Insurance - Umbrella	2,054.00		
Total 5104 · Liability Insurance		49,010.80	

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July 2021 through June 2022

	Jul '21 - Jun 22		
5150 · Land & Acquisition Costs			
5150.07 · Association Fees	1,575.00		
5150.03 · Surveys/Appraisals	43,071.00		
Total 5150 · Land & Acquisition Costs		44,646.00	
5200 · Other Mission Specific Costs			
5200.24 · ASO Annual Dues	7,500.00		
5200.22 · Interest Synovus Loan	30,752.76		
5200.06 · Family Services Salary	48,173.80		
5200.07 · Family Selection - Sled, etc.	2,440.83		
5200.11 · Tithe - HFH International	23,200.00		
5200.12 · Loan Servicing	14,679.93		
5200 · Other Mission Specific Costs - Other	21,994.83		
Total 5200 · Other Mission Specific Costs		148,742.15	
5260 · Salary & Wages Other			
5260.01 · Payroll	139,245.85		
Total 5260 · Salary & Wages Other		139,245.85	
5280 · Other Employee Benefits			
5280.01 · Medical	45,167.17		
Total 5280 · Other Employee Benefits		45,167.17	
5360 · Occupancy Expense			
5360.04 · Property Taxes	2,865.85		
Total 5360 · Occupancy Expense		2,865.85	
5490 · Other Expenses			
5490.07 · Security Lights Brendan Woods	3,217.80		
5490.11 · Security Lights New Ridge	294.06		
Total 5490 · Other Expenses		3,511.86	
Total 5000 · Program Services			1,474,252.37
5999 · (Uncategorized expenses)			220,876.82
5999.16 · *Payroll Expenses			0.00
7000 · Management and General			
7260 · Salary, & Wages Other		111,883.34	
7290 · Payroll Taxes			
7290.01 · Employer P/R Taxes	45,678.73		
Total 7290 · Payroll Taxes		45,678.73	

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July 2021 through June 2022

	Jul '21 - Jun 22		
7310 · Accounting Fees		9,200.00	
7320 · Legal Fees		15,825.00	
7330 · Supplies			
7330.04 · Office Operating Expense	29,788.96		
Total 7330 · Supplies		29,788.96	
7340 · Telephone and Fax		7,773.91	
7360 · Occupancy Expense			
7360.01 · Office Rent	26,000.00		
7360.03 · Utilities	2,458.77		
7360.06 · Janitorial & maintenance	15,736.32		
Total 7360 · Occupancy Expense		44,195.09	
7370 · Equipment Costs			
7370.02 · Office - Copier Rental	1,733.48		
7370.04 · Office Equipment	444.35		
Total 7370 · Equipment Costs		2,177.83	
Total 7000 · Management and General			266,522.86
8000 · Fundraising			
8000.01 · Fundraising Supplies		239.08	
8000.02 · Mailing Cost		145.50	
8000.06 · Fundraiser-Postage		3,098.34	
8000.15 · Fundraising Expenses		25,666.53	
8400 · Conference, Convention & Mtg.			
8402 · Conference Expenses	3,302.25		
Total 8400 · Conference, Convention & Mtg.		3,302.25	
Total 8000 · Fundraising			32,451.70
Total Expense			2,051,139.65
Net Ordinary Income			-856,121.31
Other Income/Expense			
Other Income			
9400 · Retail store income			
9410.01 · $ Contributions to retail store		50,461.88	
9410.02 · Gross sales- Bluffton		1,395,764.77	
Total 9400 · Retail store income			1,446,226.65
Total Other Income			1,446,226.65

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July 2021 through June 2022

		Jul '21 - Jun 22
Other Expense		
9260 · ReStore Salary & Wages		
9260.01 · Hourly wages	196,488.47	
9260.02 · Salaried personnel	88,895.29	
9260.03 · Overtime hourly rate	20,158.04	
Total 9260 · ReStore Salary & Wages		305,541.80
9340 · Transportation		
9340.02 · Gasoline	8,305.15	
9340.03 · Truck insurance	12,455.00	
9340.04 · Other expenses	5,712.19	
Total 9340 · Transportation		26,472.34
9360 · Occupancy		
9360.08 · Interest Plantation Park Mtge.	41,315.55	
9360.01 · Operating Expense	93,070.24	
9360.02 · Utilities	25,779.26	
9360.05 · Repairs & maintenance	21,305.96	
9360.06 · Telephone	5,067.41	
Total 9360 · Occupancy		186,538.42
Total Other Expense		518,552.56
Net Other Income		927,674.09
Net Income		**71,552.78**

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July 2020 through June 2021

			Jul '20 - Jun 21
Ordinary Income/Expense			
Income			
4010 · $ Contributions Individuals			
4010.33 · Patricia Carey Wirth House		27,402.48	
4010.01 · Individual Donations		22,577.09	
4010.11 · Adopt-A-Home Colleton		85,079.64	
4010.18 · Adopt-A-Home Women's Build		37,205.12	
Total 4010 · $ Contributions Individuals			172,264.33
4020 · $ Contributions Businesses			
4020.08 · Adopt-A-Home Realtors		16,843.15	
4020.09 · Adopt-A-Home Oldfield		30,791.98	
4020.13 · Corp. Donations		9,239.15	
Total 4020 · $ Contributions Businesses			56,874.28
4030 · $ Contributions Churches			
4030.12 · Thrivent Faith House		104,178.17	
4030.04 · Adopt-A-Home First Presbyterian		50.03	
Total 4030 · $ Contributions Churches			104,228.20
4040 · $ Contributions/Transfers HFHI			
4040.01 · Habitat Intl.		9,873.27	
Total 4040 · $ Contributions/Transfers HFHI			9,873.27
4050 · $ Contrib./Grants Government			
4050.01 · Grants		178,415.00	
Total 4050 · $ Contrib./Grants Government			178,415.00
4060 · $ Grants - Other			
4060.06 · Town of Hilton Head Mtge/Rental		0.00	
4060.05 · Community Foundation Escrow Ass		0.00	
4060.04 · Other		27,500.00	
Total 4060 · $ Grants - Other			27,500.00
4200 · Sale to Homeowners			480,000.00
4300 · Special Events Income Net			
4310 · Special Event Income Gross			
4310.30 · Direct Mail 2020	71,031.18		
Total 4310 · Special Event Income Gross		71,031.18	
Total 4300 · Special Events Income Net			71,031.18
4500 · Other Program Income			
4510 · Rental Income		7,200.00	
4515 · Late Fee Income		75.00	
4520 · Miscellaneous Program Income		8,082.81	
Total 4500 · Other Program Income			15,357.81
4600 · Other Non-Program Income			
4610 · Interest Income			
4610.01 · Interest Income	166,119.12		
4610 · Interest Income - Other	532.27		
Total 4610 · Interest Income		166,651.39	
Total 4600 · Other Non-Program Income			166,651.39

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July 2020 through June 2021

		Jul '20 - Jun 21
4999 · Uncategorized Income		
4913.04 · HOA Assessment		365.00
Total 4999 · Uncategorized Income		365.00
Total Income		1,282,560.46
Gross Profit		1,282,560.46
Expense		
8500.00 · Depreciation Expense		64,077.17
5000 · Program Services		
5102 · Cost of Construction from CIP		
5102.16 · Cons't-Tools	6,127.01	
5102.32 · Cons't-Gen. Expense	911,123.24	
Total 5102 · Cost of Construction from CIP		917,250.25
5104 · Liability Insurance		
5104.02 · Insurance - Auto	6,085.00	
5104.04 · Insurance - Builder's Risk	536.00	
5104.05 · Insurance - D&O	1,260.00	
5104.06 · Insurance - General Liability	6,404.00	
5104.07 · Insurance - Health Insurance	0.00	
5104.08 · Insurance - Property & Liabilit	11,734.00	
5104.09 · Insurance - Volunteer Accident	283.50	
5104.10 · Insurance - Volunteer Disabilit	136.00	
5104.11 · Insurance - Worker's Comp	25,236.22	
5104.13 · Insurance - Umbrella	1,760.00	
Total 5104 · Liability Insurance		53,434.72
5150 · Land & Acquisition Costs		
5150.03 · Surveys/Appraisals	5,400.00	
Total 5150 · Land & Acquisition Costs		5,400.00
5200 · Other Mission Specific Costs		
5200.24 · ASO Annual Dues	1,500.00	
5200.22 · Interest Synovus Loan	34,552.02	
5200.06 · Family Services Salary	35,055.55	
5200.07 · Family Selection - Sled, etc.	1,094.13	
5200.11 · Tithe - HFH International	27,500.00	
5200.12 · Loan Servicing	15,454.50	
5200 · Other Mission Specific Costs - Other	26,858.46	
Total 5200 · Other Mission Specific Costs		142,014.66
5260 · Salary & Wages Other		
5260.01 · Payroll	156,157.51	
Total 5260 · Salary & Wages Other		156,157.51
5280 · Other Employee Benefits		
5280.01 · Medical	48,612.03	
Total 5280 · Other Employee Benefits		48,612.03
5360 · Occupancy Expense		
5360.04 · Property Taxes	3,728.18	
Total 5360 · Occupancy Expense		3,728.18

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July 2020 through June 2021

		Jul '20 - Jun 21	
5490 · Other Expenses			
5490.07 · Security Lights Brendan Woods	2,968.33		
5490.11 · Security Lights New Ridge	507.56		
5490 · Other Expenses - Other	10.00		
Total 5490 · Other Expenses		3,485.89	
Total 5000 · Program Services			1,330,083.24
5999 · (Uncategorized expenses)			
5999.03 · Bank Charge		87.00	
5999 · (Uncategorized expenses) - Other		240,220.78	
Total 5999 · (Uncategorized expenses)			240,307.78
5999.16 · *Payroll Expenses			0.00
7000 · Management and General			
7250 · Officer & Director Compensation		338.54	
7260 · Salary, & Wages Other		146,550.79	
7290 · Payroll Taxes			
7290.01 · Employer P/R Taxes	48,420.10		
Total 7290 · Payroll Taxes		48,420.10	
7310 · Accounting Fees		8,800.00	
7320 · Legal Fees		16,776.30	
7330 · Supplies			
7330.04 · Office Operating Expense	29,254.11		
7330 · Supplies - Other	-337.15		
Total 7330 · Supplies		28,916.96	
7340 · Telephone and Fax		7,476.03	
7360 · Occupancy Expense			
7360.01 · Office Rent	30,700.00		
7360.03 · Utilities	2,527.34		
7360.06 · Janitorial & maintenance	12,175.73		
Total 7360 · Occupancy Expense		45,403.07	
7370 · Equipment Costs			
7370.02 · Office - Copier Rental	2,236.03		
7370.04 · Office Equipment	1,478.68		
Total 7370 · Equipment Costs		3,714.71	
Total 7000 · Management and General			306,396.50
8000 · Fundraising			
8000.01 · Fundraising Supplies		15,692.18	
8000.02 · Mailing Cost		5,656.63	
8000.15 · Fundraising Expenses		5,169.68	
8400 · Conference, Convention & Mtg.			
8402 · Conference Expenses	175.00		
Total 8400 · Conference, Convention & Mtg.		175.00	
Total 8000 · Fundraising			26,693.49
Total Expense			1,967,558.18
Net Ordinary Income			-684,997.72

Hilton Head Regional Habitat for Humanity, Inc
Profit & Loss
July 2020 through June 2021

		Jul '20 - Jun 21
Other Income/Expense		
Other Income		
9400 · Retail store income		
9410.02 · Gross sales- Bluffton	1,430,103.60	
Total 9400 · Retail store income		1,430,103.60
Total Other Income		1,430,103.60
Other Expense		
9260 · ReStore Salary & Wages		
9260.01 · Hourly wages	195,585.24	
9260.02 · Salaried personnel	86,254.00	
9260.03 · Overtime hourly rate	21,562.95	
Total 9260 · ReStore Salary & Wages		303,402.19
9340 · Transportation		
9340.02 · Gasoline	6,021.05	
9340.03 · Truck insurance	12,402.00	
9340.04 · Other expenses	7,385.76	
Total 9340 · Transportation		25,808.81
9360 · Occupancy		
9360.09 · Marketing	2,933.00	
9360.08 · Interest Plantation Park Mtge.	49,952.42	
9360.01 · Operating Expense	47,472.91	
9360.02 · Utilities	24,923.05	
9360.05 · Repairs & maintenance	29,808.96	
9360.06 · Telephone	5,492.12	
Total 9360 · Occupancy		160,582.46
Total Other Expense		489,793.46
Net Other Income		940,310.14
Net Income		**255,312.42**