

# STUDY RECOMMENDATIONS MEETING

Beaufort-Jasper  
Housing Trust Fund

JUNE 22, 2021



ASAKURA  
ROBINSON



# AGENDA

- INTRODUCTIONS
- PROJECT OVERVIEW
- AFFORDABILITY GOALS AND STRATEGIES
- RECOMMENDATIONS
- NEXT STEPS

# INTRODUCTIONS

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# PROJECT TEAM



ASAKURA  
ROBINSON



**Alex Miller, AICP**  
Principle in Charge



**Brianna Frey, AICP**  
Project Manager



**Jessica Williams**  
Deputy Project Manager

# STEERING COMMITTEE

- Alex Pinckney, *Jasper County Planning Commission*
- Allison Coppage, *Beaufort Memorial Hospital*
- Ben Boswell, *Beaufort County Human Services*
- Dale Thompson, *Compass Custom Homes*
- Dan Wood, *Town of Bluffton Town Council*
- David Prichard, *City of Beaufort*
- Eric Greenway, *Beaufort County*
- Greg Alexander, *Yemassee*
- Heather Colin, *Town of Bluffton*
- Janet Gresham, *Beaufort Jasper County Realtors*
- Jean Beck, *Hilton Head Area REALTORS*
- Jennifer Ray, *Hilton Head Island*
- Linda Bridges, *Port Royal*
- Lisa Wagner, *Jasper County*
- Matthew Garnes, *Town of Yemassee*
- Missy Yost, *Hardeeville Attainable Housing Task Force*
- Nakisha Johnson, *Beaufort Memorial Hospital*
- Pamela Frese, *Port Royal*
- Phillip Cromer, *City of Beaufort*
- Robert Merchant, *Beaufort County*
- Scott Grooms, *Beaufort County*
- Shawn Colin, *Town of Hilton Head*
- Tedd Moyd, *Jasper County Neighbors United*
- Wendy Zara, *Port Royal*



# NATIONAL HOUSING TRUST FUND PEERS

- Housing Initiative Fund (Montgomery County, MD)
- Louisville Affordable Housing Trust Fund + Louisville CARES (Louisville-Jefferson County Metro Government, KY)
- Neighborhood Housing Improvement Fund (New Orleans, LA)
- Midlands Housing Trust Fund (Columbia, SC)
- The Affordable Housing Trust for Columbus and Franklin County (Columbus and Franklin County, OH)
- Rural Workforce Housing Fund (State of Nebraska)
- CommunityWorks Carolina (operator of Greenville Housing Fund, Spartanburg Housing Fund)
- South Carolina Community Loan Fund (Charleston, SC)



# LOCAL INTERVIEWS

- BJWSA
- Beaufort Housing Authority
- Bennett & Reindl, LLC
- Coastal Community Foundation
- Community Foundation of the Lowcountry
- CommunityWorks
- Forino Construction Company
- Hilton Head Regional Habitat for Humanity
- Hilton Head Area Home Builders Association
- Homes of Hope
- Jasper County Neighbors United
- Lowcountry Habitat for Humanity
- Lowcountry Council of Government
- NHE Inc Property Management
- South Carolina Community Loan Fund
- Representative William Herbkersman
- The Town of Bluffton's Wharf Street Redevelopment Project
- United Way of the Lowcountry

# PROJECT OVERVIEW

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# WHAT IS A HOUSING TRUST FUND?

- A fund established to support the production and/or preservation of affordable housing.
- Generally supported by the public sector (local and/or state governments) to fill gaps in the housing supply provided by the market. Often also supported by philanthropy and the private sector.



# A REGIONAL AFFORDABLE HOUSING APPROACH

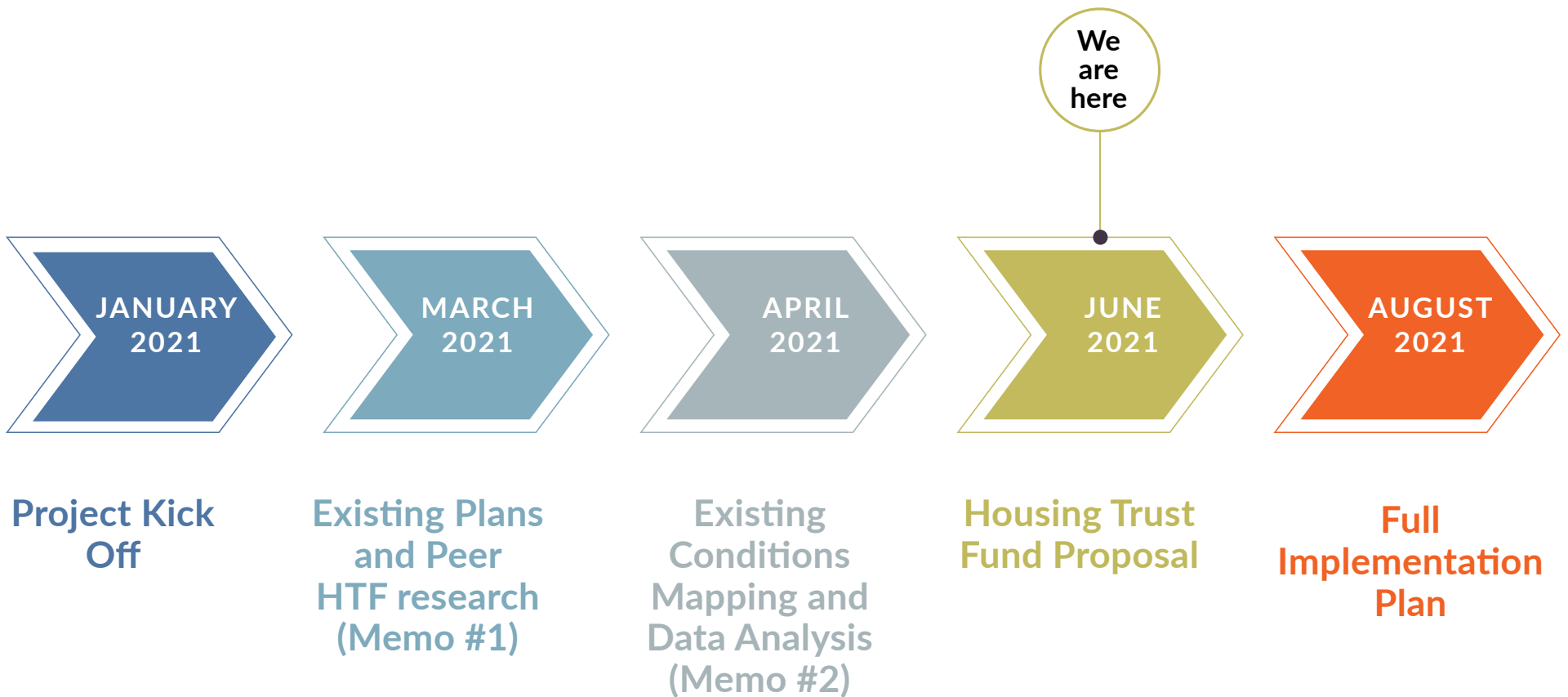
- Addressing the growing need for workforce housing, particularly the employment base of the hospitality, retail, medical, education, and military sectors.
- Participating Jurisdictions
  - » Beaufort County
  - » Jasper County
  - » Bluffton
  - » City of Beaufort
  - » Hardeeville
  - » Hilton Head Island
  - » Port Royal
  - » Yemassee



# OUR KEY QUESTIONS

- **Revenue Sources:** What types of revenue sources can provide a sustainable, ongoing revenue source for the RHTF?
- **Uses of Funds:** How should funds be used to support affordability? What are the broad priorities of the RHTF?
- **Fund Governance and Partnerships:** How will regional governance of the fund work? How will it be staffed, and who will make up the board?
- **Project Criteria:** What does the RHTF consider “affordable”? What types of projects are eligible for funding? How long should properties remain affordable?

# PROJECT TIMELINE



\* Steering Committee Meetings held monthly, first Thursday of every month.



# WHAT DO WE NEED YOUR INPUT ON TODAY?

- **Research and Understanding:** Did we get it right?
- **Public Revenue Sources:** Did we get it right?
- Who else do we need to talk to about implementation?
- What else will be needed to get this started?

# AFFORDABILITY GOALS + STRATEGIES

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# DEFINING AFFORDABILITY

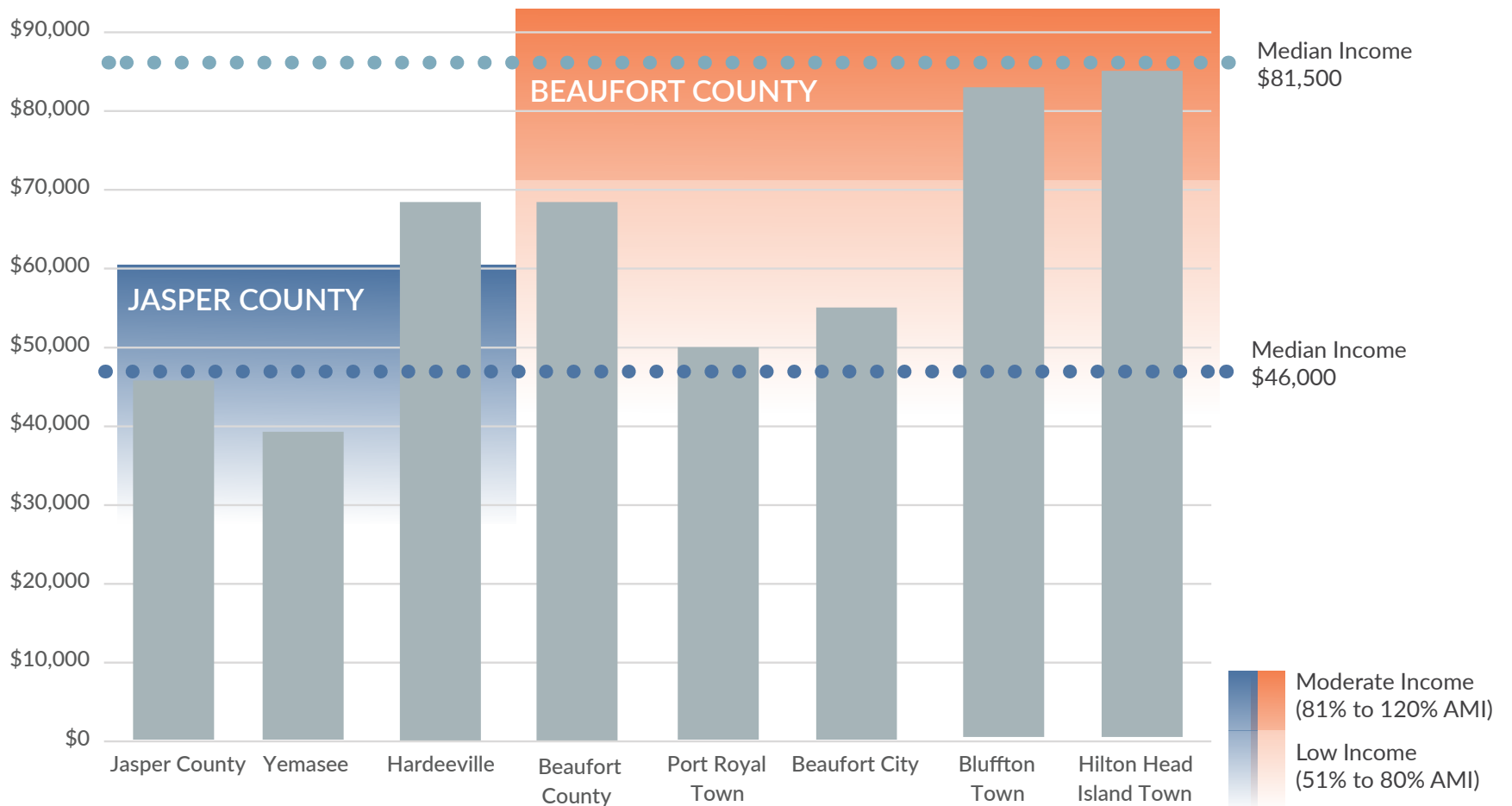
- Median incomes, Cost burdens and unit availability, Salaries in key occupations.
- Affordability emphasis on incomes up to \$49,000 or 60% AMI

Hilton Head Island-Bluffton-Beaufort Annual Mean Wages for Top 4 Employment Occupational Groups		
Occupational Groups	Total Employment	Annual Mean Wage
Food Preparation and Serving Related Occupations	12,810	\$23,810
Sales and Related Occupations	10,800	\$39,110
Office and Administrative Support Occupations	10,380	\$35,830
Transportation and Material Moving Occupations	4,830	\$32,370
Beaufort County Salary Needed to Afford Median Gross Rent		\$48,080
Jasper County Salary Needed to Afford Median Gross Rent		\$37,160

Source: U.S. Bureau of Labor Statistics, May 2019 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates

# MEDIAN INCOME

MEDIAN HOUSEHOLD INCOME COMPARISONS

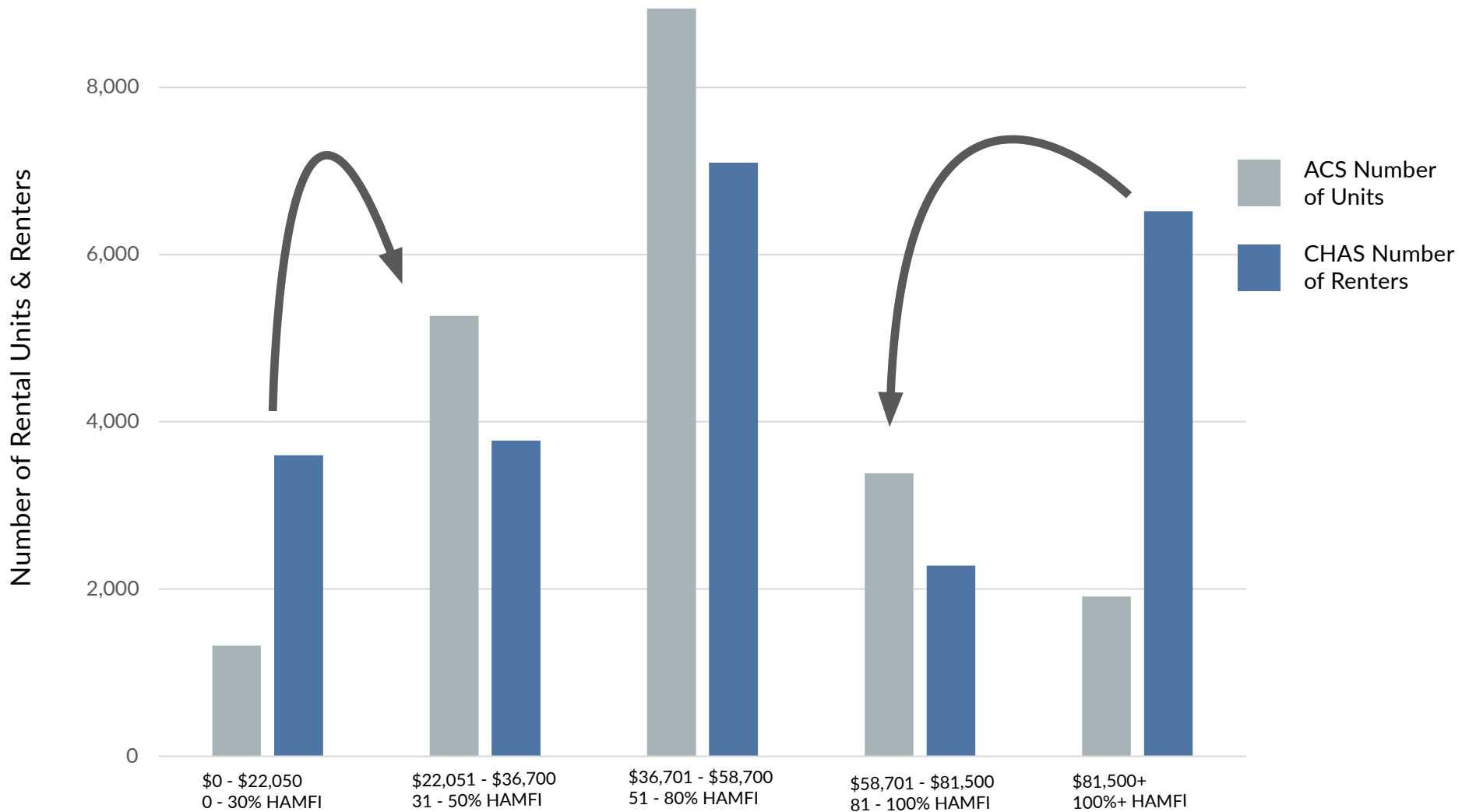


Source: Median Income ACS 2015-2019; AHMI HUD 2020



# COST BURDENED

RENTAL UNITS AVAILABLE AT DIFFERENT INCOME RANGES



Sources: American Community Survey Gross Rent 2019 5-year  
CHAS 2013-2017 data, County level data



# HTF STRATEGIES: USES OF FUNDS

- Acquisition of land for future housing development
- New multi-family rental development
- Preservation and rehabilitation of existing small or large multi-family buildings

RECOMMENDATIONS:  
MISSION, VISION +  
OBJECTIVES

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# MISSION + VISION

- **MISSION:** The mission of the Beaufort-Jasper Regional Housing Trust Fund is to create and preserve affordable housing in the Beaufort and Jasper Counties.
- **VISION:** Regardless of their socio-economic status, individuals and families in Beaufort and Jasper Counties are able to remain in their homes or find high-quality, safe, well-maintained housing close to their place of employment.



# OBJECTIVES

- **Create new housing units or rehabilitate or preserve** existing housing units for households at or below 120% of Area Median Income, with a strong focus on households at or below 60% of Area Median Income;
- Provide **workforce housing** for the growing Beaufort-Jasper economy;
- Help households **maintain financial stability and build wealth** by reducing the amount of money they must spend on housing and transportation;
- Strengthen relationships, build trust, and engage partners and stakeholders, ensuring an **organized and collaborative approach** to regional housing challenges;



# OBJECTIVES

- **Increase awareness of existing and new financial products** that serve the Beaufort-Jasper community;
- **Leverage outside funding** from banks, corporations, philanthropic institutions, and federal, state and local governments.

# RECOMMENDATIONS: PROGRAM AREAS

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# PROGRAM AREAS

- **Public Properties** - Act as a clearinghouse for reuse of vacant or underutilized publicly-owned property
- **Loans** - Provide flexible, low-interest financing for:
  - Rental or for-sale projects
  - That serve at least some households in the below \$49,000 or below 60% AMI range, whichever is higher
- **Grants** - (maybe, TBD on revenue sources)
  - *Possible but dependent on revenue availability*



RECOMMENDATIONS:  
OPERATIONS,  
GOVERNANCE +  
STAFFING STRUCTURE

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# RHTF NONPROFIT STRUCTURE

- **501c3, with a CDFI contracted as a partner for loan underwriting, technical assistance**
  - Modeled on the Greenville Housing Fund
- **501c3 initial staff: Might just be an executive director (1-2 staff), keep staffing streamlined**
  - Public land clearinghouse
  - Convene funders
  - Convene developers
  - Technical assistance, pipeline building, publicity of available loan products for developers (with help from CDFI partner)
  - Effective communication with public officials
  - Advocacy on behalf of affordable housing in the region, including public meetings, zoning changes, etc

# CDFI RELATIONSHIP

- **501c3 board:** We will make recommendations on board composition based on our peer research
- Most likely scenario is that funding jurisdictions appoint board members who are employed in the private or non-profit sectors
- **CDFI:** We will be developing a draft RFP that can be vetted for this partnership based on your feedback
- **Definition of CDFI:** *A financial institution that is federally certified, with a mission of community development, to provide financial services to marginalized communities and neighborhoods.*

# EXISTING CDFIs IN SOUTH CAROLINA

<b>Organization Name</b>	<b>Financial Institution Type</b>	<b>City</b>
Beaufort County Black Chamber of Commerce	Loan Fund	Beaufort
Business Development Corp of SC	Loan Fund	Columbia
Caro Federal Credit Union	Credit Union	Columbia
Carolina Foothills FCU	Credit Union	Spartanburg
Charleston LDC	Loan Fund	Charleston
CommunityWorks	Loan Fund	Greenville
HopeSouth FCU	Credit Union	Abbeville
Midlands Housing Trust Fund	Loan Fund	Columbia
Optus Bank	Bank or Thrift	Columbia
REV Federal Credit Union	Credit Union	Summerville
SCCB Financial Corporation	Bank Holding Company	Columbia
Security Federal Bank	Bank or Thrift	Aiken
Security Federal Corporation	Bank Holding Company	Aiken
South Carolina Community Capital Alliance	Loan Fund	Greenville
South Carolina Community Loan Fund	Loan Fund	Charleston
Upstate Federal Credit Union	Credit Union	Anderson

RECOMMENDATIONS:  
FINANCIAL  
SUSTAINABILITY

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# HOUSING TRUST FUND REVENUE SOURCES

## ■ **Public Funds**

- Short-term rental fees
- General Fund dollars
- Accommodation/Hotel Tax
- Local Option Sales Tax (counties only)
- Deed Recording Fees

## ■ **Banks:** Utilizing the Community Reinvestment Act tax credit

## ■ **Corporate Dollars:** utilizing the South Carolina Community Development tax credit

## ■ **Philanthropic Sources**

- Grants
- Program-Related Investments
- Fund setup, coordination, pipeline-building process



# REVENUE SOURCES: PHILANTHROPIC RELATIONSHIPS

- Community Foundation of the Lowcountry
- Coastal Community Foundation
- United Way

# FUNDING MATRIX

- Initial Infusion of Stimulus Funds\*, plus \$500,000 Per Year (adjusted for inflation)

## Annual Contributions, plus inflation (3%)

	Year Sum	Beaufort County	Hilton Head Island	Bluffton	Port Royal	City of Beaufort	Jasper County	Hardeeville	Yemassee
Y1*	\$2,150,533	\$1,117,826	\$178,246	\$286,363	\$148,297	\$150,549	\$174,974	\$81,549	\$12,729

\*Year 1= 3% of American Rescue Plan funds

	Year Sum	Beaufort County	Hilton Head Island	Bluffton	Port Royal	City of Beaufort	Jasper County	Hardeeville	Yemassee
Y2	\$515,000	\$231,855	\$92,389	\$59,236	\$30,676	\$31,432	\$50,201	\$16,869	\$2,633
Y3	\$530,750	\$238,811	\$95,161	\$61,013	\$31,596	\$32,375	\$51,707	\$17,375	\$2,712
Y4	\$546,672	\$245,975	\$98,015	\$62,843	\$32,544	\$33,346	\$53,258	\$17,896	\$2,793
Y5	\$563,072	\$253,354	\$100,956	\$64,729	\$33,520	\$34,347	\$54,856	\$18,433	\$2,877
Y6	\$579,965	\$260,955	\$103,985	\$66,671	\$34,526	\$35,377	\$56,502	\$18,986	\$2,963
Y7	\$597,363	\$268,783	\$107,104	\$68,671	\$35,562	\$36,438	\$58,197	\$19,556	\$3,052
Y8	\$615,284	\$276,847	\$110,317	\$70,731	\$36,629	\$37,531	\$59,943	\$20,142	\$3,144
Y9	\$633,743	\$285,152	\$113,627	\$72,853	\$37,728	\$38,657	\$61,741	\$20,747	\$3,238
Y10	\$652,755	\$293,707	\$117,036	\$75,038	\$38,859	\$39,817	\$63,593	\$21,369	\$3,335
<b>Sum</b>	<b>\$7,385,138</b>	<b>\$3,473,266</b>	<b>\$1,116,835</b>	<b>\$888,148</b>	<b>\$459,937</b>	<b>\$469,870</b>	<b>\$684,971</b>	<b>\$252,923</b>	<b>\$39,478</b>

\*\*Y2-Y10= funding based on population share



# NEXT STEPS

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# FUNDING TIMELINE

## Funding Timeline

- **Final RHTF Proposal & Implementation Plan** August 2021
- **Commitment of Public Funding Sources** Q4 2021
- **Formalize Philanthropic Partnerships** Q1 - Q3 2022
- **Staffing of New Organization** Q2 2022
- **RHTF Public Launch: Accepting Applications** Q4 2022

# DISCUSSION

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# DISCUSSION

- **Research and Understanding:** Did we get it right?
- **Public Revenue Sources:** Did we get it right?
- **Who else** do we need to talk about implementation?
- **What else** will be needed to get this started?



# THANK YOU!