

STATE OF SOUTH CAROLINA )  
 ) INTERGOVERNMENTAL AGREEMENT  
COUNTY OF JASPER ) REGARDING AFFORDABLE HOUSING  
COUNTY OF BEAUFORT )

THIS INTERGOVERNMENTAL AGREEMENT is entered into with an effective date of \_\_\_\_\_, 2022 by and among Beaufort County, Jasper County, the Town of Hilton Head Island, the Town of Bluffton, the City of Beaufort, the Town of Port Royal, the City of Hardeeville and the Town of Yemassee (collectively referred to as "the Parties").

WHEREAS, the member Parties of Beaufort County, Jasper County, the Town of Hilton Head Island, the Town of Bluffton, and City of Hardeeville belong to a regional association that seeks to identify problems and opportunities that face the entire southern low country as identified by each member jurisdiction known collectively as the Southern Lowcountry Regional Board ("SoLoCo"); and

WHEREAS, the member Parties of Beaufort County, Jasper County, the Town of Hilton Head Island, the Town of Bluffton, and the City of Hardeeville, known collectively as the Southern Lowcountry Regional Board ("SoLoCo"), desired to expand the regional housing trust fund study area by inviting the member parties making up the Northern Regional Plan Committee of City of Beaufort, Town of Port Royal and Town of Yemassee to also participate in the initiative; and

WHEREAS, the Parties recognize that decent, affordable housing is important in that it fulfills a basic human need for shelter, contributes to the well-being of families, provides stability which may lessen the catalysts of physical illness and mental illness and stress, and is a critical component of the economic vitality of the region to attract and retain employees in the local workforce; and

WHEREAS, private enterprise and investment has not produced, without government assistance, the needed construction of sanitary, decent, and safe residential housing that people with lower incomes can afford to buy or rent; and

WHEREAS, the Parties commissioned an analysis of regional housing needs and a recommendation report which was completed August 2021 by Asakura Robinson and presented to SoLoCo; and

WHEREAS, the Asakura Robinson report recommended the establishment of a non-profit 501c(3) Regional Housing Trust Fund ("RHTF") in accordance with legislation passed by the South Carolina State Legislature known as the "William C. Mescher Local Housing Trust Fund Enabling Act" which, inter alia, allows for the establishment of Regional Housing Trust Funds among local governments; and

WHEREAS, the purpose of this intergovernmental agreement (hereinafter "Agreement") is to authorize the parties to jointly create, fund, and operate a regional housing trust fund and an oversight board to improve affordable housing;

NOW, THEREFORE, for and in consideration of these premises and the mutual covenants set forth below, the Parties hereto hereby agree as follows:

## **Section 1 Definitions.**

For purposes of this Agreement:

- a. "Affordable housing" means residential housing for rent or sale that is appropriately priced for rent or sale to a person or family whose income does not exceed one hundred percent (100%) of the median income for the local area, with adjustments for household size, according to the latest figures available from the United States Department of Housing and Urban Development (HUD). Projects serving households with income at or below 60% of the Annual Median Income will receive priority consideration.
- b. "Regional housing trust fund" (RHTF) means a multi-jurisdictional government fund separate from the general fund and established jointly by the governing authorities of one or more municipalities or county governments with one or more dedicated sources of public revenue and authorized expenditures as provided in this chapter.
- c. "Special needs housing" means housing or shelter provided by private or public entities including privately operated elderly housing, nursing homes, community residential care facilities, and other special needs population housing facilities regardless of purpose or type of facility.

## **Section 2 Priorities.**

The priorities identified in the Asakura Robinson study of August 2021 are hereby adopted as follows:

- a. Providing accessible, affordable housing to the region to support the workforce in the service economy, as well as others with high housing cost burdens.
- b. Overcoming barriers to affordable development, such as financial gaps and land availability.
- c. Ensuring a regional approach for affordable housing that addresses the needs of each jurisdiction, while meeting important strategic goals for housing location.
- d. Understanding the tools and resources available to Housing Trust Funds through various state and federal laws and regulations.
- e. Identifying a stable and reliable dedicated revenue source.

## **Section 3 Funding.**

- a. SC Code Section 31-22-30, as amended, provides that "a local government, including a municipality or county, may jointly form a regional housing trust fund by ordinance. A regional housing trust fund created under this chapter is subject to the same requirement and has the same power as a local housing trust fund created by an individual local government".
- b. The Parties agree the RHTF established by this Agreement shall be funded for a period of ten (10) years with annual contributions by the Parties apportioned based on annual census population numbers. See Attachment A for Year 1 apportionment. Apportionment for Years 2-9 shall be

updated annually after the population census numbers are released and documented via written amendment to this Agreement to be signed by all the Parties.

- c. Funding shall be committed via the Parties' budgeting authority. Sources of these funds include, but are not limited to, one or more of the following:
  - i. donations;
  - ii. bond proceeds; and
  - iii. grants and loans from a state, federal, or private source.
  - iv. any other public funds which may be lawfully used to support Affordable Housing.
  
- d. Alternate sources of funding for the RHTF  
The Parties may alter a source of funding for the regional housing trust fund by amending the ordinance(s) that establish financing for the regional housing trust fund, but only if sufficient funds exist to cover the projected debts or expenditures authorized by the regional housing trust fund in its budget. State law does not create, grant, or confer a new or additional tax or revenue authority to a local government or political subdivision of the State unless otherwise provided by the law of this State. Each Party will make an initial contribution to the RHTF based on the Chart outlined in Attachment A.
  
- e. The Parties shall safeguard the fund in the same manner as the general fund or a separate utility fund established for specific purposes. The RHTF may be included in the required financial expense reports or annual audit for each local government.
  
- f. The Parties may allocate funds to a program that promotes the development or rehabilitation of affordable housing as defined in the state enabling legislation. Regarding the distribution of funds from a regional housing trust fund, preference must be given to a program or project that promotes the development or rehabilitation of affordable housing for an individual or family with an annual income at or below one hundred twenty percent of the median income with priority consideration being given to projects serving those individuals or families with incomes at or below sixty (60) percent of the median income for the local area, adjusted for family size according to current data from HUD, the development or rehabilitation of special needs housing, or the development or rehabilitation of homeless housing.
  
- g. RHTF funds may be used to match other funds from federal, state, or private resources, including the State Housing Trust Fund. The Parties shall seek additional resources for housing programs and projects to the maximum extent practicable. The Parties shall administer the RHTF through a new or existing nonprofit organization to encourage private charitable donation to the funds. Where a regional housing trust fund receives such a donation, the donation must be used and accounted for in accordance with the purpose as established by the RHTF Oversight Board and in accordance with State statutes.
  
- h. A regional housing trust fund established, utilized, or funded under this Agreement and enabling ordinances must provide an annual report to the Parties that created the fund and attested to this agreement. Minimum requirements for such said report is outlined in Attachment B. The

regional housing trust fund director must offer to present to each Parties' Council the annual report details and make the report available to the public by posting it on the appropriate website of the member local governments. Any alteration or amendment to such governing documents must conform to the provisions of the enabling legislation

- i. The Parties agree that projects funded by the RHTF will be judged on their merits and that funding and location of those projects will vary from year to year; and

#### **Section 4 Operations.**

- a. Each Party shall appoint one (1) representative to serve a two-year term on the Regional Housing Trust Oversight Board ("the Board") for so long as they remain a financial contributing party. The director of the regional housing trust fund will serve as Ex Officio member of the Board. The ninth appointee would be an at large representative agreed upon by the Parties making the membership a total of nine representatives. Board Members shall represent a diverse field of experts familiar with affordable housing, real estate, and local government housing priorities. No elected officials may serve on the oversight committee.
- b. Meetings will be held six times per year.
- c. Board responsibilities include:
  - i. Providing feedback on community needs, serving as an advocate for affordable housing and the RHTF, connecting the Administrative Operating Contractor with community resources, and acting as a direct liaison between the RHTF and the local government entity.
  - ii. Drafting and adopting bylaws for the operation of the Board within six (6) months of the creation of the RHTF; By-laws shall address how a member Party may terminate their participation and funding, including how that termination will or could impact RHTF projects in their jurisdiction, and the methodology for complete dissolution of the RHTF if a voting majority of the Parties agree; By-laws shall address how a quorum is established, a meeting and reporting schedule, and any other requirements as defined by State statute
  - iii. Make decisions on how the RHTF will operate to include whether to establish a 501(c)3, hire employees, contract with a Certified Development Financial Institution (CDFI), or other method agreed upon by a majority of the Board, manage the operations of the RHTF to include hiring, firing, potential contracts, and other items that require approval as outlined in adopted bylaws.
  - iv. Allocating other permissible funds to projects including, but not limited to, impact fee waivers, water and sewer impact fees, etc.
  - v. Develop an annual budget with projected revenues and expenditures.
  - vi. Define types of projects eligible for funding.

### **Section 5 Term and Termination.**

The term of this Agreement shall be ten (10) years from the date of full execution by the Parties which shall be understood to be the date first set forth above. This Agreement may be renewed for another ten (10) year term as agreed to in writing by the Parties. Termination of the Agreement in whole may only occur via dissolution of the RHTF.

### **Section 6 Fiscal Agent.**

Beaufort County will contract with Community Works to serve as the fiscal agent and will manage the financial relationship with the Parties, Community Works and the Board. Beaufort County will provide financial reports on a quarterly basis to the Parties.

### **Section 7 Notices.**

All notices required or permitted under this Agreement shall be in writing. All notices and payments shall be sent to the official main address of the member parties or to such other address as may from time to time be designated by written notice or via email with confirmation of email delivery receipt. Notices shall be deemed delivered when five (5) days after deposit in U.S. registered mail, postage prepaid, addressed to the other party or upon confirmation of email delivery receipt.

### **Section 8 Governing Law and Severability Clause.**

This Agreement is governed and interpreted in accordance with the laws of the State of South Carolina. Any and all disputes between the Parties that may arise pursuant to this Agreement shall be brought and fully litigated in a court of competent jurisdiction located in Beaufort County, South Carolina. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each such term, covenant or condition of this Agreement shall be valid and enforceable to the full extent permitted by law. The stricken provision of this Agreement shall be enforced to the maximum extent permissible so as to affect the intent of the Parties, and the remainder of this Agreement shall continue in full force and effect.

### **Section 9 Assignment.**

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, heirs, administrators, representatives, and assigns. However, this provision shall not be construed to permit or allow assignments not otherwise allowed under this Agreement.

### **Section 10 Miscellaneous.**

This IGA expresses the complete agreement and understanding of the undersigned parties, and any and all prior or contemporaneous oral agreement or prior written agreement regarding the subject matter hereof shall be merged herein and then extinguished. The captions and headings used in this IGA are for convenience only and do not in any way limit, amplify, or otherwise modify the provisions of this IGA. As used in this IGA, the masculine, feminine or neuter gender and the singular or plural number shall each include the others whenever the context so indicates. This IGA may be executed in multiple counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute the same instrument.

**Section 11 Authorization and Execution.**

This AGREEMENT is signed by the authorized representatives of the parties set forth below, and is effective as of the date first set forth above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.

BEAUFORT COUNTY: \_\_\_\_\_ date: \_\_\_\_\_

JASPER COUNTY: \_\_\_\_\_ date: \_\_\_\_\_

THE TOWN OF HILTON HEAD ISLAND: \_\_\_\_\_ date: \_\_\_\_\_

THE CITY OF BEAUFORT: \_\_\_\_\_ date: \_\_\_\_\_

THE TOWN OF BLUFFTON: \_\_\_\_\_ date: \_\_\_\_\_

THE TOWN OF PORT ROYAL: \_\_\_\_\_ date: \_\_\_\_\_

THE CITY OF HARDEEVILLE: \_\_\_\_\_ date: \_\_\_\_\_

THE TOWN OF YEMASSEE: \_\_\_\_\_ date: \_\_\_\_\_

# Attachment A

Year Sum		Beaufort County	Hilton Head Island	Bluffton	Port Royal	City of Beaufort	Jasper County	Hardeeville	Yemassee
Y1*	\$2,035,058	\$1,119,523	\$156,815	\$59,474	\$197,669	\$200,671	\$175,240	\$108,699	\$16,967

\*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
Sum	\$7,269,663	\$3,474,963	\$1,095,405	\$661,259	\$509,310	\$519,992	\$685,237	\$280,073	\$43,715

# Attachment B

## Reporting Requirements

The annual report will be provided to RHTF Oversight Board by the Operating Administrator and/or staff responsible for managing and administering the Fund as outlined in a separate operating agreement between the two parties. The annual report must include, at a minimum, the following metrics:

- 1) Impact Data: the project names and location funded in each participating jurisdiction, the amount of funding provided per project, the number and type of dwelling units built/or preserved in each funded project along with an affordability percentage breakdown, and demographic data where available.
- 2) Financial Data: the accounting of revenues and expenditures of the fund, additional funding raised to support the RHTF including additional project capital and operating investments, project leveraging amounts and other inkind or financial support provided to support the purpose of the fund.
- 3) Where feasible and available, success stories and project highlights, including pictures and testimonials.