

TOWN COUNCIL

STAFF REPORT

Growth Management Department



MEETING DATE:	June 11, 2024
PROJECT:	Consideration of an Ordinance to Amend the Town of Bluffton's Comprehensive Plan ("Blueprint Bluffton") to Incorporate a Housing Impact Analysis
PROJECT MANAGER:	Kevin Icard, AICP Director of Growth Management

INTRODUCTION: As set forth in Section 3.3 of the Unified Development Ordinance (UDO), "an application for a Comprehensive Plan Amendment may be initiated by a Town of Bluffton property owner, Town Council, Planning Commission, or the UDO Administrator to address a specific topic or geographic area, or to respond to new information, data, other studies, or an opportunity that would benefit the Town of Bluffton that was not foreseen when the Comprehensive Plan was prepared."

REQUEST: The UDO Administrator requests that Town Council approve an amendment to the Town of Bluffton's Comprehensive Plan ("Blueprint Bluffton") to incorporate the attached Housing Impact Analysis as an addendum. A Housing Impact Analysis, as part of the Town's Comprehensive Plan, is required by Act 57 to allow local governments the opportunity to use up to 15% of their local accommodations tax revenue (ATAX) for the development of workforce housing and to be able to issue bonds to finance workforce housing projects.

PLANNING COMMISSION RECOMMENDATION: Approval of the application (proposed Comprehensive Plan amendment) to Town Council as submitted by Town Staff.

BACKGROUND: In 2023, Act 57 was signed into law to amend the South Carolina Code of Laws to allow local governments the opportunity to use up to 15% of their local accommodations tax revenue (ATAX), as well as revenue remitted to local governments under the 2% ATAX statute, for the development of workforce housing.

The Act defines workforce housing as "residential housing for rent or sale that is appropriately priced for rent or sale to a person or family whose income falls within thirty percent [30%] and one hundred twenty percent [120%] 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)." As of April 1, the median household income for Beaufort County is \$106,400.

To receive ATAX funds, the Town must complete a “Housing Analysis” per Sec. 6-4-12 of the South Carolina Code of Laws, which requires an amendment or addendum to the Town’s Comprehensive Plan. The Housing Analysis must include information about the effect of the proposed amendment on housing, including the effect on each of the following:

- The cost of developing, constructing, rehabilitating, improving, maintaining, or owning single-family or multifamily dwellings;
- The purchase price of new homes or the fair market value of existing homes;
- The cost and availability of financing to purchase or develop housing;
- Housing costs;
- The density, location, setback, size, or height development on a lot, parcel, land division, or subdivision; and,
- An analysis of the relative impact of the ordinance on low- and moderate-income households.

“Housing Costs” are those related to the development, construction, financing, purchase, sale, ownership or availability of a median-priced single-family residence.

The Housing Analysis must be submitted to the South Carolina Department of Revenue and the Tourism Expenditure Committee prior to adoption of the amendment by Town Council; however, neither entity is required by state law to review or approve the analysis, according to the Municipal Association of South Carolina.

Once the amendment is adopted, Town Council can apply funds in a variety of ways, including distributing funds to non-profit and for-profit organizations to develop workforce housing, internal transfers for capital projects or debt service on those projects, as well as allocating annual funds for any government-sponsored housing program.* The program to use ATAX funds will end December 31, 2030.

**Source: Burr Forman (2024, April 10), burr.com, <https://www.burr.com/newsroom/articles/recent-changes-to-accommodations-tax-statutes-to-promote-workforce-housing-development>.*

REVIEW CRITERIA & ANALYSIS: When assessing an application for a Comprehensive Plan Amendment, Town Council is required to consider the criteria set forth in UDO Section 3.3.3, Application Review Criteria. These criteria are provided below, followed by a Finding.

1. **Section 3.3.3.A.** Consistency with the intent of the overall policies in the Comprehensive Plan.

Finding. Section 5 (Housing) of Blueprint Bluffton includes analysis and recommendations related to the inventory and diversity of Bluffton’s housing stock and its relative movement within the housing market. Topics include housing make-up, neighborhoods and planned development, market dynamics, affordability, and several other related subjects. The 18

recommendations at the end of this section respond to challenges or opportunities across three related objectives: Add Affordable and Workforce Housing in Bluffton, Expand the Availability of Housing Types to Become a Lifecycle Community, and Protect Existing Naturally Occurring Affordable Housing (NOAH).

2. **Section 3.3.3.B.** Consistency with demographic changes, prevailing economic trends and/ or newly recognized best planning practices that would deem the proposed amendment necessary and proper for the advancement of the Town of Bluffton’s goals.

Finding. The proposed amendments support best-planning practices by looking at alternative options for housing funding sources. Act 57 would allow the Town to use ATAX funds to foster development within the Town.

3. **Section 3.3.3.C.** If applicable, the ability of public infrastructure and services to sufficiently accommodate the requested amendment to the Comprehensive Plan.

Finding. Public infrastructure and services will not suffer due to the requested amendment to the Comprehensive Plan. By allowing the additional funding, money that would have been spent on development could be used on improvements to utilities.

4. **Section 3.3.3.D.** Appropriate and efficient use of public funds, the future growth, development and redevelopment of its area of jurisdiction, and consideration of the fiscal impact on property owners.

Finding. The Town of Bluffton is constantly looking for sources of revenue to assist in the development of affordable housing. By using ATAX to assist in the construction of affordable housing, the Town is leveraging money collected from accommodations taxes.

5. **Section 3.3.3.E.** Enhancement of the health, safety, and welfare of the Town of Bluffton.

Finding. By having an additional funding source for affordable housing, the Town is able to assist in providing safe housing for residents, which supports the general welfare.

6. **Section 3.3.3.F.** Consistency with applicable South Carolina planning law and consideration of case law.

Finding. This amendment is consistent with South Carolina law. Act 57, passed by South Carolina Legislation in May of 2023, enables governments the opportunity to use up to 15% of their local accommodations tax revenue (ATAX).

7. **Section 3.3.3.G.** Impact on the proposed amendment on the provision of public services.

Finding. There is little to no impact on public services.

8. **Section 3.3.3.H.** The application must comply with applicable requirements in the Applications Manual.

Finding. This request complies with all applicable requirements in the Application Manual.

TOWN COUNCIL ACTIONS: As granted by the powers and duties set forth in Sec. 2.2.6.C.3 of the UDO, Town Council has the authority to take the following actions with respect to this application:

1. Approve the application as submitted;
2. Approve the application with amendments; or
3. Deny the application as submitted.

NEXT STEPS:

Comprehensive Plan Amendment Procedure	Date	Complete
Step 1. Planning Commission Public Workshop	April 24, 2024	✓
Step 2. Planning Commission Public Hearing and Recommendation	May 22, 2024	✓
Step 3. Town Council – 1st Reading	June 11, 2024	✓
Step 4. Town Council Meeting – Final Reading and Public Hearing	July 9, 2024 (Tentative)	✗

ATTACHMENTS:

1. Presentation
2. Ordinance & Housing Impact Analysis
3. Planning Commission Resolution