

RESOLUTION

A RESOLUTION CALLING ON THE SOUTH CAROLINA LEGISLATIVE DELEGATION TO AMEND THE SOUTH CAROLINA CODE OF LAWS GOVERNING APPROVED USES OF ACCOMMODATIONS AND HOSPITALITY TAXES TO INCLUDE WORKFORCE HOUSING AS AN APPROVED USE OF SUCH TAXES; AND AMENDING SECTION 12-6-3795(B)(5)(b) OF THE SOUTH CAROLINA CODE OF LAWS SO AS TO INCREASE THE ANNUAL AMOUNT OF SOUTH CAROLINA HOUSING TAX CREDITS FROM \$20,000,000 ANNUALLY TO \$40,000,000 ANNUALLY

WHEREAS, the Town of Bluffton has listed Affordable and/or Workforce Housing as a Strategic Focus Area; and

WHEREAS, the Town, as well as many other municipalities and counties throughout the State of South Carolina and the United States, is facing a significant lack of appropriately priced affordable housing stock, which, if left unaddressed, threatens the economic vitality of the local community and the State of South Carolina; and

WHEREAS, an increasing percentage of the Bluffton workforce cannot afford to live within the community in which they work, which has lead to a notable decrease in available workforce for Bluffton businesses and governmental services; and

WHEREAS, South Carolina Code of Laws Section 6-4-5, et seq., governs how municipalities and counties may use accommodation tax funds; and

WHEREAS, South Carolina Code of Laws Section 6-1-700 through 6-1-770 governs how municipalities and counties may use hospitality tax funds; and

WHEREAS, under the aforementioned accommodation and hospitality tax laws, funds collected therefrom may not be used to support affordable and workforce housing initiatives; and

WHEREAS, use of accommodation and hospitality tax funds by municipalities and counties for workforce housing purposes would greatly enhance the ability of such jurisdictions to attract and provide for tourists through maintaining a local workforce within the respective communities; and

WHEREAS, municipalities, such as the Town, counties, and the State of South Carolina would be better served by allowing municipalities and counties to use accommodation and hospitality tax funds for affordable and workforce housing initiatives; and

WHEREAS, Section 12-6-3795(B)(5)(b) of the South Carolina Code of Laws currently states that the total amount of all South Carolina housing tax credits that may be allocated in any calendar year must not exceed twenty million dollars, plus

the total of all unallocated tax credits, if any, for any preceding years, and the total amount of any previously allocated tax credits that have been recaptured, revoked, canceled, or otherwise recovered but not otherwise reallocated; and

WHEREAS, this annual appropriation is insufficient to meet the current needs of South Carolina's workforce who are unable to obtain appropriately priced housing; and

WHEREAS, in order to better meet the needs of these citizens, this figure should be increased from up to twenty million dollars annually to up to forty million dollars annually; and

WHEREAS, the Town of Hilton Head Island Town Council approved a Resolution for the same purpose on October 25, 2022; and

WHEREAS, the Town Council supports proposed Senate Bill S284 by Senator Tom Davis for the Development of Workforce Housing; and

WHEREAS, the Town Council now desires to call upon its elected state representatives to urge the South Carolina General Assembly to amend Section 6-4-5, et seq., and Sections 6-1-700 through 770 of the South Carolina Code of Laws governing accommodation and hospitality taxes to authorize municipalities and counties to use such tax funds for workforce housing purposes, and to amend Section 12-6-3795(B)(5)(b) of the South Carolina Code of Laws to provide up to forty million dollars annually towards housing tax credits.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BLUFFTON that the Town calls upon its elected state representatives to urge the South Carolina General Assembly to amend the aforementioned laws governing accommodations and hospitality tax funds to include affordable and workforce housing initiatives as an authorized use of such tax funds by municipalities and counties, and to amend the aforementioned laws to provide up to forty million dollars annually towards housing tax credits.

THIS RESOLUTION SHALL BE EFFECTIVE IMMEDIATELY UPON ITS ADOPTION, SIGNED, SEALED AND DELIVERED AS TO THIS 14TH DAY OF FEBRUARY 2023.

Lisa Sulka, Mayor
Town of Bluffton, South Carolina

ATTEST:

Kimberly Gammon, Town Clerk
Town of Bluffton, South Carolina