

Town of Hilton Head Island

2024

**Consolidated Annual Performance
Evaluation Report (CAPER)**

For the
U.S. Department of Housing and Urban Development
Community Development Block Grant Program



DRAFT

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan.

91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

At the conclusion of each program year, the Town of Hilton Head Island (Town) is required to prepare a Consolidated Annual Performance Evaluation Report (CAPER). This report, which outlines the Town's accomplishments under the CDBG program, must be submitted to HUD within 90 days of the program year's end. The current CAPER covers the fifth and final year of the 2020 - 2024 Five Year Consolidated Plan. For Program Year 2024, the Town received a CDBG allocation of \$204,194.00. The focus for this funding year was the continuation of an on-going CDBG-funded neighborhood park project - Patterson Family Park - which was originally funded in 2021. The park is located on Marshland Road in Census Tract 110, an area that meets the 49.56% or higher LMI requirement.

The 2024 Annual Action Plan was submitted to HUD in May 2024 and was approved by HUD on September 4, 2024. A grant agreement for 2024 was executed on August 28, 2024. Four activities were conducted from August 2024 through June 2025 related to public notice requirements for the CDBG program, including the Fiscal Year 2024 Remote Monitoring Report, 2023 CAPER, 2025 Citizen Participation Plan and Needs Assessment, and the 2025 - 2029 Consolidated Plan.

The Program Year 2024 allocation has been completely expended on the Patterson Family Park project. Expenditures included professional park and construction design services provided by Shoreline Construction. Designs include a pavilion, lawn area, viewing platform overlooking Broad Creek, pedestrian connectivity, parking, and other associated site amenities.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

| Goal | Category | Source / Amount | Indicator | Unit of Measure | Expected – Strategic Plan | Actual – Strategic Plan | Percent Complete | Expected – Program Year | Actual – Program Year | Percent Complete |
|---|--|------------------------|---|------------------|---------------------------|-------------------------|------------------|-------------------------|-----------------------|------------------|
| COVID-19 Response and Recovery | Non-Housing Community Development | CDBG: \$ / CDBG-CV: \$ | Public service activities other than Low/Moderate Income Housing Benefit | Persons Assisted | 37099 | 37099 | 100.00% | | | |
| Facilities, Housing, Public Services, Econ Dev. Yr. 2 | Affordable Housing Non-Housing Community Development | CDBG: \$ | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | Persons Assisted | 13692 | 13692 | 100.00% | | | |
| Facilities, Housing, Public Services, Econ Dev. Yr. 3 | Affordable Housing Non-Housing Community Development | CDBG: \$ | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | Persons Assisted | 13692 | 13692 | 100.00% | | 4035 | |
| Facilities, Housing, Public Services, Econ Dev. Yr. 4 | Affordable Housing Non-Housing Community Development | CDBG: \$ | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | Persons Assisted | 13692 | 13692 | 100.00% | | | |
| Facilities, Housing, Public Services, Econ Dev. Yr. 5 | Affordable Housing Non-Housing Community Development | CDBG: \$ | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | Persons Assisted | 13692 | 13692 | 100.00% | 1733 | 1733 | 100.00% |

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

The Town has utilized CDBG funds to address high-priority needs identified in the 2020 - 2024 Consolidated Plan and 2024 Annual Action Plan. These funds were allocated to public facilities and improvements. For Program Year 2024, all CDBG funds designated for public facilities and improvements related to the Patterson Family Park project have been fully expended. Conceptual and construction designs for the park have been completed, and the permitting process is currently underway. The next step for the Patterson Family Park project involves soliciting bids for construction, which is expected to begin in January 2026 with project completion anticipated in early 2027.

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CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

| | CDBG |
|---|----------|
| White | 0 |
| Black or African American | 0 |
| Asian | 0 |
| American Indian or American Native | 0 |
| Native Hawaiian or Other Pacific Islander | 0 |
| Total | 0 |
| Hispanic | 0 |
| Not Hispanic | 0 |

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

According to the U.S. Census, the total population of the Town is 37,661. The total Hispanic population of the Town is comprised of 5,045 persons, which is 13.39% of the total Town population. It should be noted that in Census data, Hispanic is considered an ethnicity and not a race. For example, the race of a person may be White, but their ethnicity Hispanic or their race may be Black/African American and their ethnicity Hispanic. The total population composition is as follows:

- White: 29,826 (79.2%)
- Black/African American: 2,192 (5.8%)
- Asian: 286 (0.8%)
- American Indian and Alaska Native: 155 (0.4%)
- Native Hawaiian or other Pacific Islander: 8 (0.2%)
- Some Other Race: 2,680 (7.1%)
- Two or More Races: 2,514 (6.7%)

The Town funds were expended in Census Tract 110, the location of the Patterson Family Park. The total population for this Census Tract is comprised of 1,484 persons. The total Hispanic population is 460 persons, which is 31% of the total population. The total population composition as delineated in the specific Census Tract is as follows:

- White: 861 (58%)
- Black/African American: 119 (8%)

- Asian: 15 (1%)
- Native Hawaiian or other Pacific Islander: 0 (0%)
- Some Other Race: 30 (2%)
- Two or More Races: 15 (1%)

The data represented in the table above doesn't include any totals as the Patterson Family Park is the only project designated for the 2024 program year. During the program year 2024, only the conceptual and construction design services were completed. There were no construction projects that took place on this property. Therefore, no population numbers were calculated.

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CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

| Source of Funds | Source | Resources Made Available | Amount Expended During Program Year |
|-----------------|------------------|--------------------------|-------------------------------------|
| CDBG | public - federal | 204,558 | 204,194 |

Table 3 - Resources Made Available

Narrative

During program year 2024, funds expended for planning and administration totaled \$204,194. All of the Program Year 2024 funds have been expended on the Patterson Family Park project.

Identify the geographic distribution and location of investments

| Target Area | Planned Percentage of Allocation | Actual Percentage of Allocation | Narrative Description |
|------------------|----------------------------------|---------------------------------|---|
| Census Tract 105 | 0 | | |
| Census Tract 108 | 0 | | |
| Census Tract 110 | 98 | 100 | Funds for planning and administration, which meet HUD requirements. |
| Census Tract 111 | 0 | | |
| Census Tract 113 | 0 | | |
| Town-Wide | 2 | 0 | |

Table 4 – Identify the geographic distribution and location of investments

Narrative

During the 2024 program year, available resources included CDBG funds allocated to the Town from HUD for that year. Funds expended during Program Year 2024 for planning and administration totaled \$204,194. All of the Program Year 2024 funds have been expended on the Patterson Family Park project.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

While leveraging is not required under the CDBG program, if project costs exceed the allocated CDBG funds, the Town may use additional resources to supplement and leverage the total project funding beyond the CDBG allocation.

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CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

| | One-Year Goal | Actual |
|--|---------------|----------|
| Number of Homeless households to be provided affordable housing units | 0 | 0 |
| Number of Non-Homeless households to be provided affordable housing units | 8 | 8 |
| Number of Special-Needs households to be provided affordable housing units | 0 | 0 |
| Total | 8 | 8 |

Table 5 – Number of Households

| | One-Year Goal | Actual |
|--|---------------|----------|
| Number of households supported through Rental Assistance | 8 | 8 |
| Number of households supported through The Production of New Units | 0 | 0 |
| Number of households supported through Rehab of Existing Units | 0 | 0 |
| Number of households supported through Acquisition of Existing Units | 0 | 0 |
| Total | 8 | 8 |

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

In the fourth year of reporting on the 2020-2024 Five-Year Consolidated Plan, there was one goal to provide rental assistance to eight households. The rental assistance is provided through the Beaufort Housing Authority, and not directly by the Town. The Beaufort Housing Authority provided eight households with rental assistance.

For production of new units, rehab of existing units and acquisition of existing units, there was no goal set in the 2020-2024 Five-Year Consolidated Plan. These are not activities the Town typically undertakes

with CDBG funds. The difficulty in setting affordable housing goals pertains to the high cost and limited availability of buildable property on a coastal barrier island with finite boundaries.

Discuss how these outcomes will impact future annual action plans.

In 2017, the Town Council Public Planning Committee began studying various aspects of affordable housing on Hilton Head Island. They engaged with local developers, business owners, employers, and service organizations to understand how to support the housing needs of the local workforce. By 2019, the Town's housing consultant delivered a workforce housing strategic plan. Over the next several years - 2020, 2021, and 2023 - Town staff developed amendments to the Town's Land Management Ordinance (LMO). These amendments introduced measures such as incentives to convert commercial spaces into workforce housing, bonus density allowances under specified conditions, and the correction of existing code deficiencies. A full-scale overhaul of the LMO represents the final phase of a five-part of the amendment plan slated for completion within the 2025 - 2029 Consolidated Plan timeframe.

In 2022, the Town of Hilton Head Island approved a resolution establishing the Beaufort-Jasper Regional Housing Trust Fund (RHTF) - a regional initiative aimed at addressing affordable housing needs in Beaufort and Jasper Counties. The goals of the RHTF are to:

- Develop new housing units or rehabilitate/preserve existing ones for households earning up to 120% of Area Median Income, with a strong focus on those at or below 60% of Area Median Income.
- Provide workforce housing to support the region's growing economy.
- Promote financial stability and wealth-building by lowering household spending on housing and transportation.
- Foster collaboration and trust among stakeholders through coordinated regional efforts.
- Raise awareness of financial products and resources available to residents in both counties.
- Leverage external funding from banks, corporations, philanthropic institutions, and all levels of government.

In November 2022, Town Council adopted a Workforce Housing Framework, which commits the Town to work with the community to plan, manage, and fund home initiatives. The resolution approving the Framework authorizes the Town manager to take necessary steps to develop, implement and carry out strategies identified in the Workforce Housing Framework. This resolution also directs the Town manager to make an annual allocation of \$1 million for workforce housing beginning in the current fiscal year.

In 2023, the Town purchased 7.19 acres of property at 30 Bryant Road for \$3.4 million. This acquisition expands the Town's land portfolio and provides more opportunities for future public-private partnerships or similar ventures for workforce housing.

In February 2024, Town Council approved Memorandums of Understanding (MOU) with two local organizations to bolster its workforce housing efforts, the Hilton Head Regional Habitat for Humanity and the Coastal Community Development Corporation. The Hilton Head Regional Habitat for Humanity actively pursues land acquisitions in Beaufort and Jasper Counties and have completed 35 homes on Hilton Head Island for families working in various sectors, including healthcare and hospitality. The Coastal Community Development Corporation's goal is to preserve local workforce housing by purchasing existing properties in the region and renting them to local working residents with rental rates that are determined by household income.

The Town is moving forward with plans for a sustainable workforce housing neighborhood on Town-owned property, the Northpoint property. The project includes the Town contributing land through a long-term ground lease to a private partner and providing \$1 million in eligible project costs. The Town is responsible for zoning entitlements, long-term programming support, and recording affordability covenants on the property to ensure Northpoint will be preserved for workforce housing in perpetuity. The first units are anticipated to be available for rent in early 2027.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

| Number of Households Served | CDBG Actual | HOME Actual |
|------------------------------------|--------------------|--------------------|
| Extremely Low-income | 0 | 0 |
| Low-income | 0 | 0 |
| Moderate-income | 0 | 0 |
| Total | 0 | 0 |

Table 7 – Number of Households Served

Narrative Information

The Town has been designated an exception grantee, which results in a LMI area percentage of 49.56% and is applied to Census tracts and blocks to determine eligibility on an area basis. The Town locates CDBG funded projects in Census tracts that meet or exceed the 49.56% or higher low-and-moderate-income population requirement established by HUD. The public facilities and improvement project listed in the 2024 CAPER is the Patterson Family Park project located in one of the Census tracts that meets the criteria.

The table above shows that no households were served in the extremely low-income, low-income and moderate-income categories. The 2024 program year project only consisted of conceptual and construction design services. Therefore, no households were served at this current time in relation to these specific activities. However, one or more of these household types will be served in the future as part of the Patterson Family Park project.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The most current South Carolina Interagency Council on Homelessness (SCICH) State of Homelessness Report available is from January 2024. The SCICH released a state-wide report that focused on Homelessness Management Information System (HMIS) data. In Fiscal Year 2023, homelessness and housing insecurity in South Carolina continued to increase. The number of persons counted on a single night in January 2023 rose 11% over persons counted during the January 2022 Point in Time Count. In 2022, 3,608 persons reported a homeless experience as compared to 4,053 persons counted in 2023. The population of children enrolled in South Carolina schools living without stable housing continued to climb as well with 13,770 children reporting experiencing homelessness and housing insecurity in Fiscal Year 2023 over the Fiscal Year 2022 total of 11,970 - a 13% increase. Overall, males remained the dominant gender receiving homeless services across the state. More than 50% of those receiving services reported as Black or African American and 2% reported Hispanic/Latino ethnicity. Adults ages 55 to 64 made up 18% of those served, ages 45 to 54 made up 16% of those served, and ages 35 to 44 made up 17% of those served. The average age of adults receiving services was 46, and the average age of children receiving services was 8.

The Charleston/Lowcountry Continuum of Care reported an overall homeless count of 484 for the 2024 point in time count. This is a 20% increase over the overall homeless count in 2023 of 404. Of those counted, 41% were sheltered and 59% were unsheltered with the highest number of unsheltered individuals living in the neighboring Charleston County. In 2024, 122 people were reported as being chronically homeless, which means people who have experienced homelessness for at least a year or repeatedly while struggling with a disabling condition.

The Point in Time Count does provide the proper numbers of one night, but it cannot tell the total number of people who experienced homelessness in the region for any period over the year, how many people were precariously housed (on the verge of eviction, couch surfing) or how many people are living in poverty and on the brink of homelessness.

It is important to note, since the Town does not have any homeless shelters, the figures reflected in the point in time count data pertain to homeless persons counted in the lowcountry area of South Carolina, which includes 11 counties. Hilton Head Island is located in Beaufort County, one of those 11 counties. Historically, the Charleston/Lowcountry Continuum of Care broke the numbers out by County, but they have not done so since 2022.

Addressing the emergency shelter and transitional housing needs of homeless persons

Currently, there are no emergency shelter and transitional housing shelters operating in the Town. At this time, there is no future plan to own or operate emergency shelters or transitional housing in the Town.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The Town anticipates continued collaboration with the Beaufort County Human Services Alliance, which is an informal group whose purpose is to promote and sustain activities that improve the quality of life for all Beaufort County residents. This group provides an organizational framework that contributes to our community's capacity to address societal needs. Through the Beaufort County Human Services Alliance, resources are pooled, and community needs are addressed in the areas of economy, education, poverty, and health and human environmental issues.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

There are no homeless shelters located within the jurisdiction of the Town and no homeless population count data for 2024 available from the Lowcountry Continuum of Care, the regional continuum of care servicing the Town. There is a non-profit organization, Family Promise of Beaufort, located in neighboring Bluffton, South Carolina, which is a coalition of Beaufort County churches assisting homeless families through a 60–90-day program. The program provides evening accommodations for program participants at host churches, daytime transportation to school for children, and educational programs for parents.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The Town does not own or operate any public housing development or units. The Beaufort Housing Authority is an agency providing public housing to approximately 2,514 residents in Beaufort County, South Carolina. There are 293 public housing units located throughout the county. In the Town of Hilton Head Island, the Beaufort Housing Authority operates 80 public housing units at the Sandalwood Terrace Apartments, however, at the time this report was developed, there is one unit out of service, bringing the units in use to 79.

The Housing Choice Voucher Program, commonly known as Section 8 housing, is subsidized by the Federal government and provides Federal assistance to families and individuals in the private rental market. The Beaufort Housing Authority program is tenant-based; therefore, eligible families receive assistance based on income for housing units meeting general program requirements. There are currently ten units within the Town of Hilton Head Island participating in the voucher program which are scattered throughout the Town. Tenants identify and choose their own units, and the landlord agrees to participate in the housing choice voucher program.

The Beaufort Housing Authority has implemented a new Veterans Affairs Supportive Housing (VASH) program. This program combines the Housing Choice Voucher Program (Section 8) rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). This program allows the Beaufort Housing Authority to assist low-income housing challenged Veterans without placing them on a waiting list. Once a week a representative from the VA works from the housing authority office to house the Veteran as soon as possible.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

The Beaufort Housing Authority provides resident councils at every public housing development they operate. There is also a Resident Advisory Board that is comprised of resident leaders from each development and Housing Choice Voucher (Section 8) representatives. The Housing Authority works with resident services at each of the public housing developments, and through this collaboration, promote programs and activities for residents. Some of the programs offered include: the Family Self-Sufficiency Program (5-year homeownership education program, Sandalwood Terrace Resident Council, free budgeting classes, and community garden clubs.

Actions taken to provide assistance to troubled PHAs

This section does not apply to the Town of Hilton Head Island.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The Town of Hilton Head Island anticipates continued participation in the Lowcountry Affordable Housing Coalition, which is under the auspices of Together for Beaufort County and the Beaufort County Human Services Alliance. This coalition consists of governmental entities, non-profit and private organizations striving to make housing more affordable in the Beaufort County area. The coalition has a focus on assisting residents of Beaufort County and serves as a forum for member organizations to share ideas, coordinate projects and foster interagency cooperation. With support from the Beaufort County Human Services Alliance, resources are pooled, and community needs are addressed in the areas of economy, education, poverty, and health/environmental issues.

In addition, monitoring relevant public policies for changes which may constitute barriers to affordable housing may be conducted. In 2017 the Town Council Public Planning Committee began studying various aspects of affordable housing on Hilton Head Island and met with local developers, business owners, employers, and service organizations for discussions on providing affordable housing to the local workforce. In 2018 strategies were developed to further address fostering affordable housing within the Town. In 2019 the Town's housing consultant presented a workforce housing strategic plan, staff prepared an approach to implement the recommendations, and the Town Council Public Planning Committee made a recommendation to Town Council to adopt the strategic plan. In 2020 the Town Council Public Planning Committee and Town staff worked to develop amendments to the Town of Hilton Head Island Land Management Ordinance (LMO), providing a framework for affordable workforce housing initiatives. In 2021, Town Council approved an amendment to the Town's code allowing workforce housing developers to double the number of units offered in a given space, under specific conditions. The Town adopted amendments to the LMO to add Workforce Housing as permitted by conditional use in certain zoning districts. In 2022, Town Council adopted the Workforce Housing Framework that authorizes the Town to take the necessary steps to develop, implement and carry out strategies and tactics identified within the Framework document. The Framework is supported by four foundational pillars: Community, Planning, Management and Revenue. Each of the four pillars have specific goals, strategies and critical first steps to accomplish the mission of the Framework. Workforce housing incentives permit conversion of commercial buildings into living units and allow for higher density of dwelling units in certain residential zones. Density bonuses will allow a maximum of 12 units per acre on property tracts that are three acres or greater and zoned RM-4 (Low Density Residential District). To receive this incentive, the developer must designate a percentage of the units for renters and homebuyers that meet federal guidelines for area median income for Beaufort County. In October 2023, Town Council approved a new islander Mixed Use Designation that requires a portion of units be dedicated for workforce housing units meeting use-specific conditions, therefore amending the LMO. In 2023, Town Council authorized the creation of the Northpoint Public-Private Partnership Housing

Advisory Committee. The committee is charged with assessing and recommending a development partner to help the Town build a sustainable neighborhood on more than 12 acres of land on its Northpoint tract.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The Town of Hilton Head Island may collaborate with other service organizations in the area that spearhead community-wide solutions to local needs.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

Currently, no actions to reduce lead-based paint hazards have been identified.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The Beaufort Housing Authority operates a Family Self-Sufficiency Program, which promotes independence for its residents. Participants in the program work toward setting and obtaining future life and career goals by accomplishing activities and objectives. The Beaufort Housing Authority also operates a homeownership program that assists residents with paying a mortgage rather than a rental payment.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

Since 2015, the Town of Hilton Head Island has actively participated in the HUD CDBG Entitlement Program. In the initial seven years of its involvement, the Town consistently received affirmations from HUD's Columbia, SC field office confirming that program accomplishments were meeting expectations. Over the past decade, the Town has reliably adhered to all required program deadlines.

A remote monitoring session in April 2021, conducted by the Columbia field office, concluded with no findings, though two concerns were noted: the need for a written local policies and procedures manual to guide CDBG award administration, and a more structured oversight process for subrecipients of 2020 CDBG and CDBG-CV funds. Town staff responded promptly by creating a comprehensive policies and procedures manual and conducting monitoring reviews of randomly selected subrecipients of 2020 CDBG and CDBG-CV funds. These corrective measures yielded no further findings or concerns.

In program year 2022, the Town received a timeliness noncompliance notice. In response, a timeliness workout plan was submitted and subsequently accepted by the HUD Columbia field office in June 2023.

The following month, in May 2023, the Town received a second notice for failing to meet the timely expenditure requirement. At that time, the Town had 3.96 times its most recent entitlement grant. A revised timeliness workout plan was submitted in June 2023. Fortunately, by the next test in May 2025, the Town had returned to compliance.

Looking ahead, the Town will continue to monitor and report its progress in meeting the five-year plan goals through the Consolidated Performance Evaluation Report (CAPER), submitted in accordance with all program deadlines.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The Town collaborates with the Beaufort County Human Services Alliance, which is an informal group whose purpose is to promote and sustain activities that improve the quality of life for all Beaufort County residents. This group provides an organizational framework that contributes to our community's capacity to address societal needs. Through the Beaufort County Human Services Alliance, resources are pooled, and community needs are addressed in the areas of economy, poverty, and health and environmental issues.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The Analysis of Impediments to Fair Housing Choice (AI) acknowledged nine impediments to fair housing choice: housing affordability, high cost of housing, inventory, transportation, small urban area, shelter and homelessness limited facilities, financial illiteracy, discrimination, and other.

Actions to overcome the effects of impediments identified in the AI include:

- In coordination with the Community Foundation of the Lowcountry and Hilton Head Public Service District, the Town committed to \$10 million of sewer improvements, which will connect lower income areas that rely on septic systems to treat wastewater.
- The Town has used CDBG funds to pave dirt roads located in low-and-moderate-income areas.
- The Town donated town-owned property for a Habitat for Humanity development consisting of 10 homes.
- In April 2019, the Workforce Housing Strategic Plan was completed. It identifies workforce housing needs on Hilton Head Island, defines workforce housing, makes strategy recommendations, and includes implementation steps and a workforce housing toolbox.
- In 2019 and 2020, Town staff and the Town Council's Public Planning Committee developed a workforce housing policy and proposed amendments to the Town Land Management Ordinance (LMO). The proposed amendments to the LMO outlined incentives to promote development of workforce housing units. The proposed amendments were adopted by Town Council on November 17, 2020.
- In February 2021, a second set of LMO amendments related to work force housing were adopted by Town Council allowing bonus density for work force housing units under certain conditions.
- In February 2022, the Town Manager proposed a Public-Private Partnership as a solution to

workforce housing.

- In April 2022, the Town issued a Request for Qualifications for a private partner to develop 12.97 acres of Town-owned land into a vibrant neighborhood for working families and individuals.
- In October 2022, the Town along with other local government municipalities in Beaufort and Jasper Counties, established the Beaufort-Jasper Regional Housing Trust Fund to support the production and preservation of affordable housing for teachers, law enforcement, first responders, cooks, and other service industry jobs.
- In November 2022, Town Council adopted a Workforce Housing Framework, which commits the Town to work with the community to plan, manage, and fund home initiatives.
- In May 2023, the Town Council approved the purchase of 7.19 acres on Bryant Road for workforce housing.
- In June 2023, Town Council approved \$3.3 million to launch a new Housing Fund to support workforce housing initiatives within the Town.
- In August 2023, Town Council formed the Housing Action Committee, which will advise and recommend various housing strategies for consideration, adoption, and implementation to the Town.
- In February 2024, the Town entered into a Memorandum of Understanding with both the Hilton Head Regional Habitat for Humanity and the Coastal Community Development Corporation. The Hilton Head Regional Habitat for Humanity is pursuing land acquisitions for workforce housing, and the Coastal Community Development Corporation is pursuing the purchase of existing properties and renting them to local working residents with rental rates that are determined by household income.
- In July 2024, the Town solidified a public-private partnership for the Northpoint Workforce Housing Neighborhood. The development will feature approximately 157 high-quality one-, two-, and three-bedroom apartment rental units to be available in 2027.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The Town Finance Department is responsible for ensuring that CDBG program requirements are met and that funds are managed and allocated in full compliance with federal regulations. Town staff adhere strictly to procurement standards outlined in the Municipal Code. File monitoring occurs on an as-needed basis, complimented by ongoing training for both Finance personnel and staff involved in grants administration.

To bolster oversight, staff have developed custom spreadsheets, including a new quarterly report, to track all grant funding activities beyond the Finance Department's standard operational software. Staff are continuously exploring ways to leverage technology and optimize existing systems for better grant tracking and management. Additionally, a standardized checklist and supporting documents are being introduced for each specific grant, ensuring all procedural requirements are completed and fully documented.

Staff also maintain proactive communications with other municipalities under the HUD program, fostering knowledge sharing and facilitating continuous process improvements.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

On September 3, 2025, a public notice advertising the 15-day comment period and a public meeting concerning the 2024 CAPER was posted on the Town's website and displayed on the bulletin board at Town Hall and concurrently published in the local newspaper (The Island Packet). The notice was also shared on the Town's social media platforms and distributed via email to individuals who had requested public notice updates. The 15-day comment period is scheduled to run from Wednesday, September 10, 2025 through Wednesday, September 24, 2025. Additionally, a public meeting will take place on Wednesday, September 10, 2025 at 5:00 PM at the Benjamin M. Racusin Council Chambers at the Town of Hilton Head Island Town Hall located at One Town Center Court, Hilton Head Island, South Carolina.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

This CAPER covers the fifth year of the Town's 2020 - 2024 Five-Year Consolidated Plan. The objectives in the plan regarding the allocated CDBG funding for a public facilities and improvement project and program administration costs did not change.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

DRAFT

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

This CAPER covers the fifth year of the Town's 2020 - 2024 Five-Year Consolidated Plan. The objectives in the plan regarding the allocated CDBG funding for a public facilities and improvement project and program administration costs did not change.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

DRAFT

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

| Total Labor Hours | CDBG | HOME | ESG | HOPWA | HTF |
|---------------------------------------|------|------|-----|-------|-----|
| Total Number of Activities | 0 | 0 | 0 | 0 | 0 |
| Total Labor Hours | 0 | | | | |
| Total Section 3 Worker Hours | 0 | | | | |
| Total Targeted Section 3 Worker Hours | 0 | | | | |

Table 8 – Total Labor Hours

| Qualitative Efforts - Number of Activities by Program | CDBG | HOME | ESG | HOPWA | HTF |
|---|------|------|-----|-------|-----|
| Outreach efforts to generate job applicants who are Public Housing Targeted Workers | | | | | |
| Outreach efforts to generate job applicants who are Other Funding Targeted Workers. | | | | | |
| Direct, on-the job training (including apprenticeships). | | | | | |
| Indirect training such as arranging for, contracting for, or paying tuition for, off-site training. | | | | | |
| Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching). | | | | | |
| Outreach efforts to identify and secure bids from Section 3 business concerns. | | | | | |
| Technical assistance to help Section 3 business concerns understand and bid on contracts. | | | | | |
| Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns. | | | | | |
| Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services. | | | | | |
| Held one or more job fairs. | | | | | |
| Provided or connected residents with supportive services that can provide direct services or referrals. | | | | | |
| Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation. | | | | | |
| Assisted residents with finding child care. | | | | | |
| Assisted residents to apply for, or attend community college or a four year educational institution. | | | | | |
| Assisted residents to apply for, or attend vocational/technical training. | | | | | |
| Assisted residents to obtain financial literacy training and/or coaching. | | | | | |
| Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns. | | | | | |
| Provided or connected residents with training on computer use or online technologies. | | | | | |
| Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses. | | | | | |
| Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act. | | | | | |
| Other. | | | | | |

Table 9 – Qualitative Efforts - Number of Activities by Program

Narrative

In June 2024, the Town awarded a design-build contract for two new neighborhood parks on Hilton Head Island - Taylor Family Park and Patterson Family Park. The contract was awarded utilizing the process set forth in the Town's Standard Operating Procedures for Procurement and Contracting. No additional staff were needed to facilitate the award.

The Taylor Family Park, situated on a 4.9-acre tract donated by the Taylor Family in 1991 (within the historic Squire Pope community), was allocated funds from the 2019 and 2022 CDBG program years, both of which now have been fully expended for the project.

The Patterson Family Park, covering approximately 3.65 acres in the historic Marshland Community, utilized funds from the 2018, 2021, and 2024 CDBG program years. Funding from 2018 and 2024 has been fully expended, leaving a balance of \$1,079.12 from the 2021 allocation.