

TOWN OF HILTON HEAD ISLAND
Public Planning Committee
Minutes of the April 1, 2019 – 9:00 a.m. Special Meeting
Benjamin M. Racusin Council Chambers

Committee Members Present: Chairman David Ames, Tom Lennox, Tamara Becker (alternate)

Committee Members Absent: Bill Harkins

Town Council Present: Glenn Stanford

Town Staff Present: Shawn Colin, Director of Community Development; Anne Cyran, Senior Planner; Nicole Dixon, Development Review Administrator; Josh Gruber, Assistant Town Manager; Brian Hulbert, Staff Attorney; Taylor Ladd, Senior Planner; Teri Lewis, Deputy Director of Community Development; Jennifer Ray, Deputy Director of Community Development; Teresa Haley, Senior Administrative Assistant

1. Call to Order

Chairman Ames called the meeting to order at 9:00 a.m.

2. Freedom of Information Act Compliance

Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Approval of Agenda

The Public Planning Committee approved the agenda by general consent.

4. New Business

- a.** Discussion of Town Council questions on the Hilton Head Christian Academy Rezoning request

The applicant of the rezoning request and the Committee discussed the questions and answers described on Exhibit A attached hereto and made a part of the record hereof.

Following the discussion, Chairman Ames opened the meeting to public comment. Eleven members of the public presented statements in opposition to the proposed rezoning.

The Committee presented closing remarks and noted the rezoning request is scheduled to be heard at the Town Council meeting tomorrow, April 2nd at 4:00 p.m.

5. Adjournment

The meeting was adjourned at 10:12 a.m.

Submitted by: Teresa Haley, Senior Administrative Assistant

Approved: May 29, 2019

David Ames, Chairman

Exhibit A

Dear members of the Hilton Head Public Planning Committee,

Thank you for taking the time to submit your questions and we look forward to answering them today and working together to bring this project to fruition. We appreciate the process the Town of Hilton Head is taking in order to assure that this development fits within the needs of the broader island. We are confident it does.

As a general statement I would like to point out that many of your questions require answers that are forward looking statements and are subject to change due to possible market volatility such as construction pricing, raw material availability, labor availability & pricing, commodity pricing such as lumber, oil & gas, international tariffs and broader economic conditions which can affect the financial and lending markets. We are at the initial stages of the development process and much is still to be determined.

We have however sought to get the best and most current data with the goal as providing answers as specific as possible.

As several of the questions submitted overlap one another, we have taken the liberty, with town staff's approval, of reordering the questions as one answer may provide background for the next.

| | |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <p>Q) What will the end height be?</p> <p>A) The height will be 55 ft to the TOP of the building. To be sensitive to the surrounding neighborhood, we have committed to reducing the existing approved building height from 75' to 55' and the buildings have been reduced to four stories. As a point of reference, 55 feet is lower than the existing lighting on the athletic field.</p> |
| 2. | <p>Q) Is there flexibility with the density? Is the developer willing to do anything in between the current request?</p> <p>A) Yes, after further study we can reduce our request from 300 units to 275 units which will reduce density to 19.8 units per acre, if asked.</p> |
| 3. | <p>Q) What is the distribution of units by dwelling size? (studio, 1-bed, 2-bed, etc...)?</p> <p>A) The unit mix gets decided at a later stage in the development process. A typical multifamily project within a similar demographic and one we are considering would have approximately:</p> <p>35% - Studio and One bedrooms units 50% - Two bedroom units and 15% - Three bedroom units</p> |
| 4. | <p>Q) Will the building have onsite management?</p> <p>A) Yes.</p> |

| | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | |
| 5. | <p>Q) Will there be rent increases tied to an index for some portion of the units?</p> <p>A) No. Rent increases or decreases are variable and adjust to market conditions.</p> |
| 6. | <p>Q) What is the rental price point?</p> <p>A) Project pricing has variability due to construction costs and market conditions. Currently, we anticipate units starting in the range of \$1,200 for a studio unit and increasing by unit size. As a general statement, our units will be priced lower than units at the WaterWalk apartments at Shelter Cove.</p> |
| | |
| 7. | <p>Q) Is the developer willing to dedicate 10-15% to workforce housing as described by the Town's housing consultant?</p> <p>A) The Urban Land Institute, defines workforce housing as: "housing that is affordable to households earning 60 to 120 percent of the area median income." According to the Town's Workforce Housing - Assessment of Workforce Housing Needs study-- the median household income on Hilton Head Island is \$70,249 a year, making a Work Force income range of \$42,150 to \$84,299. Assuming the average American spends 33% of their income on rent, the HHI workforce can pay \$1,170 to \$2,340/month in rent. Our plan already addresses this segment and therefore is an option to the local workforce without further mandate.</p> |
| 8. | <p>Q) What could the town do to assist company in setting aside 20 apartments for teachers, police officers and other Town officials that otherwise could not afford to live there?</p> <p>A) Based upon traditional leasing and as described in the answer to question #7 previously, there would be no need to set aside specific units as teachers, police officers and other Town Officials will be able to live at this project on their own merit. We would be happy to reserve up to 10 units for teachers, police officers, firemen and other town officials.</p> |
| 9. | <p>Q) Consider restricting 50% (approx. 65 units) of the density bonus as "rent controlled" units in the lowest monthly rents (\$1,200-\$1,500/month), and impose an annual rent limit tied to CPI or AMI.</p> <p>A) The LMO has no provision or methods to convert commercial or institutional density to multifamily density and therefore there is no such concept of density "bonus". Importantly however, such a restriction would preclude Spandrel from developing this project.</p> |
| | |
| 10. | <p>Q) What are the proposed traffic implications both neighborhood and island related?</p> |

| | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>A) We have engaged a traffic consultant approved by Town Staff who will be conducting an analysis in accordance with the Town's requirements. Our data suggests less trips at peak traffic hours will be created by our project when compared to HHCA.</p> |
| | |
| 11. | <p>Q) Would these be short term (90 or less days) or long term (12 months or longer)?</p> <p>A) This building will ONLY be for long term renters. We purposely restricted leases to NO SHORTER than 90 days. Should we be asked to lift to 120 days, we can accommodate.</p> |
| 12. | <p>Q) Why 90-day short term rental?</p> <p>A) Same answer as set forth in our answer to question #11.</p> |
| 13. | <p>Q) If long term rental, would the developer be willing to commit to keeping them long term rental for 25 years?</p> <p>A) This will be a class A, long term rental apartment project. A 25 year deed restriction creates financing issues, however if desired, we can work with the Town on such a deed restriction for an 8-10 year period from the commencement of the project.</p> |
| 14. | <p>Q) What is the restriction on rental vs. ownership?</p> <p>A) As indicated previously, some form of deed restriction prohibiting conversion to residential condominiums for 8 - 10 years from the commencement of project construction may be acceptable.</p> |
| | |
| 15. | <p>Q) What is the ratio between the actual footprint of the buildings and remaining property?</p> <p>A) Approximately 18% and our project will be designed to meet all of the Town site development standards. Including but not limited to pervious surface ratios, open space and storm water requirements.</p> |
| 16. | <p>Q) What tax credit, if any, is the developer receiving for this project?</p> <p>A) We will not be applying for any tax credits for this project.</p> |
| 17. | <p>Q) Based on the LMO, have we made considerations to other Developers that are not consistent to various Wards on the Island?</p> <p>A) We respectfully defer to Town Staff for this answer.</p> |
| 18. | <p>Q) A timeframe was mentioned at the meeting, what is the timeframe and how firm is it?</p> <p>A) Timing is urgent for the Hilton Head Christian Academy. We cannot close on the purchase of the property without all development approvals in hand and HHCA requires the sales proceeds to complete construction of their new campus. Importantly, we are attempting to sync the purchase and development of the property with the school calendar year to minimize disturbances for the students.</p> |

| | |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 19. | <p>Q) If we reject this applicants request what would be the Towns option in terms of buying the property or leaving empty?</p> <p>A) We respectfully defer to town staff for this answer. We note that the property was on the market for sale for over a year before we put it under contract.</p> |
| 20. | <p>Q) Why approve the application now without first having the report from the Town's housing consultant? Or until the Land Use Study is done?</p> <p>A) As indicated in our application and Staffs report, the project meets needs described in the Comprehensive Plan and LMO as required by law and use is appropriate for this site. Timing is important for HHCA. Town staff has recommended approval based on conformity to the LMO and we respectfully request that the Town Council approve the rezoning as requested.</p> |

Thank you for your time today.