

Town of Hilton Head Island

PUBLIC PLANNING COMMITTEE SPECIAL MEETING

Thursday, June 8, 2023, 10:00 AM MINUTES

Present from the Committee: David Ames, Chairman; Patsy Brison, Tamara Becker,

Glenn Stanford, Members

Present from Town Council: Mayor Alan Perry

Present from Town Staff: Shawn Colin, Assistant Town Manager-Community Development; Bryan McIlwee, Assistant Community Development Director; Missy Luick, Assistant Community Development Director; Jeff Buckalew, Town Engineer; Barbara Wooster, Revenue Customer Service Manager; Bob Bromage, Public Safety Director; Carolyn Grant, Communications Director; Aaron Black, Facilities Manager; Kimberly Gammon, Town Clerk; Cindaia Ervin, Assistant Town Clerk; Curtis Coltrane Town Attorney

1. Call to Order

2. FOIA Compliance

Ms. Gammon confirmed Compliance with the Freedom of Information Act.

3. Adoption of the Agenda

Mr. Stanford moved to approve. Ms. Brison seconded. Motion carried 4-0.

4. Approval of Minutes

a. Regular Meeting Minutes of May 11, 2023

Mr. Stanford moved to approve. Ms. Brison seconded with the following correction: page 4, paragraph 8 first sentence to read: It was the consensus of the Committee that staff prioritize amendments: Mass, Scale, Density, Height and Floor Area Ratio. Mr. Stanford, maker of the motion, accepted the correction. Motion carried (4-0).

5. Appearance by Citizens

Xiaodan Li addressed the Committee regarding workforce housing and stated that housing affordability and worker shortage are structural issues. Ms. Li referenced the unbalanced ratio of work aged and retiree population. She stated it was the key to why the Island must depend on neighboring municipalities for workers. She encouraged the Committee to address workforce shortages by solving the traffic congestion problem and to let the market do its work.

Brian Allman addressed the Committee regarding the need for workforce housing for employees and the need for government participation and support.

Matt Sweeney addressed the Committee regarding his concern for the affordable housing program and also stated his support for the Office Way Islander Mixed-Use Project.

Don Sigmon addressed the Committee regarding his support of the Office Way Islander Mixed-Use Project.

Al Panu, on behalf of USCB, addressed the Committee regarding support for the Office Way Islander Mixed-Use Project noting housing for students will be addressed.

Mike Wagner of Shore Beach Services addressed the Committee regarding the need for housing for his employees and how difficult it is. He stated his support for the Islander Mixed-Use Project.

Lynn Fontaine addressed the Committee regarding support for the Office Way Islander Mixed-Use Project noting it would place the determination of eligibility and affordability to the private sector, as well as many other benefits.

Jay Wiendl addressed the Committee regarding workforce housing and stated is a top priority. He expressed his support for the Office Way Islander Mixed-Use Project.

Katie Henderson addressed the Committee regarding the lack of land available for the increased demand for affordable housing without changing the LMO and sacrificing the natural landscape as well as the lifestyle of the communities.

Raleigh Peters addressed the Committee regarding the stress of commuting to and from work and spoke in support of the Office Way Islander Mixed-Use Project emphasizing his support for the parking component and the use of private funds for the project.

Mike Tunner addressed the Committee regarding his objection to the Town participating in the creation of affordable housing with Town funds. He spoke in support of the Office Way Mixed-Use Project and the use of private funds.

Jim Levesque addressed the Committee regarding the challenges around the project and his feelings that the Town should not be involved in creating workforce housing. He cautioned that the Town needs to do its due diligence before decisions are made.

6. Unfinished Business

a. Presentation and Discussion on the Creation of Hilton Head Island District Plans and Land Management Ordinance (LMO) Updates – Shawn Colin, Assistant Town Manager, Community Development

Shawn Colin addressed the Committee reviewing the timeline regarding the updates. He stated progress to date is the RFQ for the Resilience Plan and the William Hilton Parkway Corridor Project will be both published on June 9. He referenced that he has reviewed the LMO Set 4.a. and it will be advertised by next week with the Planning Commission review to be scheduled for mid-July. Mr. Colin reported staff is working on the balance of Phase 4 with hopes of bringing it forward

this summer for advertising. He added that staff is bringing on a consultant with the RFQ to go out next week for a code writer for Phase 5. He commented that good progress is being made and staff will keep to the timeline as it relates to those efforts.

Mr. Colin stated work is being done to refine the Growth Framework and District Plan draft map and the districts to be assessed. He stated three professional planners have been hired since the last meeting as well as an increase of capabilities within the consulting team which will assist in moving forward. He added that the Marshes District is a priority and staff plans to bring a draft to the Committee in July and the Bridge to the Beach component hopefully in August.

Missy Luick stated that the drafts regarding the Marshes and the Bridge to the Beach Districts will have initial findings and recommendations for the Committee to review. She provided clarification that the Bridge to the Beach District will include Palmetto Bay Road to Sea Pines Circle and Cordillo Road and that Coligny Circle is included in the Forest Beach District. Mr. Ames suggested that in the Bridge to the Beach there be a dotted line included all the way to the beach so they will understand impacts at that time. Discussion ensued regarding the similarities and differences within each district and the need to differentiate them and the need for awareness of the impacts in each district. Ms. Brison requested staff provide the draft maps to Council and the public for review. Mr. Colin stated they will provide the maps and will have them available at future updates.

b. Consideration of Proposed Ordinance 2023-07 Amending Sections Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance, to Create a New Use Called Islander Mixed-Use within the Sea Pines Circle District – Shawn Colin, Assistant Town Manager, Community Development

Shawn Colin stated the goal of considering public policy is to determine whether it works from the public standpoint. He said his hopes were that the outcome of the meeting would be a list of items that would be addressed to make the public policy concerns diminish.

Missy Luick explained the request is from the applicant, Josh Tiller of J. K. Tiller Associates, Inc. for a text amendment to the LMO to create a new use called Islander Mixed-Use that is proposed to be permitted with conditions in the Sea Pines Circle (SPC) District. She said the developer does have a specific development in mind if the amendment request is approved. She reviewed the process and timeline to this point.

Ms. Luick also pointed out the amendment has changed since the Committee reviewed it last and noted the nine changes that have been made which are:

- 1. Definition amended to remove reference to group living dormitory use.
- 2. Shared parking on Education Use owned property is allowed if the development provides student housing.
- 3. 15% Workforce Housing units earning up to 130% Area Median Income for a period of 10 years.
- 4. Floor Area Ratio shall not exceed 0.68.

- 5. A minimum average unit size of 750 square feet per dwelling unit is required.
- 6. Site Coverage Index shall not exceed 50%.
- 7. 10% functional open space requirement or common amenity space.
- 8. Adjacent street setback shall meet or exceed an average of 35' feet.
- 9. The allowable building height was reduced from 55' to 45' feet, which is the maximum within the SPC district.

Ms. Luick noted these changes were made and adjusted by the applicant through conversations between staff and the applicant team to address concerns that were made during the review process. She stated this text amendment request is for specific use in the Sea Pines Circle district only. Ms. Luick reviewed in detail the proposal and the use-specific conditions along with modifications proposed by staff.

Ms. Brison stated that it is important to note that looking at the range of uses permitted in the Sea Pines Circle district and the findings that staff has made show that this Islander Mixed Use is generally compatible which is important to remember in a text amendment.

Mr. Ames clarified that any portion of a lot that has the boundary touching it is eligible for this text amendment. Ms. Luick confirmed it is.

Ms. Luick reviewed the remainder of the amendment in detail as stated in the staff member and Committee members made comments and asked questions regarding: the coordination of impervious, site coverage and FAR in determining the footprint; clarification that the site also includes setbacks and buffers which need to be considered; clarification of the need for stormwater management; the addition of open space; confirmation the project would still go through the pubic process including the Design Review Board for compliance with the regulations; clarification that common amenity space and open area space are different; confirmation regarding the inclusion of retention ponds as open space is not permitted; concern regarding undefined density and will it be subject to approval or disapproval by the Town; confirmation undefined density need to meet the specific uses and conditions required within the text amendment; and the need to control intensity within the site with performance standards.

Ms. Luick reviewed the staff recommends modifications to two use-specific conditions as listed below:

- Islander Mixed-Use development may utilize shared parking on Education Use property if the development provides student housing. (Use-Specific Condition ii)
 - The purpose of this modification is to streamline the regulatory language.
- 2. **Islander Mixed-Use** requires an adjacent street setback that shall meet or exceed an average of 35 feet or the minimum setback distance required per Table 16-5-102.C whichever is greater. (Use-Specific Condition x) The purpose of this modification is to account for a greater required setback than 35 feet per Table 16-5-102.C.

Miss Luick stated staff recommends an additional use-specific condition:

1. Islander Mixed-Use shall require a 4 bedroom per dwelling unit maximum. The purpose of this recommendation is to limit the maximum number of bedrooms such that the dwelling unit to bedroom count are appropriately sized for this proposed use.

Josh Tiller of J. K. Tiller Associates, Inc. Expressed his confidence that the text amendment will go a long way in solving the critical issue of affordable service-industry and student housing on the Island. He reviewed key aspects regarding the text amendment, reviewed the proposed site plan and reviewed how it complies with the text amendment.

Mr. Stanford expressed his concern regarding the creation of a building use category for one property. He stated his concerns are outweighed by the positive factors and he is not yet ready to commit to supporting the project. Ms. Becker stated the purpose of the project satisfies a need and helps to fulfill commitment the Town made in the past. She stated the need to make sure the development meets expectations in the architecture. Ms. Brison referenced the text amendment recommendations that staff proposed and read each one to the applicant and asked if they are willing to agree to those recommendations. Mr. Tiller stated they agree with the first two and with the 750-square foot minimum average, they could not exceed the 4-bedroom maximum so that should not be a problem. Ms. Brison emphasized that in regard to the text amendment, she stated her support of mixed use, shared parking, less impermeable area, and the use of guardrails to assist with the less intensity of use on the area. She said she is concerned with the 10% of common amenities and she feels there are issues that need addressed including the term for workforce housing and the percentage of workforce housing, the AMI, defining a common amenity and the definition of open space. Mr. Ames voiced his concern over the text amendment stating the proposal has not met a standard of scrutiny and worries that it will be detrimental down the road. He emphasized his support of workforce housing and further development of the USCB campus. He stated that conceptually speaking workforce housing makes sense, but he doesn't feel that the community understands what this proposal means, nor have they bought into it. Mr. Ames asked for public comment.

Eric Sommerville addressed the Committee in support of the project stating concern over previous projects.

Julie Martin addressed the Committee in support of the project stating it would enhance the area.

Xiaodan Li addressed the Committee in support of the fact that a private developer address the need for workforce housing.

David Spain addressed the Committee regarding the length of time spent on developing the project. He stated he is not asking for public funds and expressed the need for student housing for the success of USCB.

Ray Deal addressed the Committee in support of the project and expressed appreciation to the developer for taking on such a project.

Matt Sweeney addressed the Committee stating members of the community do understand the project and stated he does not feel the community or Town Council fully understand the Housing Fund created by the Town. He urged that the project should move forward.

Cathleene Retman addressed the Committee stating that if the Town needs to take advantage of the opportunity to assist with this project. She stated she does not understand the hesitation.

Mr. Stanford moved to forward to Town Council without a recommendation of approval or denial. Ms. Becker seconded.

Ms. Brison repeated her list of suggestions: 1) Commitment from the developer as to whether they will comply with the staff modifications to use-specific conditions and the additional use specific condition in regard to a maximum of four bedrooms per dwelling unit. 2) Clarification of common amenity in the 10% open space. 3) the need for further discussion and consideration about the workforce housing text. Coming up with an interim position from what is proposed in the text and what the current LMO provides. Ms. Brison stated she is voting on a text amendment to enable a plan to move forward. Motion carried (4-0).

7. Adjournment

The meeting was adjourned at 12:30 p.m.

Approved: July 13, 2023

The recording of this meeting can be found on the Town's website at www.hiltonheadislandsc.gov