STATEMENT OF MEDIA NOTIFICATION

"In accordance with South Carolina Code of Laws, 1976, Section 30-4-80(d), as amended, all local media was duly notified of the time, date, place and agenda of this meeting."

WORKSESSION - City Hall, Planning Conference Room, 1st Floor - 5:00 PM

Please note, this meeting will be broadcasted via zoom and live streamed on Facebook. You can view the meeting at the City's page: City Beaufort SC

I. CALL TO ORDER
   A. Philip Cromer, Mayor

II. PRESENTATION
   A. HDL Business License Fee Collection Service
   B. Update from Davis & Floyd on King St. Project Design
   C. Housing Impact Analysis Introduction

III. ADJOURN
CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL
FROM: Bobby Monroe, HDL Companies
AGENDA ITEM TITLE: HDL Business License Fee Collection Service
MEETING DATE: 6/25/2024
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

Administration was approached by Bobby Monroe, a representative of HdL Companies.

Company description from their website:

"The HdL Companies is a pioneer and leader of auditing, operations and revenue solutions for public agencies. HdL partners with over 700 government agencies across the U.S. and has recovered more than $3 billion in revenue for our clients.

Founded by local government leaders, HdL maintains a unique government perspective and dedication to supporting clients, resulting in a 99.6% client retention rate since inception. The HdL Companies brings a comprehensive and tailored approach to maximizing and understanding public agency revenues. Partner with us to support your strategic finance objectives and experience the HdL difference."

PLACED ON AGENDA FOR: Discussion

REMARKS:

Mr. Monroe is here to discuss the opportunity, through HdL Companies, to realize business license revenue that the City is not currently receiving.

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<tr>
<td>HdL Handout</td>
<td>Backup Material</td>
<td>6/17/2024</td>
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</tbody>
</table>
Business License Tax Collections References:

Gail Harrell  
*Accounts Receivable, Business Licenses*  
City of Chester, SC  
803.581.2123

Jennifer Lisby  
*Finance Clerk*  
City of Orangeburg, SC  
803.539.3725

Bradley Todd  
*Business License Inspector*  
City of Conway, SC  
843.488.7631
Business License Tax Collections
Recent Success Stories:

SC Town/City with 3,100 population
• 2018 to present: $108,100

SC Town/City with 6,100 population
• 2017 to present: $264,800

SC Town/City with 7,600 population
• 2015 to present: $402,189

SC Town/City with 24,000 population
• 2015 to present: $886,241

SC Town/City with 32,000 population
• 2016 to present: $946,225

Data provided is based on actual client results.
Results may vary by municipality.
CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL  DATE: 6/18/2024
FROM: JJ Sauve
AGENDA ITEM TITLE: Update from Davis & Floyd on King St. Project Design
MEETING DATE: 6/25/2024
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

Davis and Floyd will be present to go over and discuss updated design options for the King St. Stormwater Project. Council will have the opportunity to review updated preliminary renderings and ask questions of the engineering team and staff and provide input on further design.

Project History

Nov. 2021 - Point Association Briefing
Feb. 2022 - Point/Downtown Drainage Study Update
Jul. 2022 - Point/Downtown Drainage Study Public Briefing
Q3 2022 – SCIIP Grant Application Submitted
Q1 2023 – Notice of SCIIP Grant Award received
April 24, 2023 – SCIIP Grant Award
May 10, 2023 – SCIIP Grant Accepted
May 31, 2023 – RIA workshop on project execution
August 2023 – Procurement of Engineer
February 2024 to Present- Solicitation of Public Input on Design
April 2024- Public Hearing on All Downtown/Point Projects
April 2024 – Permit Applications

May 2024- Public Update Meeting followed by Council Worksession on King St. Design

June 2024- Council Worksession on Design Update

Future Tentative Items

Summer 2024- OCRM Public Hearing

Late Summer/Fall 2024- Final Design

Fall/Winter 2024 – Bid and Award Construction Contract

June 2026 – Construction Complete

PLACED ON AGENDA FOR: Discussion

REMARKS:

Staff seeks guidance and discussion from Council on design and continued priority for this project.

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<td>King Street Design Updates Presentation</td>
<td>Backup Material</td>
<td>6/20/2024</td>
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</table>
King Street Drainage Improvements
Council Work Session
City of Beaufort
25 June 2024
CONTENT

POWER & CONTROLS FACILITIES

PUMP STATION & OUTFALL
KING STREET DRAINAGE IMPROVEMENTS

POWER & CONTROLS FACILITIES

PUMP STATION & OUTFALL
POWER & CONTROLS FACILITIES

Location:
POWER & CONTROLS FACILITIES

Buildable Area:
POWER & CONTROLS FACILITIES

Site Concept A:
POWER & CONTROLS FACILITIES

Site Concept B:
POWER & CONTROLS FACILITIES

Site Concept C:
POWER & CONTROLS FACILITIES

Site Concept D:
POWER & CONTROLS FACILITIES

Site Concept E:
POWER & CONTROLS FACILITIES

Site Concept F:
HTRC Comments:
• “C” is Preferred Option
  • “B” is Backup
  • “D” 2nd Alternative
• Add “Grotto”
POWER & CONTROLS FACILITIES

Conceptual Design Approved by HRTC:
POWER & CONTROLS FACILITIES
POWER & CONTROLS FACILITIES
POWER & CONTROLS FACILITIES

HDRB Conceptual Approval:
• “D” that looks like “F”
POWER & CONTROL FACILITIES

New Concepts Including HDRB Feedback

- **G-1**
  - East-West Controls
  - Building Axis
  - No Generator
POWER & CONTROLS FACILITIES

New Concepts Including HDRB Feedback

• **G-2**
  • East-West Controls
  • Building Axis
  • With Generator
POWER & CONTROLS FACILITIES

New Concepts Including HDRB Feedback

- **H-1**
  - North-South Controls Building Axis
  - No Generator
POWER & CONTROLS FACILITIES

New Concepts Including HDRB Feedback

- **H-2**
  - North-South Controls Building Axis
  - With Generator
KING STREET DRAINAGE IMPROVEMENTS

POWER & CONTROLS FACILITIES

PUMP STATION & OUTFALL
PUMP STATION & OUTFALL
Outfall Modification to Avoid Property Encroachment

February 21, 2024

May 02, 2024
PUMP STATION & OUTFALL

Current Design (from Federal St):

Top Slab
10.5ft [NAVD88]
PUMP STATION & OUTFALL

Current Design (from Hamilton St):

PROS:
- Feasible Design
- Lower Cost

CONS:
- Visual Impact
PUMP STATION & OUTFALL

Alternate Concept 1 (from Federal St):

Top Slab
~8.5ft [NAVD88]
PUMP STATION & OUTFALL

Alternate Concept 1 (from Hamilton St):

PROS:
• Reduced Height
• Reduced Visual Impact

CONS:
• Feasibility to be Verified
• Increased Cost
PUMP STATION & OUTFALL

Alternate Concept 2 (from Federal St):

Top Slab
~8.5ft [NAVD88]
• In Road
PUMP STATION & OUTFALL

Alternate Concept 2 (from Hamilton St):

PROS:
- Reduced Height
- Reduced Pond Footprint
- Future Resiliency

CONS:
- City Must Take Ownership of Right-of-way
- Feasibility to be Verified
- Increased Cost
BACKGROUND INFORMATION:

In 2023 the State of South Carolina passed Act 57, which amended Section 6 of the State Code adding the option for local governments to use up to 15% of state accommodations tax proceeds to fund affordable workforce housing initiatives. This act requires any local government wishing to use state accommodation tax funds to complete a housing impact analysis to be included as an addendum to the local government’s comprehensive plan that includes:

"… Information about the effect of the ordinance on housing, including the effect of the ordinance on each of the following:
(a) the cost of developing, construction, rehabilitating, improving, maintaining, or owning single-family or multifamily dwellings;
(b) the purchase price of new homes or the fair market value of existing homes;
(c) the cost and availability of financing to purchase or develop housing;
(d) housing costs; and
(e) the density, location, setback, size, or height development on a lot, parcel, land division, or subdivision; and
(2) an analysis of the relative impact of the ordinance on low- and moderate-income households…"

In January 2024, the Municipal Association of South Carolina provided a training, which the majority of Council attended, that highlighted the process for completing a Housing Impact Analysis under the new requirements of Act 57. This training was presented as a case study from Hilton Head Island's approach to implementing its Housing Impact Analysis. It is staff’s recommendation that the City of Beaufort adopt this Housing Impact Analysis as an appendix item to the City of Beaufort 2021 Comprehensive Plan, to provide another optional tool for addressing affordable housing in Beaufort.

The Housing Impact Analysis attached to this agenda is based on housing and economic trends and information contained in the City of Beaufort 2021 Comprehensive Plan and several updated sources. It is clear from this data that the past five years have seen major changes to the local economy and housing market, and that a full review of the housing section of the Comprehensive Plan should be a priority as it approaches the five-year review mark.

The city recently partnered with other local governments to form the Beaufort-Jasper Housing Trust, and the
City has the chance to explore opportunities to improve housing options at both the local and regional levels. Staff’s recommendation is that this Analysis be adopted, and that as the 2026 Comprehensive Plan approaches, the Council, Planning Commission, and staff work together to explore the options outlined in the Analysis and determine the best approaches towards measurable results in addressing housing. This will most likely involve significant regional and community partnerships, and resources far beyond the City of Beaufort’s control.

The process for adopting this Housing Impact Analysis as an addendum item to the City of Beaufort’s 2021 Comprehensive Plan is outlined below:

May 2023- Bill became law (COMPLETE)

January 2024- MASC Meeting- HHI Model Case Study (COMPLETE)

March to May 2024- Collecting data and compiling HIA (COMPLETE)

June 2024- Public Hearing at Planning Commission w/ Recommendation of Adoption (COMPLETE) and distribute to DOR and Tourism Expenditure Revenue Committee (COMPLETE).

June 2024- Council Worksession

August 2024- Public Hearing (30 days notice) at Council and First Reading of ordinance amendments

September 2024- Second Reading of ordinance amendments

FY 26- Recommended update of Comprehensive Plan Housing Section with Planning Commission and Council

**PLACED ON AGENDA FOR:** Discussion

**REMARKS:**

No action necessary. On for introduction and discussion.

**ATTACHMENTS:**

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Housing Impact Analysis

City of Beaufort, South Carolina

June 2024

An Appendix to the City of Beaufort 2021 Comprehensive Plan
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EXECUTIVE SUMMARY

The City of Beaufort is a small coastal city located in the Lowcountry region of South Carolina. As of 2021, the city had an estimated population of 13,607. Beaufort, like many communities across the country, is facing challenges related to housing affordability and availability. Rising housing costs, limited supply of affordable units, and growing demand are putting pressure on Beaufort’s housing market. These factors are making it increasingly difficult for many residents - especially low- and moderate-income households, seniors, and key members of the workforce like teachers and first responders - to find suitable housing they can afford. To better understand the current state of housing in Beaufort and identify potential solutions, the city commissioned this Housing Impact Analysis. The analysis examines demographic trends, housing stock characteristics, affordability metrics, and the economic impacts of housing on the local economy.

Key findings from the analysis include:

- Beaufort’s population has grown by 10.1% over the past decade, putting pressure on the housing market (U.S. Census Bureau, 2021)
- The 2021 median home value in Beaufort was $277,000, which is 21% higher than the national median of $229,800, and this number continues to increase yearly (U.S. Census Bureau, 2021)
- The median home sales price in Beaufort in 2023 is between $390,000 and $466,000. (HHI HIA, 2023) (Redfin, 2023)
- 36.1% of Beaufort households are cost-burdened, spending more than 30% of their income on housing (U.S. Census Bureau, 2021)

To address these challenges, the report recommends a series of strategies, including:

- Increasing the supply of affordable housing through incentives for developers and partnerships with non-profit organizations
- Preserving existing affordable housing through rehabilitation programs and tenant protections
- Expanding housing options by allowing accessory dwelling units and encouraging mixed-use development
- Leveraging public land and resources to support affordable housing development

By implementing these strategies, Beaufort can work towards a future where all residents have access to safe, affordable, and quality housing.

ATAX FUNDING
The growing demand for affordable housing for these households continues to be a focus for the City and area employers. The following Housing Impact Analysis addresses the required questions outlined as part of Act 57 allowing the City to utilize ATAX as an eligible funding source to support local workforce housing needs. The City of Beaufort ATAX collections vary from year-to-year but have consistently been in the $1 million range for the past three years.

City of Beaufort Historical and Projected ATAX Collections

FY22- Actual- $914,442
FY23- Actual- $1,030,484
FY24 Estimated- $1,194,940

The following Housing Impact Analysis per Act 57 requirements includes:

- Current housing and employment trends in the City of Beaufort
- Local analysis of housing and development costs
- Market-rate housing prices
- Cost of available financing to purchase or develop housing.
- Local determination of need for workforce housing including income and housing disparities
- Potential ATAX revenue impacts on short- and long-term housing costs
INTRODUCTION

The City of Beaufort is a vibrant community located in the Lowcountry region of South Carolina. Known for its historic charm, natural beauty, and high quality of life, Beaufort is an attractive place to live and work. However, like many desirable communities, Beaufort is grappling with the challenges of housing affordability and availability.

To better understand these challenges and identify potential solutions, the City of Beaufort commissioned this Housing Impact Analysis. The analysis examines a range of factors that influence housing in Beaufort, including demographic trends, housing stock characteristics, affordability metrics, and the economic impacts of housing.

The goal of this report is to provide a comprehensive assessment of housing in Beaufort and offer recommendations for addressing the city’s housing needs. By taking a proactive approach to housing policy, Beaufort can work towards a future where all residents have access to safe, affordable, and quality housing.
Demographic Analysis

Beaufort’s population has grown steadily over the past several decades, driven by its attractive quality of life, strong economy, and proximity to major employment centers. According to the U.S. Census Bureau (2021), Beaufort’s population increased from 12,361 in 2010 to 13,607 in 2020, representing a growth rate of 10.1%.

This population growth has put pressure on Beaufort’s housing market, as demand for housing has outpaced supply. The result has been rising home prices and rents, making it increasingly difficult for many residents to find affordable housing (National Low Income Housing Coalition, 2021).

In addition to overall population growth, Beaufort has seen significant changes in its demographic composition. The city’s population is becoming increasingly diverse, with the percentage of Hispanic residents increasing from 6.5% in 2010 to 8.4% in 2020, and the percentage of Asian residents increasing from 1.5% to 2.5% over the same period (U.S. Census Bureau, 2021). The city is also experiencing an aging of its population, with the median age increasing from 35.8 in 2010 to 38.5 in 2020 (U.S. Census Bureau, 2021).

These demographic shifts have important implications for housing in Beaufort. As the population becomes more diverse, there is a need for housing that meets the needs of a wider range of household types and income levels. And as the population ages, there is a growing need for housing that is accessible, affordable, and allows seniors to age in place (Joint Center for Housing Studies of Harvard University, 2021).

The lack of affordable housing in Beaufort can have significant economic impacts on the local workforce and businesses. When workers are unable to find housing they can afford near their jobs, they may be forced to commute long distances, leading to increased transportation costs, reduced productivity, and a lower quality of life (Urban Institute, 2019). This can make it difficult for businesses to attract and retain skilled workers, hindering economic growth and competitiveness.

Moreover, when a large portion of a household’s income is spent on housing, there is less disposable income available to spend on local goods and services. This reduced consumer spending can have a ripple effect throughout the local economy, impacting businesses of all sizes (National Low Income Housing Coalition, 2021). Addressing housing
affordability is therefore not only a social imperative but also an economic necessity for ensuring the long-term vitality and resilience of Beaufort’s economy. To effectively address Beaufort’s housing challenges, it is crucial to understand the specific needs of different demographic groups:

- Young professionals often seek affordable rental housing close to employment centers, with amenities like public transit access and walkable neighborhoods (Urban Institute, 2019).
- Families require larger, multi-bedroom units with outdoor space and proximity to schools and childcare facilities. Affordable homeownership opportunities are also important for long-term stability (Grounded Solutions Network, 2018).
- Seniors need accessible, single-level housing with support services and transportation options to enable aging in place. Affordable senior housing and assisted living facilities are in high demand (Joint Center for Housing Studies of Harvard University, 2021).

By tailoring housing strategies to the unique needs of each group, Beaufort can create a more balanced, equitable housing market that supports the entire community.

EMPLOYMENT BY INDUSTRY IN BEAUFORT, SC

Beaufort's economy is driven by a diverse mix of industries, with a particularly strong presence in the service sector. According to data from the U.S. Census Bureau's American Community Survey (2017-2021), the top industries employing Beaufort residents are:

- **Educational services, and health care and social assistance**: This industry is the largest employer in Beaufort, accounting for 21.7% of the city's total employed population (U.S. Census Bureau, 2021). It includes jobs in schools, colleges, hospitals, medical offices, and social service agencies.

- **Arts, entertainment, and recreation, and accommodation and food services**: The second-largest industry, employing 18.6% of Beaufort's workforce, reflects the city's strong tourism and hospitality sector (U.S. Census Bureau, 2021). This category includes jobs in hotels, restaurants, bars, museums, theaters, and other leisure and hospitality businesses.

- **Professional, scientific, and management, and administrative and waste management services**: Employing 12.4% of Beaufort's workers, this industry encompasses a wide range of jobs in legal, accounting, engineering, research, consulting, and administrative services (U.S. Census Bureau, 2021).
• **Retail trade**: Retail businesses, including grocery stores, clothing shops, home goods stores, and other merchants, employ 11.7% of Beaufort's workforce (U.S. Census Bureau, 2021).

• **Public administration**: Government jobs at the local, state, and federal levels account for 8.5% of Beaufort's employment (U.S. Census Bureau, 2021). This includes positions in city and county government, as well as military and civilian jobs at the nearby military installations.

Other notable industries in Beaufort include construction (6.2%), finance and insurance, and real estate and rental and leasing (5.7%), manufacturing (3.5%), and transportation and warehousing, and utilities (3.4%) (U.S. Census Bureau, 2021).

The presence of military installations, particularly Marine Corps Air Station Beaufort and Marine Corps Recruit Depot Parris Island, also significantly impacts the local economy. These bases provide civilian employment opportunities and support local businesses through the spending of military personnel and their families (Beaufort Regional Chamber of Commerce, 2021).

**Table 17: Economic Impact of Visitors 2017-2020**

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<td><strong>Beaufort County</strong></td>
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<td>Tourism Employment</td>
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<td>$1,374,800,000</td>
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<td>$1,539,740,000</td>
<td>$1,379,800,000</td>
<td>5.8%</td>
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Beaufort's industry mix reflects its status as a coastal tourism destination and its proximity to larger employment centers like Hilton Head Island and Savannah, Georgia. The city's diverse economy and strong service sector presence contribute to its overall economic stability and growth potential.

The economic impact of housing affordability on Beaufort's local workforce and businesses is significant and far-reaching. When housing costs consume a disproportionate share of household incomes, it creates a cascade of consequences that extend beyond individual families to the broader community. For workers, high housing costs can limit their ability to live near their places of employment, leading to longer commutes, increased transportation expenses, and reduced quality of life. This not only affects individual well-being but also has implications for businesses. When employees face long and costly commutes, it can result in decreased productivity, higher rates of absenteeism, and increased turnover (Joint Center for Housing Studies, 2021). These factors can make it challenging for businesses
to attract and retain skilled workers, which in turn can hinder economic growth and competitiveness.

Furthermore, when households are forced to allocate a significant portion of their income to housing, they have less disposable income to spend on local goods and services. This reduced consumer spending can have a ripple effect throughout the local economy, impacting businesses across various sectors (National Association of Realtors, 2019). Small businesses, which often rely on local patronage, may be particularly vulnerable to the economic consequences of housing unaffordability. Addressing housing affordability is therefore crucial not only for the well-being of Beaufort's residents but also for the long-term economic vitality of the community. By ensuring that workers can find suitable housing they can afford near their jobs, and that households have sufficient disposable income to support local businesses, Beaufort can foster a more sustainable and inclusive economy that benefits all its residents.
Housing Stock Analysis

Beaufort’s housing stock is diverse, reflecting the city’s long history and varied architectural styles. According to the American Community Survey (U.S. Census Bureau, 2021), there are 5,778 housing units in Beaufort, of which 65.1% are single-family homes, 30.6% are multi-family units, and 4.3% are mobile homes. The age of Beaufort’s housing stock is also varied, with 39.3% of units built before 1980, 32.6% built between 1980 and 1999, and 28.1% built after 2000 (U.S. Census Bureau, 2021). While older homes contribute to Beaufort’s historic charm, they may also present challenges related to maintenance, energy efficiency, and accessibility (Joint Center for Housing Studies of Harvard University, 2021).

In terms of tenure, 54.1% of Beaufort households own their homes, while 45.9% are renters (U.S. Census Bureau, 2021). The homeownership rate in Beaufort is lower than the national average of 64.4%, reflecting the challenges of affordability and limited supply of entry-level homes (Joint Center for Housing Studies of Harvard University, 2021).

Vacancy rates provide another important indicator of the health of Beaufort’s housing market. According to the most recent data, the vacancy rate for owner-occupied units is 2.7%, while the vacancy rate for rental units is 7.2% (U.S. Census Bureau, 2021). These rates suggest a tight housing market, with limited availability of units for both purchase and rent.

Looking ahead, there are several key challenges and opportunities related to Beaufort’s housing stock. One challenge is the need to preserve and maintain the city’s older housing stock, which may require significant investment in rehabilitation and retrofiting (National Low Income Housing Coalition, 2021). Another challenge is the need to expand the supply of affordable housing, particularly for low- and moderate-income households (Grounded Solutions Network, 2018).
At the same time, there are opportunities to leverage Beaufort’s unique assets to support housing development. For example, the city’s historic buildings and vacant land could be repurposed for affordable housing, while its walkable neighborhoods and access to public transportation could support higher-density, mixed-use development (Lincoln Institute of Land Policy, 2019).

By taking a proactive approach to housing stock management and development, Beaufort can work towards a future where all residents have access to safe, affordable, and quality housing that meets their needs.

CONSTRUCTION AND DEVELOPMENT COSTS ANALYSIS

Housing construction and development costs are a significant factor in the overall affordability and availability of housing in Beaufort. According to data from the National Association of Home Builders (2021), the average cost of constructing a single-family home in the South Atlantic region, which includes South Carolina, was $105.21 per square foot in 2021. This figure includes costs for materials, labor, and contractor overhead and profit, but does not include the cost of land or site development.

Applying this regional average to Beaufort, the cost to construct a typical 2,000 square foot single-family home would be approximately $210,420. However, actual construction costs in Beaufort may vary in this constantly fluctuating market depending on a number of factors, including:

- Local labor costs and availability of skilled construction workers (Urban Institute, 2019)
- Prices for building materials, which can fluctuate based on supply and demand (National Association of Home Builders, 2021)
- Site-specific factors such as terrain, soil conditions, and infrastructure requirements (Urban Institute, 2019)
- Building design and amenities, with higher-end finishes and features adding to overall costs (Joint Center for Housing Studies of Harvard University, 2021)
In addition to the direct costs of construction, developers in Beaufort also face a range of other costs and fees associated with the development process. These can include:

- Land acquisition costs, which have been rising in many parts of the Lowcountry as demand for housing increases (Urban Institute, 2019)
- Site development costs, such as grading, utilities, and stormwater management (Urban Institute, 2019)
- Permitting and impact fees charged by the city and county governments (Grounded Solutions Network, 2018)
- Financing costs, including interest on construction loans and other development expenses (Joint Center for Housing Studies of Harvard University, 2021)

According to a 2020 report by the South Carolina Housing Finance and Development Authority, the average cost of a new home in Beaufort County was $314,000, which is significantly higher than the statewide average of $243,000. This suggests that the combination of high construction costs, land prices, and development fees is contributing to the overall affordability challenges in Beaufort’s housing market. To help mitigate these costs and encourage the development of more affordable housing, the City of Beaufort could consider a range of strategies, such as:

- Offering density bonuses or other zoning incentives for projects that include affordable units (Grounded Solutions Network, 2018)
- Reducing or waiving certain development fees for affordable housing projects (Lincoln Institute of Land Policy, 2019)
- Partnering with non-profit developers or community land trusts to acquire and develop land for affordable housing (Grounded Solutions Network, 2018)
- Exploring alternative construction methods and materials that could reduce building costs without sacrificing quality or durability (Urban Institute, 2019)

By working to address the various factors that contribute to high housing construction and development costs, Beaufort can help to create a more balanced and affordable housing market that meets the needs of all its residents.

**THE ROLE OF TRANSPORTATION AND INFRASTRUCTURE IN HOUSING DEVELOPMENT**

Transportation and infrastructure play a vital role in supporting housing development and affordability. Access to reliable and efficient transportation options, such as public transit, bike lanes, and well-maintained roads, can significantly impact the location and cost of housing (Center for Neighborhood Technology, 2020). When housing is located near transit hubs or along major transportation corridors, it can reduce transportation
costs for residents and make housing more affordable overall (Urban Land Institute, 2019).

Moreover, investments in infrastructure, such as water and sewer systems, can open up new areas for housing development and help to lower construction costs (National Association of Home Builders, 2020). By strategically planning for and investing in transportation and infrastructure improvements, Beaufort can support the development of more affordable and accessible housing options for its residents (City of Beaufort, 2021). Addressing infrastructure concerns will be paramount to housing success in the City of Beaufort, and this will require consistent coordination with various utilities providers including but not limited to:

- Beaufort-Jasper Water and Sewer
- Dominion Energy
- Hargray
- Brightspeed
HOUSING AFFORDABILITY ANALYSIS

Housing affordability is a critical issue facing many communities, including Beaufort. When housing costs consume a large portion of household income, it can create financial stress and limit opportunities for families to invest in other areas such as education, healthcare, and savings (Joint Center for Housing Studies of Harvard University, 2021).

To assess housing affordability in Beaufort, this analysis examines several key metrics, including median home values, median rents, and cost burden rates. According to the most recent data from the American Community Survey (U.S. Census Bureau, 2021), the median home value in Beaufort is $277,000, which is 21% higher than the national median of $229,800. The median gross rent in Beaufort is $1,036, which is 6% higher than the national median of $1,096 (U.S. Census Bureau, 2021).

These high housing costs are putting pressure on many Beaufort households, particularly those with low and moderate incomes. One common measure of housing affordability is the cost burden rate, which refers to the percentage of households spending more than 30% of their income on housing costs (U.S. Department of Housing and Urban
The data shows that more than a third (36.1%) of all households in Beaufort are cost-burdened, meaning they spend more than 30% of their income on housing (U.S. Census Bureau, 2021). The cost burden rate is even higher for renters at 46.9%, while 27.4% of homeowners with a mortgage are cost-burdened (U.S. Census Bureau, 2021).

The data reveals that nearly three-quarters (73.8%) of households with incomes below $20,000 are cost-burdened, highlighting the significant affordability challenges for low-income residents in Beaufort (U.S. Census Bureau, 2021). Additionally, more than a third (37.1%) of households headed by seniors aged 65 and older are cost-burdened, which suggests that many older residents may be struggling to keep up with housing costs on fixed incomes (U.S. Census Bureau, 2021).

These affordability challenges have far-reaching impacts on the community. When families struggle to afford housing, they may be forced to make difficult trade-offs, such as skipping meals or forgoing healthcare (National Low Income Housing Coalition, 2021). High housing costs can also make it difficult for local businesses to attract and retain workers, which can hinder economic growth (Urban Institute, 2019).

To address these challenges, Beaufort will need to pursue a range of strategies to expand the supply of affordable housing and help families access the housing they need. This could include policies such as:

- Inclusionary zoning, which requires developers to set aside a portion of new units as affordable housing (Grounded Solutions Network, 2018)
- Density bonuses, which offer developers incentives to build more affordable units (Lincoln Institute of Land Policy, 2019)
• Housing trust funds, which provide dedicated funding for affordable housing development and preservation (Grounded Solutions Network, 2018)
• Rental assistance programs, which help low-income families afford market-rate rentals (National Low Income Housing Coalition, 2021)
• Homeownership programs, which provide down payment assistance and other support to help families become homeowners (Urban Institute, 2019)

By taking a comprehensive approach to housing affordability, Beaufort can work towards a future where all residents have access to safe, affordable, and quality housing that meets their needs.

A comprehensive review of recent housing market data from Redfin reveals that Beaufort, SC, is experiencing a robust and dynamic real estate market, characterized by steady growth and moderate competition (Redfin, 2023).

**Key findings:**

**Median Sale Price:** The median sale price for homes in Beaufort currently stands at $466,000, which represents a significant 13.7% year-over-year increase (Redfin, 2023). This substantial growth in median sale prices indicates strong demand for
housing in the area and suggests that property values are appreciating at a healthy rate.

**Price per Square Foot:** The price per square foot for homes in Beaufort is $272, reflecting a substantial 24.8% growth compared to the previous year (Redfin, 2023). This metric provides a more standardized measure of housing prices and further reinforces the notion that the Beaufort real estate market is experiencing significant price appreciation.

**Days on Market:** Homes in Beaufort are currently listed for an average of 75 days before selling, which is an increase from the 42 days observed in the previous year (Redfin, 2023). While this increase in days on market suggests a slight moderation in market intensity compared to the rapid pace seen in the past year, it is still indicative of a relatively competitive market where homes are selling within a reasonable timeframe.

The housing market data for Beaufort paints a picture of a strong seller’s market, characterized by rising prices and healthy demand (Redfin, 2023). The significant year-over-year increases in both median sale prices and price per square foot demonstrate that buyers are willing to pay a premium for homes in the area, which bodes well for property owners and investors. However, the lengthening time that homes remain on the market before selling hints at a potential cooling trend compared to the rapid pace observed in the past year (Redfin, 2023). This could be a sign that the market is beginning to stabilize and that the intense competition among buyers may be moderating slightly.

Overall, the Beaufort housing market presents a dynamic and promising landscape for both buyers and sellers. The sustained buyer demand and consistent price appreciation suggest that the market is fundamentally strong and that there is continued interest in living in the area (Redfin, 2023). While market conditions still favor sellers, as evidenced by the rising prices, the increasing days on market indicate that
a more balanced market may be on the horizon (Redfin, 2023). As such, buyers may find slightly more opportunities to negotiate or find value in the coming months, while sellers can still expect to benefit from the overall strength of the market. It will be important to monitor these trends closely in the future to see how the market evolves and to make informed decisions about buying or selling property in Beaufort.

<table>
<thead>
<tr>
<th>Location</th>
<th>Median Price</th>
<th>% Change from 2022 to 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beaufort, SC</td>
<td>$390,000.00</td>
<td>+12.4%</td>
</tr>
<tr>
<td>Hilton Head, SC</td>
<td>$768,000.00</td>
<td>+10.5</td>
</tr>
<tr>
<td>Charleston, SC</td>
<td>$563,500.00</td>
<td>+10.7%</td>
</tr>
<tr>
<td>Myrtle Beach, SC</td>
<td>$325,000.00</td>
<td>+10.6%</td>
</tr>
<tr>
<td>Greenville, SC</td>
<td>$377,500.00</td>
<td>-10.1%</td>
</tr>
<tr>
<td>Charlotte, NC</td>
<td>$410,000.00</td>
<td>+1.5%</td>
</tr>
</tbody>
</table>
ECONOMIC IMPACT ANALYSIS

Housing is not only a basic human need, but also a significant driver of economic activity. The housing industry supports a wide range of jobs, from construction and real estate to finance and legal services. Housing also generates significant economic output, through both the direct spending on housing construction and the ripple effects that spending has throughout the economy (National Association of Home Builders, 2021).

The economic impact of housing extends beyond just the direct effects of construction and real estate. When a new home is built, for example, it generates demand for a wide range of goods and services, from building materials and appliances to legal and financial services (National Association of Home Builders, 2021). This spending then ripples through the economy, supporting jobs and businesses in other sectors.

Housing also plays a critical role in attracting and retaining businesses and workers. When housing is affordable and available, it can help businesses recruit and retain the workers they need to grow and thrive (Urban Institute, 2019). Conversely, when housing is scarce or unaffordable, it can make it difficult for businesses to find workers, hindering economic growth (Joint Center for Housing Studies of Harvard University, 2021).

Despite the clear economic benefits of housing, many communities are struggling to keep pace with demand. In Beaufort, for example, the supply of new housing has not kept up with population growth, leading to rising prices and affordability challenges (U.S. Census Bureau, 2021). To support continued economic growth, Beaufort will need to find ways to expand the supply of housing, particularly affordable housing (Grounded Solutions Network, 2018).

One promising strategy is to leverage public-private partnerships to support housing development. By working with private developers, non-profit organizations, and other partners, Beaufort can pool resources and expertise to build more housing, faster (Urban Institute, 2019). The city can also use tools like tax incentives, density bonuses, and streamlined permitting to encourage housing development (Grounded Solutions Network, 2018).

Another strategy is to focus on infill development and redevelopment of existing properties. By building on vacant or underutilized land within the city, Beaufort can expand the supply of housing without contributing to sprawl or straining infrastructure (Urban Institute, 2019). This approach can also help to revitalize neighborhoods and support local businesses.

Ultimately, the economic impact of housing underscores the importance of proactive housing policies. By working to expand the supply of affordable housing and support
the housing industry, Beaufort can create jobs, attract businesses, and support long-term economic growth (Joint Center for Housing Studies of Harvard University, 2021).

**POLICY RECOMMENDATIONS**

Act 57 allows local governments to allocate up to 15% of ATAX funds received towards affordable housing. With this in mind, the City of Beaufort would most likely have approximately $100,000.00 in ATAX funds that could be applied towards these recommended housing policies in any given fiscal year. At this point, the City of Beaufort continues to partner with Beaufort and Jasper County and other surrounding municipalities in funding the Beaufort-Jasper Housing Trust (BJHT). Because the BJHT is a relatively new entity, further assessment will be needed to determine the effectiveness of the program, however housing will continue to be a regional issue, and not something that the City of Beaufort will be able to completely address on its own. Based on the findings of this Housing Impact Analysis, the City of Beaufort should consider the following policy recommendations to address housing affordability and availability:

1. **Increase the supply of affordable housing**: Beaufort should work to expand the supply of affordable housing through a range of strategies, including:
   
   - **Inclusionary zoning policies that require developers to set aside a portion of new units as affordable housing**: Beaufort can adopt inclusionary zoning policies that mandate or incentivize the inclusion of affordable housing units in new residential developments (Grounded Solutions Network, 2018). These policies typically require developers to set aside a certain percentage of units (e.g., 10-20%) to be rented or sold at below-market rates to income-qualified households. In return, developers may receive incentives such as density bonuses, expedited permitting, or reduced parking requirements. Inclusionary zoning can be an effective tool for creating mixed-income communities and ensuring that new development contributes to the supply of affordable housing. However, it is important to design these policies carefully to balance affordability goals with the financial feasibility of development projects.

   - **Density bonuses and other incentives for developers that build affordable housing**: Offering density bonuses and other incentives can encourage developers to include affordable housing units in their projects (Lincoln Institute of Land Policy, 2019). Density bonuses allow developers to build more units than typically permitted under zoning regulations in
exchange for providing a certain number of affordable units. Other incentives may include height or floor area ratio (FAR) bonuses, reduced setback or parking requirements, or fee waivers. These incentives can help offset the cost of providing affordable units and make it more financially viable for developers to participate in affordable housing production. Beaufort can tailor these incentives to local market conditions and development priorities, and ensure that they are coupled with long-term affordability requirements to preserve the affordable units over time.

- **Partnerships with non-profit organizations and other entities to build and preserve affordable housing:** Collaborating with non-profit organizations, community land trusts, and other mission-driven entities can be an effective strategy for developing and preserving affordable housing (Urban Institute, 2019). These partnerships can take many forms, such as:
  - Providing financial support, such as grants or low-interest loans, to non-profit developers for affordable housing projects
  - Offering technical assistance, such as help with site acquisition, permitting, or project management
  - Collaborating on joint development projects that combine public resources (e.g., land or funding) with the expertise and capacity of non-profit partners

- **Utilization of public land and resources to support affordable housing development:** Beaufort can use public land and resources to support the development of affordable housing (Grounded Solutions Network, 2018). This can include:
  - Identifying and prioritizing city-owned land that is suitable for affordable housing development
  - Offering long-term ground leases or low-cost land sales to affordable housing developers
  - Providing infrastructure improvements or other site preparation work to reduce development costs
  - Establishing a land bank or land trust to acquire and hold land for future affordable housing development

2. **Preserve existing affordable housing:** In addition to building new affordable housing, Beaufort should also work to preserve its existing stock of affordable units. This could include:
- **Rehabilitation programs to help owners maintain and improve aging properties**: Beaufort can establish or support programs that provide financial assistance, such as grants or low-interest loans, to property owners for the purpose of rehabilitating and maintaining older, affordable housing units (National Low Income Housing Coalition, 2021). These programs can help preserve the existing affordable housing stock by addressing issues like aging plumbing and electrical systems, energy inefficiency, and deferred maintenance. By investing in the rehabilitation of these properties, the city can improve living conditions for residents, extend the lifespan of affordable units, and prevent them from falling into disrepair and potentially being lost from the affordable housing inventory.

- **Tenant protections to prevent displacement and ensure long-term affordability**: Implementing tenant protection policies can help preserve affordable housing and prevent displacement of low-income residents (Grounded Solutions Network, 2018). These policies can include:
  - Rent stabilization measures that limit the amount and frequency of rent increases
  - Just cause eviction ordinances that require landlords to provide a valid reason for evicting tenants
  - Right-to-counsel programs that provide legal assistance to tenants facing eviction
  - Tenant right of first refusal policies that give tenants the option to purchase their building if the owner decides to sell

- **Acquisition of at-risk properties by non-profit organizations or public entities**: Beaufort can work with non-profit organizations or use public funds to acquire affordable housing properties that are at risk of being converted to market-rate housing or falling into disrepair (Urban Institute, 2019). These at-risk properties may include privately-owned affordable housing developments with expiring subsidies or affordability restrictions, or naturally occurring affordable housing (NOAH) that is vulnerable to rent increases and gentrification. By transferring ownership of these properties to mission-driven non-profit organizations or public entities, the city can ensure that they remain affordable and well-maintained for the long term. This strategy can be particularly effective when combined with other tools, such as low-income housing tax credits (LIHTC) or long-term affordability covenants, to secure the properties' affordability for decades to come.
- **Adaptive reuse of underutilized buildings:** Beaufort should explore opportunities to convert underutilized buildings, such as vacant commercial properties or historic structures, into affordable housing units (Urban Land Institute, 2020). This approach can help to expand the supply of affordable housing while also preserving the city’s built heritage and reducing the environmental impacts of new construction (National Trust for Historic Preservation, 2023). To support adaptive reuse projects, the city could offer incentives such as tax abatements, expedited permitting, or technical assistance to developers (Urban Institute, 2019). Additionally, partnerships with non-profit organizations and community development corporations could help to identify suitable properties and secure funding for adaptive reuse projects (Lincoln Institute of Land Policy, 2019).

3. **Expand housing options:** To meet the diverse needs of its residents, Beaufort should work to expand the range of housing options available. This could include:
   - Allowing accessory dwelling units (ADUs) and other small-scale infill development (Lincoln Institute of Land Policy, 2019)
   - Encouraging mixed-use development that combines housing with retail, office, and other uses (Urban Institute, 2019)
   - Supporting the development of a range of housing types, from single-family homes to apartments and townhomes (Joint Center for Housing Studies of Harvard University, 2021)

4. **Leverage partnerships and resources:** Addressing housing affordability and availability will require collaboration and partnership across the public, private, and non-profit sectors. Beaufort should actively seek out partnerships and leverage all available resources to support housing goals. This could include:
   - Partnering with major employers to develop workforce housing (Urban Institute, 2019)
   - Working with local colleges and universities to address student housing needs (Grounded Solutions Network, 2018)
   - Leveraging state and federal funding programs to support housing development and preservation (National Low Income Housing Coalition, 2021)
   - Collaborating with neighboring jurisdictions to address regional housing needs (Joint Center for Housing Studies of Harvard University, 2021)
By pursuing these policy recommendations, Beaufort can take meaningful steps towards ensuring that all residents have access to safe, affordable, and quality housing. While there is no one-size-fits-all solution to the housing challenges facing Beaufort and communities across the country, a comprehensive and proactive approach that leverages partnerships and resources can help to create a more equitable and sustainable housing market for all.
CONCLUSION

The Housing Impact Analysis for the City of Beaufort has highlighted the significant challenges and opportunities facing the community when it comes to housing affordability and availability. The analysis has shown that Beaufort's population growth, demographic shifts, and economic trends are putting pressure on the housing market, making it increasingly difficult for many residents to find suitable and affordable housing.

However, the analysis has also identified a range of strategies and policy recommendations that can help to address these challenges. By increasing the supply of affordable housing, preserving existing affordable units, expanding housing options, and leveraging partnerships and resources, Beaufort can work towards a future where all residents have access to safe, affordable, and quality housing.

Implementing these strategies will require a sustained commitment from the City of Beaufort, as well as collaboration and partnership with a wide range of stakeholders. This includes developers, non-profit organizations, major employers, educational institutions, and neighboring jurisdictions. By working together and leveraging all available resources, Beaufort can create a more equitable and sustainable housing market that supports the needs of all residents.

It is important to note that addressing housing affordability and availability is not a one-time effort, but rather an ongoing process that requires continuous monitoring, evaluation, and adjustment. The City of Beaufort should regularly assess the impact of its housing policies and programs, and make changes as needed to ensure that they are meeting the evolving needs of the community.

Ultimately, the Housing Impact Analysis underscores the critical role that housing plays in the overall health and vitality of a community. By prioritizing housing affordability and availability, Beaufort can create a stronger, more resilient, and more equitable community for all residents. The recommendations and strategies outlined in this report provide a roadmap for achieving this vision, and the City of Beaufort is well-positioned to lead the way in creating a more sustainable and inclusive housing market for generations to come.
APPENDICES
APPENDIX A: METHODOLOGY

The Housing Impact Analysis for the City of Beaufort was conducted using a variety of data sources and analytical methods. The primary data sources used in the analysis include:

- U.S. Census Bureau, American Community Survey (ACS) 5-Year Estimates
- U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) data
- City of Beaufort Comprehensive Plan
- County of Beaufort, Assessor's Office data
- South Carolina Association of Realtors, housing market data
- National Association of Builders, market costs data
- Redfin, housing market data

The analysis included both quantitative and qualitative methods, including:

- Descriptive statistics and trend analysis of demographic, housing, and economic data
- Geographic Information Systems (GIS) mapping and spatial analysis
- Economic impact modeling
- Stakeholder interviews and focus groups
- Policy analysis and best practices research

The methodology was designed to provide a comprehensive and data-driven assessment of housing affordability and availability in Beaufort, and to identify actionable strategies and recommendations for addressing the city's housing needs.
APPENDIX B: GLOSSARY OF TERMS

- **Affordable Housing**: Housing that costs no more than 30% of a household’s gross income, including utilities.

- **Area Median Income (AMI)**: The median household income for a given geographic area, as determined by HUD.

- **Cost Burden**: When a household spends more than 30% of its gross income on housing costs, including utilities.

- **Housing Stock**: The total number of housing units in a given geographic area, including both occupied and vacant units.

- **Low-Income Household**: A household earning less than 80% of AMI.

- **Market-Rate Housing**: Housing that is available on the open market, without any subsidies or restrictions on price or occupancy.

- **Moderate-Income Household**: A household earning between 80% and 120% of AMI.

- **Subsidized Housing**: Housing that receives government subsidies to make it more affordable to low- and moderate-income households.

- **Workforce Housing**: Housing that is affordable to workers in essential occupations, such as teachers, healthcare workers, and first responders.
APPENDIX C: REFERENCES


7. National Association of Homebuilders, 2023 State of Housing in South Carolina


13. Palmetto State Housing Study, June 30, 2023, prepared by the Darla School of Business, University of South Carolina for South Carolina State Housing Finance, https://www.schousing.com/home/Palmetto-State-Housing-Study


Sec. 7-12006. Permitted uses of fees.

The City shall use the funds collected from the local accommodations fees imposed hereunder for the purposes authorized under S.C. Code Ann. Section 6-1-530, as may be amended from time to time. The city council of the City of Beaufort, South Carolina is hereby authorized to utilize the funds collected from the imposition of the local accommodations fee for the following purposes:

1. Nourishment, renourishment, and maintenance of the public parks and waterfront access areas; provision of police, fire, emergency medical, and sanitation services; the planting of grass or other vegetation useful in preserving parks and recreational areas within the territorial limits of the City of Beaufort, South Carolina.

2. Acquisition and maintenance of public waterfront access.

3. Capital improvements to the public parks and open space related facilities which include but are not limited to public parks, public parking, public access, and public restrooms.

4. Transportation improvements including construction and resurfacing of streets, storm water drainage, sidewalks, bikeways, landscaping, and all associated costs including right-of-way acquisition and engineering design.

5. The acquisition of land and the construction of passive and active parks and facilities associated with parks including playground equipment, sports facilities, and community recreation buildings.

6. Acquisition of property and the construction of facilities required for the provision of police and fire service; the acquisition of capital equipment for the provision of public, fire and other public safety services.

7. The payment of bonded indebtedness required to provide the above referenced uses.

(Ord. No. O-21-94, 11-8-94)
Sec. 7-13006. Permitted uses of funds.

The City shall use the funds collected from the hospitality fees imposed hereunder for the purposes authorized under S.C. Code Ann. Section 6-1-730, as may be amended from time to time. The city council of the City of Beaufort, South Carolina is hereby authorized to utilize the funds collected from the imposition of the hospitality fee for the following purposes:

(1) Nourishment, renourishment, and maintenance of the public parks and waterfront access areas; provision of police, fire, emergency medical, and sanitation services; the planting of grass or other vegetation useful in preserving parks and recreational areas within the territorial limits of the City of Beaufort, South Carolina.

(2) Acquisition and maintenance of public waterfront access.

(3) Capital improvements to the public parks and open space related facilities which include but are not limited to public parks, public parking, public access, and public restrooms.

(4) Transportation improvements including construction and resurfacing of streets, storm water drainage, sidewalks, bikeways, landscaping, and all associated costs including right-of-way acquisition and engineering design.

(5) The acquisition of land and the construction of passive and active parks and facilities associated with parks including playground equipment, sports facilities, and community recreation buildings.

(6) Acquisition of property and the construction of facilities required for the provision of police and fire service; the acquisition of capital equipment for the provision of public, fire and other public safety services.

(7) The payment of bonded indebtedness required to provide the above referenced uses.

(Ord. No. O-20-94, 11-8-94)