Managing Residential Growth in South Carolina

A Citizen's Guide

By Holley H. Ulbrich
Donna S. London

February 2008

Strom Thurmond Institute
of Government and Public Affairs
Clemson University

Funded by the Jim Self
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Managing Residential Growth in South Carolina: A Citizen's Guide

South Carolina has been experiencing rapid growth, particularly residential growth, in many parts of the state. Although the overall growth is only a little higher than the national average, it is heavily concentrated in just nine counties on the coast, in the Midlands and near Charlotte. Those high-growth areas are experiencing some problems in accommodating growth while maintaining quality of life and providing infrastructure and public services to new residents.

This Citizen's Guide is based on a longer paper entitled "A Growth Policy for the 21st Century in South Carolina" that is available on the Strom Thurmond Institute web site (www.strom.clemson.edu). That paper was the result of a series of roundtable discussions in rapidly growing areas of South Carolina in 2007 that were convened to address the benefits and challenges of rapid residential growth. The original project was supported by a grant from the Office of the Vice President for Public Service and Agriculture at Clemson University. Funding for this Guide, targeted to the general public, is provided by the Jim Self Center on the Future at Clemson University's Strom Thurmond Institute.

Residential Growth in South Carolina

All three kinds of growth—residential, industrial, and commercial—are important. Commercial development tends to follow residential growth in most but not all cases. Industrial development is an important but separate challenge to South Carolina citizens and policymakers. Although South Carolina has seen substantial growth in the commercial sector and somewhat slower growth in the industrial sector in recent decades, our focus in this citizen guide is on growth in residential development because of its overarching impacts on a community's quality of life and general prosperity.

Challenges

- Rapid growth in residential development presents challenges to local governments and current residents in terms of taxes and service costs, quality of life, and the local economy. Counties have land-use plans designed to make the best use of existing infrastructure, provide adequate affordable housing, and generate enough revenue to support added local public services. But they do not always have the resources and tools they need to encourage or direct growth according to the plan.

Growth Rates

- South Carolina's population grew from 3,486,703 to 4,246,933 (21.8%) from 1990 to 2005.
- The number of housing units grew from 1,424,155 to 1,927,864 (35.4%) over the same time period, considerably faster than the population. Smaller households and second homes accounted for much of the difference.
- U.S. population grew from 248,709,873 in 1990 to 288,378,137 in 2005, an increase of 15.9%. The number of housing units grew from 102,263,678 in 1990 to 124,521,886 in 2005, an increase of 21.8%.
- South Carolina was above the national average in both population growth and growth of housing units.

Patterns

- The pattern of residential development is almost as important as the rate of growth in creating opportunities and challenges for South Carolina state and local governments. How much of it is owner-occupied and how much rental? Where is it located relative to existing developments and infrastructure? How large are the lots? All of these factors influence the revenue generated and the costs of service provision and infrastructure, as well as the impact on the environment and quality of life for existing residents.
- Growth in South Carolina is very unevenly distributed. South Carolina's growth in population (and housing) is concentrated most heavily along the coast, the suburbs of Charlotte, the I-85 corridor, and the midlands around Columbia. The fastest growing large counties

(>50,000 population) in South Carolina are Dorchester, Horry, York, Beaufort (growing 2.7%-3.6% a year 2000-2006), followed by Lexington, Greenville, Kershaw, Georgetown and Richland, growing at rates from 1.4% to 1.9% a year from 2000 to 2006.

- For comparison, we also looked at the nine slowest growing large counties, all of which were gaining population at less than the state average rate of 1.2% a year from 2000 to 2006. That rate is above the national average of 1.04%.

Kinds of homes

- There are four basic types of housing: single family detached (on-site construction), condominium or townhouse, apartment, and mobile homes.
- South Carolina has consistently been just slightly above the national average in the development of traditional single family homes (61.7% in 2005 compared to a national average of 61.1%), far below the national average for condos and townhouses (2.5% versus 5.7%) and especially apartments (17.1% versus 26.1%), and far above the average in mobile homes (18.5% versus 7.0%).
- All but the single family residential types of dwellings (traditional and mobile homes) tend to be built as higher density developments, usually close to existing population centers, and are thus less costly than the typical suburban detached home to serve on a per unit basis, especially in terms of infrastructure.
- Another important distinction in South Carolina is between owner-occupied and rental units, which encompass all four types of dwellings.
- According to the 2000 Census, 72.2% of South Carolina households lived in owner-occupied homes, compared to 66.2% for the nation as a whole.
- Owner-occupied property is assessed at a lower rate than other residential property (4% versus 6%) and receives other favorable tax treatment, particularly the exemption from property taxes for school operations.

Infill or sprawl?

- There are several kinds of residential growth that have different impacts on communities.
- Both infill development and development that is close to existing population centers are less expensive to serve and encourage the development of local commercial services (shopping, restaurants, etc.) that contribute more to local government revenue.
- Developments in areas more remote from existing population centers, particularly developments on large lots, are more expensive to serve. They require more new roads, schools, and water and sewer lines but do not increase density in ways that make them easier to serve once that infrastructure is in place.
- Remote, unplanned and uncoordinated residential development on large lots is known as sprawl. Sprawl has been a typical pattern of residential development in many parts of South Carolina.

Benefits of Residential Growth

Residential growth brings diversity, jobs, and a critical mass to support and use - public amenities such as community facilities, parks and recreational programs as well as private services such as shopping, restaurants, and other home and personal services, including medical and legal services.

Diversity

- Newcomers to the state bring skills, resources, and ideas that make South Carolina a more diverse community.
- Diversity can be enriching as well as challenging—different cultures, languages, holidays, cuisines, religions, and expectations broaden our horizons but also can make it more difficult to create a viable community based on shared experiences and understanding.

Jobs

- In a study of housing in Greenville County, Carey and Becker[1] found that the construction of 65 single-family housing units (50 owner-occupied and 15 rentals) generates between 34 and 39 jobs over ten years and a $3.8 million increase in disposable income.
- According to the National Association of Homebuilders, in the year 2005, the construction of an average detached home generated 3.47 jobs including contractors, tradesmen, manufacturers of building materials and components, distributors, haulers, architects, lenders and lawyers.
- The construction of an average unit in a multifamily dwelling generated 1.29 jobs.
- In addition to these direct expenditures, new home construction also generates additional sales of furniture, appliances and other amenities.

Commercial development

- Fast-growth counties are better able to attract retail businesses and services, and cultural and recreation amenities as they reach the critical mass of population level and density that would support privately developed facilities and services.
- Tourism supports such services along the coast, but a simple concentration of population has created a market for these amenities in the Midlands.
- In York County, people still look to Charlotte as a cultural center as well as an employment and shopping destination.
- If there is commercial development, taxes and fees from that development will add more to local government revenue than to costs.

Critical mass for public amenities

- Public amenities such as libraries, parks and recreation facilities need a certain size and density of population in order to generate enough revenue and justify enough demand.
- Coastal counties offer extensive public cultural and recreational services because their economies are heavily dependent on tourism. In those counties, accommodations taxes help to fund cultural and recreational programs and services that benefit permanent residents as well as tourists.
- Municipalities are the major providers of such services because they have the concentration of population needed to support such programs. They are more likely than counties to use revenue sources such as hospitality taxes and local accommodations taxes to finance those services.

Costs of Residential Growth

Rapid residential growth without advanced planning often leads to traffic congestion, problems of water quality and availability, deteriorating air quality, and loss of wildlife habitat and green space. Competition for land drives up home prices, and in recent years, much of the new single family home construction has been out of the price range of the average South Carolinian. Relatively few apartments or moderate-priced homes are being built in fast-growth areas. New residential development usually costs more to serve than it generates in public revenue, an issue discussed in more detail in a later section.

Traffic congestion

- Residents of fast-growing counties have expressed concern about transportation—inadequate roads, lack of public transit, and frequent traffic jams, especially in the Midlands and York County.
- In the Midlands, new housing developments are being served by older farm-to-market roads that lack the carrying capacity to meet the higher traffic flow.
- York County is largely populated by commuters to Charlotte. The roads are inadequate to keep up with the demand, resulting in congestion, high expenses for road maintenance and repair, and problems of air quality. New highway construction tends to lag behind residential development.
- South Carolina has one of the highest proportions of state maintained roads in the nation, but its spending per mile is low compared to national and regional averages. At the same time, the infrastructure is aging and funding for maintenance is often delayed in favor of new construction because of the attraction of federal matching dollars.
- The state is highly dependent on the fuel tax to maintain roads. The gasoline tax per gallon has not increased since 1987 and there are no other substantial revenue sources earmarked for roads. As a result, the state's existing roads are deteriorating and vulnerable to unsafe conditions.

Air quality

- Ambient air quality is a problem in faster-growing areas, primarily because of the increased traffic flow on the roads. As roads become more congested, it is not merely the number of miles driven but the length of time it takes to make the journey, during which the car's engine is on even if the car is not moving.
- Due to federal regulations, low ambient air quality, a problem in both the Midlands and the Upstate, can prevent new industry from locating in those areas.
- Both air quality and water quality are also concerns in terms of attracting retirees, tourism, and commercial development.

Water quality and availability

- South Carolina has historically been a water-rich state, with ample rainfall and multiple large streams flowing through it. However, concentrated residential growth combined with several years of low rainfall has affected quality and availability, in addition to the challenge of providing the infrastructure to treat and distribute the water.
- The coastal region, which contains four of the nine fast-growth counties, is at the end of the water flow as it arrives at the sea, diminished in both quantity and quality as it has passed through North Carolina and the Upstate.
- Storm water runoff from construction sites and increased impervious surface has affected water quality because of pollution and sediments.
- Salt water intrusion into underground aquifers is a problem in some areas, particularly Beaufort County.
- With growth, pressure to build along tidal creeks, and the intrusion of pollutants from upstream have challenged the ability of the coastal counties to maintain the quality of creeks and to protect wetlands for both marine life and humans.
- Water disputes across state lines with North Carolina and Georgia, are becoming particularly contentious with growth adjacent to the state line. There are issues of water flow in the Catawba River from North Carolina and battles around the Savannah River with Georgia over both water flow and water quality.

Green space and wildlife habitat

- About 2/3 of the land in South Carolina is forested, although forest land has been subject to more rapid conversion to development in coastal counties. This share of land in forests is twice the national average.
- South Carolina ranked 9th among 50 states in the rate of conversion of prime agricultural and forest lands to development between 1992 and 1997. Newcomers in every region want parks and recreation and places to walk and hunt, but game lands are shrinking as forest lands are sold and developed.
- A sprawl-style of development with large homes on large lots generally results in loss of green space and wildlife habitat. Some habitat has been saved though public-private partnerships for conservation easements and through encouraging a shift in development from “green fields” to “brown fields” (reuse and redevelopment).
- As growing counties develop most of their available land, demand spills over to adjacent counties that may not be prepared with zoning, land use planning or other tools to manage the impact of sudden growth spurts.

Affordable housing

- Affordable housing is a challenge in most areas of the state because of rising construction costs and the low profit margins for builders of smaller homes and apartments. Rapid growth results in competition for available building sites and drives up home prices in the surrounding region.
- According to the National Low Income Housing Coalition, average rental cost for a two bedroom apartment in South Carolina in 2006 was $615 a month, or $7,380 a year, which would require an hourly wage of $11.82. The median renter hourly wage was only $9.77, or 83% of the amount needed. The nine fast growth counties were all well above that level of monthly rental cost, ranging from $690 in Charleston County to $803 in Beaufort County.

Providing Infrastructure for New Development

Infrastructure is public capital—roads, public buildings, schools, water and sewer systems, and other long-lasting, expensive investments in facilities needed to provide services to residents.

Cost of infrastructure

- Growth has raised questions about who should pay for the infrastructure to serve residential growth and what shares should be funded by the state and by local governments.
- The cost of infrastructure is shared between state and local governments and between current residents and taxpayers and newcomers through various funding methods.
- According to a 1999 study for northern Virginia[2], the capital cost of services (in 1987 dollars) for a single dwelling unit was estimated at $18,000 for a smart growth development pattern (higher density, mixed housing types), $35,000 for low density sprawl close to existing urban areas, and $48,000 for low density sprawl 10 miles from existing development.
- Some 70 studies have consistently found that new residential development generated from 47% to 98% of the revenue needed to pay for the public services they required, with an average of 87%. Commercial, industrial, farm and forest property consistently generate far more revenue than costs.
- In South Carolina, owner-occupied residential property generates less revenue than rental property because they are treated differently for tax purposes.

Impact on existing property owners

- Homeowners, renters and commercial and industrial property owners who are already in the community bear some of the cost created by new residential development. New development does not pay the full cost of the infrastructure and services that are needed to provide basic public services, including education, public safety, transportation including roads, solid waste disposal, water and sewer service, and parks, recreation and culture.

- To the extent that infrastructure is financed by issuing bonds that are paid for out of property taxes or other local revenues, the cost is shared between new and existing development. To the extent that infrastructure is paid for through voluntary development agreements and/or impact fees (described below), a larger share of the cost falls on new residential development.

Role of the state

- In many states, state aid for infrastructure is not only a helpful financial resource but also a useful tool for encouraging better and more far-sighted growth management by counties and municipalities. Such aid can be linked to planning criteria that ensures higher density and better preservation of open space.
- South Carolina does not provide systematic, large-scale aid for infrastructure development, but does provide some funds for highway maintenance and construction and helps intermittently with school construction and infrastructure loans.

Role of local governments

- Local governments (municipalities, counties, and school boards) finance a significant amount of infrastructure for new development. All three have the power to borrow subject to constitutional limits in order to finance capital spending (no more than 8% of assessed valuation).
- Local governments can use general obligation bonds to fund public projects such as schools, city halls, public parks and other facilities that do not generate revenue in any significant amount.
- Revenue bonds, which are not subject to such strict limits on the amount issued, can be used to fund local projects that have a dedicated revenue source, such as a parking garage or a public recreation facility. Some counties and municipalities are able to finance facilities with revenue bonds by pledging revenue from a hospitality tax or other designated source.
- Schools are financed by bonds with designated millage for debt service, subject to the same constitutional limits as cities and counties.

Impact of Residential Development on Local Public Revenue and Services

- New infrastructure required to serve new residential development creates ongoing operating and maintenance costs in addition to the initial cost of construction. New schools need teachers, office staff, supplies, janitors, and heating and cooling. Roads must be maintained and patrolled. Fire stations need trucks and firefighters. Police stations need officers and dispatchers. Libraries need books and librarians. So there is an ongoing public operating expense associated with each new home in addition to the "start-up" cost of new public infrastructure.
- The total city and county revenue per household from local taxes and fees and state aid based on population was about $1,600-$1,700 (less for elderly and disabled) at 2006 tax rates.

Local property tax revenue

- With the change in the property tax law in 2006 (Act 388), owner-occupied residential property still contributes to debt service for school construction but does not pay any taxes for school operations. By substituting a sales tax for a portion of the property tax, the state is funding a larger share of the cost of education , but the rest of the burden of paying for school operations falls on other kinds of property—commercial and rental property, industrial and utility property, vacant land and motor vehicles.
- The average combined property tax rate for counties and municipalities was 129.4 mills in 2006 in South Carolina. Owner-occupied residential property is assessed at 4% of market value. A $200,000 house would be assessed at $8,000 and pay $1,032 in city and county property taxes (unless the homeowner is elderly or disabled, in which case the tax would be $774).

Other revenue sources

Twenty-nine counties have a local option sales tax, usually 1%, that generates approximately $300 per household. Much of that revenue is used to fund property tax relief, so only a small amount goes toward paying for public services.

- The state provides population-based aid of about $220 per household and assorted fees and charges and minor taxes (such as hospitality taxes) generate approximately $150 more per household.
- In states where local governments have access to other fiscal tools, such as income or payroll taxes, sales taxes or vehicle fees, the cost of the new infrastructure is shared more evenly among all taxpayers, households and business firms, new and existing. The increasing use

of local government fees (in addition to impact fees) absorbs some of the cost of servicing new households, although many of those fees are earmarked for specific services such as solid waste removal or recreation.

Cost of providing services

- Total expenditures by cities and counties in South Carolina average about $1,000 per person in 2006, or $2,300 per household. A household with a $200,000 home is paying about 70-75% of the cost of its share of municipal and county services.
- School operating costs are paid by the state and by property taxes on non-owner-occupied property.
- It costs about the same to provide services to a single-family home regardless of size. Larger homes get the same garbage pickup, the same police protection, and the same amount of road maintenance as a smaller home. As a result, larger and more expensive homes pay more taxes relative to the services that they receive than smaller and less expensive homes. So the fiscal impact (taxes and fees paid minus additional service costs) will be more positive, or less negative, for a large home than a smaller home in the same general area and on about the same size lot.

General Fiscal Growth Management Tools

General fiscal tools for growth management include property taxes, special purpose local sales taxes, and fees and charges.

Taxes

- Property taxes have historically been the major revenue source for local governments, because they are a payment for services such as roads, schools, public safety, and solid waste management. However, the property tax in South Carolina and many other states does not generate enough revenue from new residential development to cover the cost of additional infrastructure and services needed by these new homes.
- Property taxes cannot be tailored to the kind of development that citizens and local governments may want to encourage or discourage.
- Counties in South Carolina are allowed to adopt special local option sales taxes by referendum for school and county capital projects and transportation at rates of 1 to 2 percent. The projects must be specified in the referendum and the tax expires as soon as the projects have been paid for. This tax is a way of paying for infrastructure that does not rely on the property tax.

Fees and charges

- Fees and charges play an important role in relieving the burden on the property tax in funding local government and assigning more of the cost of services to those who choose to use them.
- Fees for solid waste collection and disposal, use of recreation facilities, and parking charges are among the many ways that local government charge for services.
- Water and sewer charges (and other utilities provided by some cities, such as electricity and natural gas) recoup much of the cost of service including maintenance and repair on the lines and treatment plants.
- Some cities provide services to extraterritorial customers and charge differential rates in order to reduce the burden on city residents and also to encourage annexation.

Targeted fiscal growth management tools

Some fiscal tools are more directly tied to the kind and cost of new development. These targeted tools include purchase of development rights, tax increment financing, impact fees, and voluntary development agreements.

Purchase or transfer of development rights

- In purchase of development rights programs, a local government purchases the right to develop land from a property owner while the owner retains title to the property. This tool has come into widespread use around the country as a method of preserving farmland and significant properties.
- Beaufort County has used this tool since 2000 to conserve properties of significant environmental value. Working with the Trust for Public Land to identify and evaluate such properties, the county has used a variety of strategies, including encouraging donations, conservation easements, or sale of property to the county for below market value, but has also made some purchases of conservation easements.
- Transfer of development rights are gaining traction as a growth management tool. With transfer of development rights, the local government designates *receiving areas* where growth can be accommodated and *sending areas* where growth is discouraged. Developers are allowed to purchase the ability to develop in the sending (discouraged) area and to use that development potential (increased density) in the receiving area.

Tax increment financing

- Tax increment financing (TIF) is used primarily for commercial (and sometimes industrial) development to put the burden of financing new infrastructure needs on those who create the demand. Residential development is often but not always a part of a TIF. A TIF agreement requires the consent of all affected local governments.
- In a TIF, the property in the designated area is assessed prior to development, the local (usually municipal) government then puts in the necessary infrastructure, and as development occurs, the property is reassessed and all of the additional revenue from the increased property value is dedicated to paying off the infrastructure improvements. Once improvements are paid for, the property tax revenue is again distributed in the normal fashion to cities, counties and school districts.

Impact fees

- Impact fees are one of the most widely used growth management tools nationally, especially to cover some of the infrastructure costs of growth. Although impact fees rarely are sufficient to cover the actual capital costs of new residential construction, they at least reduce the amount of the burden that is shifted to existing residents by paying for infrastructure with bonds that are repaid through the property tax.
- Impact fees are usually a single flat fee per unit, regardless of distance and density considerations that affect the differential cost of infrastructure and service.
- In South Carolina, restrictions on the amount and terms of use of impact fees have made them a somewhat ineffective tool for growth management, especially in counties.

Development agreements

- Because the use of impact fees is so restricted under state law in South Carolina, counties and cities have turned to "voluntary" development agreements as an alternative way to impose at least part of the cost of added infrastructure on those who create the demand. Such agreements are negotiated between the developer and the county or municipality. They are widely used in growing areas of the state.
- Voluntary agreements can be tailored to the specific needs and preferences of the developer in terms of what infrastructure they agree to provide and pay for.
- Such agreements allow local governments to encourage certain kinds of developments based on the differential cost of providing infrastructure and services to residential property of differing densities and distance from existing infrastructure.
- Like impact fees, voluntary development agreements reduce the extent to which the cost of providing infrastructure to new development is shifted to existing residents and taxpayers.

Other Growth Management Tools

South Carolina is diverse in population density, resource bases, and growth patterns. Consequently, individual counties and municipalities need to have a variety of growth management tools to respond to their particular growth challenges and opportunities. These tools include state and federal regulations, comprehensive planning, land development ordinances, zoning and other land use regulation, priority investment areas, annexation, and regional coordination.

Federal/state environmental regulations

- While community planning and land use regulations are locally based, certain state and federal regulations affect growth management in South Carolina. Generally, these state and federal tools address environmental impacts, options for land conservation, or procedural requirements for planning and regulating growth.
- State and federal regulation of air and water quality plays a significant role in where growth will occur, particularly in areas where air quality is already at or above ambient air standards and water quality is threatened by additional discharges.
- Air quality issues are important in parts of the upstate including York County and in Greenville, Spartanburg, and Anderson Counties, and also in the Midlands including Richland and Lexington Counties. The areas that are currently not in compliance with federal standards have air quality issues that result not only from industrial activity but also from vehicle emissions related to population growth and traffic congestion. Water quality issues are significant throughout the state particularly along the coast and upland streams affected by low stream flow. The air and water quality compliance requirements potentially can limit development.

Comprehensive planning

- Comprehensive planning is mandated by the Local Government Comprehensive Planning Enabling Act of 1994 if a county or municipality is engaged in regulating land use or land development activity. A comprehensive plan is a written document, prepared by a local government with citizen input that creates a framework for future development patterns. Based on the community's input, the plan describes and strategizes the means to reach a city or county's preferred path of development.
- The comprehensive plan is particularly important in managing growth so that local governments are aware of and prepared to meet the demands of a growing population. Roads, schools, water and sewer, public safety, and recreation are a few of the public services that should be addressed.
- A comprehensive plan that addresses physical development in relation to community needs and resources is necessary to successfully manage anticipated growth and its impacts.
- Important elements of a comprehensive plan are population, land use, economic development, natural resources, housing, community facilities and public services, transportation, and priority investment areas. In each element, public participation and a regional perspective must be addressed.
- Land use plans need to be flexible to accommodate change, but firm enough to support and instill the need to protect green space, discourage unmanaged growth, and ensure housing affordability for all elements of the community.
- While the plan must be adopted by ordinance, it has no regulatory power. Other tools must be adopted to implement the plan.

Land development ordinances

- Land development regulations govern the conversion of raw land into subdivided lots. Some communities refer to land development regulations as subdivision regulations.
- These regulations are intended to address the public services that will be needed to accommodate the land's potential development. Components frequently include site design, street layout, water and sewer service provision, and other land conversion and development activities.
- State law requires that land subdivisions are recorded by the county in which the property is situated thereby providing an opportunity for government review to ensure that the necessary improvements are in place.
- City and county councils may adopt land development regulations when the community facilities element of a comprehensive plan has been adopted.

Zoning and other land use regulation

- Land use regulation influences the development of a local jurisdiction by channeling growth to areas where services are in place or planned and where other conditions are supportive. These regulations address such issues as property values, economic development potential, safety and overcrowding, design standards, a mix of land uses, nuisances or other uses that do not meet with the community's long range vision that was established during the comprehensive planning process.
- A standard zoning ordinance consists of text and a map that has the jurisdiction divided into districts. In each district, the ordinance designates the allowable uses (single family residential, commercial, industrial, multi-family, etc.), setbacks, lot sizes, buffering from adjacent uses, and other requirements governing parking, signage and landscaping.
- In recent years, more flexible zoning tools have become more widely used including overlay zones, performance zoning, incentive based standards, cluster zoning, and planned developments.
- For unusual circumstances, exceptions to zoning or land use ordinances are sometimes granted by the Board of Appeals in the form of a special exception or a variance.
- Ordinances must be backed by and compatible with an underlying land use element of the comprehensive plan.

Priority investment areas

- The Priority Investment Act (2007) targets public investments for infrastructure and facilities to particular locations. The Act requires more intentional coordination among local governments. While similar strategies have been more widely used in other parts of the country, historically they have not been common in South Carolina.
- The urban growth boundary agreement between the city of Charleston and the Charleston Water System adopted to retain Johns Island's rural character is based on the concept of priority investment areas. A line was drawn around an urban area within which the local government encourages development over a specified time period by allowing greater density and location near existing infrastructure to minimize the fiscal impact of new development.

Conservation easements

- Conservation easements are useful tools to manage environmentally sensitive or other special areas.
- Easements are legally binding agreements and generally require that the land will remain in its existing natural state or as agreed to in the legal documentation.
- Easements are monitored to ensure compliance with the legal agreement.

Annexation

- An annexation plan and policy provides local governments with a sense of future public service needs if a municipality decides to increase its boundaries.
- While South Carolina annexation law is highly restrictive, the ability to annex is important for fiscal and land compatibility reasons.
- Annexation policy is frequently included in the comprehensive plan, setting priorities concerning geographic areas for annexation, and assessing the balance between added burdens to resident taxpayers and long-term benefits.

Regional coordination

- South Carolina has a regional planning structure in place. Local governments are served by ten regional councils of government that provide technical support and coordination, especially in planning and in infrastructure development.
- Many participants in the growth management roundtables called for a larger and more defined role for councils of government in coordinating among counties and cities for the provision of infrastructure as well as better management of the growth process.

What Can a Citizen Do?

- Many policy decisions about growth management are made at the state level, where legislators need to hear from interested citizens about what powers and restrictions they want local governments to have in managing growth.
- Residents and stakeholders in fast-growth counties express a need to empower local governments with a variety of tools that would make it possible for them to distribute the burden of paying for infrastructure and public services fairly among existing and new residents.
- High-growth counties are also seeking more flexibility in the use of existing revenue sources, such as local option sales taxes, accommodations taxes, and hospitality taxes. Flexibility would enable local governments to shift resources to where they are most needed and relieve the local property tax of some of the burden of paying for infrastructure and/or services for new residents.
- Specific proposals that could be considered by state legislators include more flexibility in the level and use of impact fees and the addition of school impact fees, along with more state aid for school construction.
- Local governments have multiple agencies that are involved in the process of managing growth. Cities and counties usually have a Planning Commission and Board of Zoning Appeals. Some communities have a Board of Architectural Review. City and county councils appoint the boards and commission members. Any interested citizen can apply to serve.
- When the land use plan is revised, local governments hold meetings and hearings to generate citizen input. Citizens can take advantage of these meetings to attend and participate.
- When there is a proposed change in the zoning ordinance, including a variance or special exception, a public hearing must be held and affected parties (primarily neighbors) must be notified.
- Annexation can play an important role in managing the size, type, and costs of growth of cities. Citizens can make their views known to city council about whether or not to annex and whether and how the annexation might benefit the city.
- All of these local decision procedures offer opportunities for citizens to help shape the pattern of growth in their city or county so as to provide a better quality of life and apportion the cost of growth fairly among the various stakeholders.

Footnotes

1. Carey, Robert T. and Robert H. Becker, July 2007. A Projection of Economic and Fiscal Impacts of the Greenville Housing Fund (Draft II), Regional Dynamics & Economic Modeling Laboratory, Clemson University Research Foundation, and the Strom Thurmond Institute.

2. Sierra Club, September 1997. *Sprawl Costs Us All,* Sierra Club Report authored by Janet Pelley and Geln Besa, Annapolis, MD.