



**CommunityWorks**

Building People & Places

# Regional Housing Trust Funds: A Local Solution to the Affordable Housing Crisis

Communities across South Carolina and the nation face an increasingly pressing issue: the housing crisis. Rising rents, stagnant wages, and limited housing supply create a landscape where safe, stable, and affordable housing is out of reach for many—particularly low- to moderate-income families.

Regional Housing Trust Funds (RHTFs) are a proven, local solution to this crisis. By pooling public and private resources into a dedicated fund, RHTFs enable communities to strategically invest in the development and preservation of affordable housing. At CommunityWorks, we help local governments establish and grow these vital funding tools, expanding our mission of helping communities build wealth across South Carolina.

## Why affordable housing?

Housing has become increasingly unaffordable in the past 15 years. The 2008 financial crisis caused a dramatic decline in housing construction, leading to a persistent shortfall in housing supply. Construction activity has gradually increased since then, but most of the country still hasn't returned to pre-2008 building levels, contributing to today's housing shortages.

While this national housing shortage causes costs to rise for everyone, it has significant impact on low- to moderate-income (LMI) households. These households, who make under 80% of the Area Median Income (AMI), are often cost-burdened, spending over 30% of their income on housing costs. Nationwide, over 12 million households<sup>1</sup> are severely cost-burdened, including around 70% of extremely low-income households in South Carolina.<sup>2</sup>

For example, in Beaufort County, SC, rents have far outpaced what many families can afford. A typical two-bedroom apartment costs nearly \$2,000 per month,<sup>3</sup> requiring a household income of over \$65,000 to be considered affordable. For families earning less, especially those in the extremely low- (\$33,000) and very low-income (\$55,000) brackets, that rent is out of reach. Even moderately low-income households earning just above these thresholds (\$66,000) struggle to find affordable housing.<sup>4</sup>

Stable and affordable housing is tied to numerous positive outcomes, including economic security, lower risk for homelessness, better educational outcomes, and increased access to healthy food and healthcare. Affordable housing also “contributes to significant economic impacts, including increases in local purchasing power, job creation and new tax revenues.”<sup>5</sup> It's no wonder then, that many areas are attempting to increase housing affordability in their regions.

## Why a Regional Housing Trust Fund?

High-quality affordable housing, however, can be expensive to build and maintain. High construction costs combined with lowered rents means that developers need subsidies, tax breaks, and low-cost financing to create a viable development. Nonprofit lenders like CommunityWorks often step in to provide gap coverage and low-interest financing to lower the total cost of a project, but we need more local financing mechanisms to truly increase supply.

That's where a Regional Housing Trust Fund (RHTF) comes in. RHTFs are funds, often revolving loan funds, that provide flexible, local capital for affordable housing financing. Unlike one-off grants or uncertain annual budgets, RHTFs offer consistent and strategic financing by blending public dollars with private and philanthropic investments. For example, many current RHTFs received money from the American Rescue Plan Act (ARPA) allocations to their region or city or from an allocation of local accommodations tax funding.

RHTFs are unique in combining the needs and resources of multiple cities or counties. Rather than focusing on building affordable housing inside the city limits, RHTFs can look at the broader picture of housing in their region, taking into account commuters and employment centers—where people live and work—to create a strategy that addresses the true needs of households in the area. These regional funds can also pool resources from different city or county budgets, generating more funding to support appropriate affordable housing solutions.

In South Carolina, RHTFs can be used for the creation or preservation of affordable housing, prioritizing units that serve households at or below 50% AMI. Ideally, RHTFs are governed by a board of directors “that represents a broad range of housing interests within the community.”<sup>6</sup> The board will help make decisions about which housing investments to pursue or prioritize to ensure funding is allocated appropriately.

## How CommunityWorks Helps

CommunityWorks was initially founded as a housing trust fund in 2008, a brainchild of the local United Way and philanthropic community that was created to address affordable housing shortages in Greenville. As the impacts of the Great Recession played out, we quickly expanded into the micro business scene to support entrepreneurs reeling from the financial upheaval. Since then, CommunityWorks has held true to our values of operating with compassion, integrity, and respect to help communities build generational wealth through small business ownership and affordable housing across South Carolina.

Thanks to our history as a housing trust fund, CommunityWorks has deep experience in the needs and challenges that face emerging funds. The organization incubated Greenville Housing Fund 2.0 in 2018 and established and continue to manage the Spartanburg Housing Trust Fund starting in 2020. As a CDFI, CommunityWorks can offer back-office support with underwriting and loan deployment in addition to operational expertise.

Typically, CommunityWorks partners with a municipality that has a certain dollar amount dedicated to affordable housing. We help them with the initial startup, like developing specific products (dollar amount, loan term, AMI served) and working with community champions to identify areas of need and establish community support.

Once the loan fund is established, CommunityWorks determines developers' interest in the proposed products and makes any necessary changes to their structure. We continue to offer back-office support, helping with accounting and loan servicing, until the loan fund has a strategic plan and is ready to stand on its own.

## **Conclusion**

As South Carolina communities confront rising housing costs and limited affordable options, Regional Housing Trust Funds offer a sustainable, strategic approach to addressing local housing needs. With the right partnerships, community engagement, and technical support, RHTFs can unlock new pathways to stable housing, economic opportunity, and long-term community resilience.

CommunityWorks is proud to serve as a partner and catalyst in this work—helping municipalities design, launch, and manage housing trust funds that are tailored to their communities. By investing in regional solutions today, we can ensure that every South Carolinian has access to a place to call home tomorrow.

## **Sources:**

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3 <https://www.ushousingdata.com/fair-market-rents/beaufort-county-sc>

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# Beaufort Jasper Housing Trust Case Study

## INTRO

The Beaufort Jasper Housing Trust (BJHT) was created to address the shortage of affordable housing in the Southern Lowcountry region of South Carolina, specifically Beaufort and Jasper Counties. A tourism-heavy area, much of the workforce consists of low-wage hospitality workers who struggle to afford the housing costs required to live close to their workplaces.

The Southern Lowcountry Advisory Board (SoLoCo) is a regional board consisting of representatives from Beaufort and Jasper Counties, created to enhance knowledge-sharing and solution-building throughout the region. After years of local housing studies, the SoLoCo recognized the housing challenges facing their area and commissioned Asakura Robinson to do a feasibility study and implementation plan for creation a regional housing trust fund (RHTF) to address this need.

As part of this plan, Asakura Robinson recommended partnering with a CDFI for assistance with technical details like financial management and loan underwriting. Due to CommunityWorks' expertise in RHTFs, we played a much larger role, helping BJHT establish a board, strategy, funding, and advocacy, resulting in the successful founding of the Lowcountry's first RHTF.

## NEED

In 2021, SoLoCo commissioned Asakura Robinson to create a proposal and implementation plan for the creation of a RHTF that would provide affordable housing funding to Beaufort and Jasper Counties in the Lowcountry region of South Carolina. After reviewing needs assessments and plans previously created around the region's affordable housing, the study approved of the need for an RHTF to address the specific housing challenges of the area.

As a coastal region experiencing rapid population growth, the Beaufort-Jasper area faced unique challenges to affordable housing. Around 25% of the area's population is employed in hospitality and food service industries, which make between \$28,810 and \$39,110 annually. However, Asakura Robinson notes that "in order to afford the median gross rent, households in Beaufort County will need to earn at least \$48,080 and households in Jasper County will need to earn at least \$37,160." Therefore, the greatest need is for affordable housing serving households at or below 60% AMI (or \$49,000).

The geography of the region poses challenges to housing development. As a coastal area, developments often run up against floodplains or wetlands, restricting accessible developable land. Much of the available undeveloped land lacks access to utilities and infrastructure that make developments achievable and cost-effective. As population continues to grow and the need for housing increase, this restriction on land availability causes a sharp increase in housing costs.

## **APPROACH**

Asakura Robinson's feasibility study recommended creating a regional housing trust fund to help meet the growing demand for affordable housing in the Southern Lowcountry. Based on their advice, the Beaufort Jasper Housing Trust (BJHT) was established as a collaborative effort between eight local governments: Beaufort County, Jasper County, the City of Beaufort, the Town of Bluffton, the Town of Hardeeville, the Town of Hilton Head Island, the Town of Port Royal, and the Town of Yemassee. These municipalities came together to form a shared strategy for increasing the supply of affordable and workforce housing in the region. BJHT was designed to serve households earning up to 100% of the area median income (AMI), with an emphasis on households at or below 80% AMI.

Asakura Robinson recommended that BJHT contract with a Community Development Financial Institution (CDFI) to manage the financial aspects. The Coastal Community Foundation issued an RFP for a CDFI partner, resulting in a \$3 million commitment to affordable housing in the Lowcountry. That investment, managed through CommunityWorks, became a cornerstone for launching BJHT and demonstrated the power of philanthropy to catalyze public-private partnerships.

CommunityWorks was selected for this role because of our experience launching and managing other regional housing trust funds, including the ones in Greenville and Spartanburg. While originally CommunityWorks was intended to serve as the fiscal agent (managing funds, disbursing loans, and handling reporting), our involvement ended up being much broader.

CommunityWorks helped BJHT with board formation, public outreach, funding strategy, and implementation of Asakura Robinson's plan. Because of the number of local governments involved, the process was more complex than a typical RHTF launch. Each jurisdiction had its own priorities, housing challenges, and funding capacity, so CommunityWorks' role expanded to include helping build consensus, facilitating communication, and ensuring the Trust reflected the shared goals of all 8 partners.

## **IMPLEMENTATION**

Launching BJHT required close coordination with all eight municipalities, each with its own priorities, leadership, and approach to affordable housing. CommunityWorks helped facilitate this coordination and took on many of the operational responsibilities needed to get the fund up and running.

One of the first steps was developing an intergovernmental agreement that clearly outlined how the Trust would function and be funded. CommunityWorks worked with each jurisdiction to help negotiate terms, draft language, and build consensus around the governance structure. Each municipality received a seat on the BJHT Board of Directors, ensuring all partners had a voice in decision-making and oversight.

CommunityWorks also supported the setup and management of the board itself. This included helping draft bylaws, organizing early meetings, and assisting the board in setting its initial

strategy and priorities. Because each local government had slightly different goals and concerns, CommunityWorks met individually with elected officials and staff across all eight jurisdictions to better understand their needs and ensure the Trust's structure reflected those differences.

CommunityWorks helped contract with a team of experts to support the Trust's development, working with stakeholders to create a long-term strategic plan and developing tools to support affordable housing development. We coordinated a regional affordable housing map to guide future investment and created a tool that helped developers understand the incentives each municipality offered to ease affordable housing development (such as reducing permit fees). These tools gave the board a clear understanding of regional housing needs, minimized barriers for developers looking to take advantage of incentives, and helped focus the Trust's early efforts.

In addition to governance and planning, CommunityWorks provided back-office support to manage the lending side of the Trust until BJHT could take on those responsibilities directly. This included setting up financial systems, handling applications, and ensuring compliance with fund guidelines. We also assigned a full-time staff member to act as a liaison while the board was getting established.

At the same time, CommunityWorks led public engagement efforts to build broader support for the Trust. This included presentations to city and town councils, the SoLoCo, and other stakeholder groups across region. These presentations helped communicate the purpose and potential of BJHT and played a key role in securing local funding commitments.

From initial planning to full launch, the process took 3 years. The first 12 months were focused on planning and coordination, followed by another 12 months spent finalizing the intergovernmental agreement and launching the board. Funding came from local government contributions and ARPA dollars, including a direct allocation from the state that CommunityWorks helped advocate for. The initial seed funding raised totaled \$3.1 million, a strong start that demonstrated the dedication of the region to affordable housing.

BJHT officially launched with a working board, full staffing support, and the systems in place to begin issuing funds, with CommunityWorks providing back-office support for lending. This process took significant collaboration, but ultimately created a shared tool that reflects the needs of the entire region, and provides a model for other communities looking to address affordable housing together.

## **RESULTS**

In less than 4 years, CommunityWorks created the infrastructure, priorities, pipeline, and partnerships needed to support a complex RHTF. Of the \$3.1 million initial seed funding, CommunityWorks successfully deployed \$2.5 million by March 2024, supporting a landowner's vision of using his family land to build affordable housing and moving the needle on a 64-unit senior housing project near downtown Beaufort. We engaged with everyone from affordable housing developers like Woda Cooper to key local stakeholders such as mayors and local

housing staff to understand and facilitate communication on local affordable housing issues. CommunityWorks also brought our experience to bear in education and homeownership programs. We played a vital role in the planning and success of the Lowcountry Affordable Housing Symposium, featuring speakers like Joey Von Nessen who shared insights from the 2023 Palmetto State Housing Study. Our team also established the region's first down payment assistance programs, starting with a partnership with Beaufort Memorial and expanding to programs in Beaufort and Bluffton. These generated at least 10 home sales with \$75,000 in down payment assistance in the first year of operation.

This was the third housing trust CommunityWorks has launched in 8 years, but the multi-jurisdictional complexity created some new lessons learned.

- 1. Board representation needs to be paired with ongoing staff engagement.** Board development was complex due to the political nature of appointments. Each municipality had one seat on the board and chose their representative differently—some selected government staff, while others appointed individuals with direct ties to the housing market, like developers or nonprofit leaders. Both types of representation added value: some members spoke directly to municipal priorities, while others brought important industry insight. However, we learned that relying solely on board members to understand their communities' goals isn't enough. As BJHT moves forward as a fully staffed organization, it's important that staff take the lead in maintaining communication with governments and communities to stay aligned on housing needs and policy shifts.
- 2. Regional housing trusts need both strong infrastructure and strong local leadership.** CommunityWorks was well-positioned to incubate the Trust's infrastructure, providing lending systems, financial management, and back-office operations. But given the political and geographic dynamics of the region, it became clear that strong in-market leadership was equally important. Relationship building, trust, and local visibility were key to BJHT's early successes. Going forward, CommunityWorks has adjusted our housing trust model to reflect this lesson, focusing on what we do best (back-office, lending, and compliance) while supporting local leadership that can handle outreach and relationship management on the ground.
- 3. Language matters, and it needs to reflect local context.** In Beaufort and Jasper Counties, conversations around "affordable housing" can be sensitive. While the housing need is clear, the terminology often shapes how projects are received by the public. Community members and elected officials responded more positively to the term "workforce housing," which felt more aligned with the region's identity and economic structure. Messaging and framing continue to be an important part of housing work—especially in communities where residents are wary of change.

## CONCLUSION

The launch of the Beaufort Jasper Housing Trust marked a major milestone for affordable and workforce housing in South Carolina's southern Lowcountry. What began as an idea on a regional board became a fully functioning, multi-jurisdictional trust fund thanks to the collaboration between local governments, technical experts, and CommunityWorks. This

demonstrates how CDFIs can serve as both a catalyst and a steady operational partner, bringing financial systems, strategic support, and implementation capacity to complex regional efforts.

The BJHT experience also underscores the critical role of philanthropy in housing solutions. A catalytic \$3 million investment from the Coastal Community Foundation not only helped capitalize housing, but also created the opportunity for CommunityWorks to serve as a partner in building the systems and infrastructure for long-term success. The Community Foundation of the Lowcountry was also influential in helping with research and studies that became catalysts for housing investment across the region.

Just as importantly, the BJHT experience offered key insights into what makes regional housing efforts work: clear governance, local buy-in, flexible messaging, and a shared commitment to long-term affordability. As the Trust grows into its next phase with dedicated staff and an active board, it stands as a model for other communities grappling with housing shortages in complex political environments. CommunityWorks is proud to have helped lay the foundation, and we continue to support housing solutions that are locally led, regionally aligned, and built to last.

