



## County of Dare

P.O. Box 1000 | Manteo, NC 27954

### Dare County Housing Task Force

*Dare County Administration Building, Manteo, NC*

*January 18, 2024, 9:00 a.m.*

*Approved 3.19.24*

**Present:** *Robert Woodard, Sr., Robert Outten, Craig Garriss, Sherry Wickstrom, Don Kingston, John Windley, Elizabeth Morey, Matt Neal, Michael Siers, Drew Havens, Andy Garmin, Melissa Dickerson, Melody Clopton, Ryan Lang, Jeff Schwartzenberg, Bob Peele, Caroline Basnight, Ron Payne, Duke Geraghty, Donna Creef, Mitchell Bateman. Malcolm Fearing*

**Absent:** *Tess Judge, Carol Warnecki, Ronnie Sloan*

**Also Attending:** *Dorothy Hester, Public Information Officer, Skyler Foley, Clerk, Mary Helen Goodloe-Murphy, Kip Tab, Samuel Walker, John Robbins, Kaity Morgan, Breyann Bailey, B.J. Neal, Jamie Wegener, David Neal, Jody Preiser, Laven Howard, Macey Chovaz, Jennifer Hamlen*

Chairman Woodard called the meeting to order at 9:00 a.m. and led the Pledge of Allegiance to the flag.

#### ITEM 1 WELCOME

The meeting commenced with Chairman Woodard expressing gratitude to the task force members for their participation and conveyed optimism about finding common ground to address the housing challenges.

#### ITEM 2 INTRODUCTIONS

All members of the task force had the opportunity to introduce themselves and share the organization or entity that they represented.

#### ITEM 3 HISTORY OF AFFORDABLE HOUSING IN DARE COUNTY

Mr. Outten provided background information on the housing issue and expressed that housing has been a problem in the community for the past 30 years. Efforts were made to address this issue in the past from a group called The Community Development Committee (CDC). They were established to find solutions and conducted various studies with a budget of \$100,000 annually. However, despite their efforts, the CDC did not achieve much and eventually transformed into a non-profit organization. Unfortunately, the non-profit group also struggled and eventually closed down due to getting caught in economic times. During this period, the community continuously expressed their concerns about the lack of housing options. In response to this, the county collaborated with NC State to conduct a development study and it was determined that housing was the number one priority.

He further informed the members of the Task Force that the Chairman, other Commissioners, and himself met with experts in Raleigh and attended the NC Housing conference. The experts referred them to a group at UNC called the Development Finance Institute, which specializes in assisting local governments with housing matters. UNC then conducted a study and confirmed that we do indeed have a housing problem. However, they focused on the unsuccessful Bowsertown project.

Mr. Outten noted that The Tourism Board performed a study and emphasized that our housing problem needs to be addressed before anything else can be successful. The statistics prove that there is a problem that needs to be solved. Throughout the county's history, we have attempted multiple times to address this issue, but have not been successful in gaining momentum. He also shared that it is important to understand that we cannot simply build our way out of this problem.

Mr. Outten further informed the Housing Task Force that the county's perspective on this matter is that we have had numerous individuals reject offers or job opportunities because they cannot find housing. This is not just a unique issue to the county; many businesses in our community have also faced similar challenges. In fact, department heads from various towns have expressed the same concerns. In conclusion, it is evident that the housing problem has significantly worsened over time.

#### **ITEM 4 CONSENSUS ON NEED FOR WORKFORCE HOUSING**

Each task force member affirmed their acknowledgment of the housing problem and pledged to collaborate on finding viable solutions. All members agreed that they will support efforts proposed by the task force to address the housing crisis in Dare County.

#### **ITEM 5 MEMBERS OF TASK FORCE COMMENTS**

Andy Garmin: Stated that the Town of Nags Head performed a community survey this past year, and housing seemed to be the biggest issue. In addition, the Town of Nags Head performed a strategic planning retreat in November which also determined housing to be a major issue and noted that there are things moving in Nags Head for housing.

Mike Siers: Expressed the hope that the Task Force approaches this issue with an open mind and considers alternative solutions. Feels that it is important for us to clearly define what each person considers as workforce housing and find a long-term solution.

Donna Creef: Mentioned the historical context of the issue, including the formation of the ADCA group. She emphasized that the construction of more housing units is not necessarily needed as we already have plenty of houses; the problem lies in how they are occupied. Donna suggested exploring ideas at the state level like tax incentives for long-term rentals versus short-term rentals.

Elizabeth Morey: Believes that the solution does not solely lie in building more houses. She mentioned a Dare County Housing Authority could be beneficial and the need of determining what problem are we trying to solve and who the year-round housing options will be for and how to address them. She stated that housing is not just a problem for Dare County but nationwide and acknowledged that the community lacks diverse industry options.

Matt Neal: Expressed concerns about the target audience for housing solutions. He suggested exploring options such as converting short-term rentals into long-term housing using financial incentives. Matt also highlighted that there is not necessarily a need for an increase in the housing stock, but options to make the stock we have available.

Duke Geraghty: Has been involved in formal and informal groups and conversations related to this issue for the past 30 years, and mentioned the resistance of some citizens. He encouraged us to keep an open mind and consider various options instead of dismissing them outright. Duke also mentioned the complaints heard from residents in Raleigh about similar housing issues, in which the legislators there are working to address.

Ron Payne: Stated that we need to define what we are trying to do to the community. This issue has been on the table for 30 years and highlighted the importance of providing affordable housing for teachers in order to maintain a great school system.

Caroline Basnight: Mentioned how the restaurant industry is impacted by the lack of housing during peak tourist season and that Airbnb's have affected the long-term rental market. Acknowledged that this is going to be a challenge to get everyone on the same page.

Bob Peele: Explained that there are restaurant closing two days a week due to the lack of staff mainly because of housing. Felt that it is important to inform the public/community on what this Task Force will be doing, we need to change the perception.

Malcolm Fearing: Discussed more historical context on the issue and emphasized the need to address the housing problem for the next generation and the challenges faced by working-class individuals. He hopes to move forward with building communities and focusing on home-ownership, not just rentals. Applauded the Board of Commissioners for their commitment to the project.

Mitchell Bateman: Perceived that the housing issue is contrasting different scenarios, given the requirements of restaurant and seasonal workers who seek housing for a relatively short period, while on the other hand, public service workers and professional service workers need housing arrangements for a more prolonged permanent duration. Expressed concerns that Dr. Wortham in Manteo will be leaving due to facing challenges in finding suitable housing for him and his wife. He noted that the drastic rise in housing costs have far surpassed the income growth of all of the individuals that we are discussing.

Drew Havens: Shared his experience with the affordable housing issue in Wake County and emphasized the importance of finding solutions that benefit the entire community, from Duck to Hatteras.

Sherry Wickstrom: Stressed the need for housing options that prioritize livability and community integration and it will take creative solutions. She also felt that a Housing Authority could have advantages in addressing certain challenges.

Bobby Outten: Explained that when you deal with a Local Government Housing Authority they impose rental rate restrictions aligned with HUD guidelines. We have broad spectrum of demographic that we need to accommodate, and a Housing Authority only allows you to meet the lowest end of that demographic, it does not help achieve the bigger issue. Also, unlike municipalities, counties have convoluted statutes pertaining to utilizing county funds for housing, the town's rules are more direct. In addition, government funds can only be used to achieve a rental rate of 80% Area Median Income (AMI) so you are looking at the people that make \$60,000 or less. You will need to establish a system that will incentivize a private partner who can then accommodate the individuals that are on the higher end. He further explained that a lot of the other ideas that were presented will require the support from Raleigh because we currently do not have the authority to execute them. He then suggested that the Task Force considers inviting someone from the School of Government to help educate the Task Force on the things they can and cannot do.

John Windley: Expressed he would like the Task Force to determine their primary objective, specifically whether to concentrate on addressing the seasonal workforce housing or year-round housing options. Emphasized that KDH has a substantial amount of housing, but it is predominantly utilized for short-term rentals due to market demands. He also raised the question if the neighboring counties have been reached out to see if there are any opportunities on possibly collaborating on a project.

Chairman Woodard: Stated that the neighboring counties have been contacted and they are not interested.

Bobby Outten: Explained when a private investor is involved, they have to take a substantial risk. It is important to select a suitable location to build it to ensure they get a return on their investment which has criteria that has to be met.

Malcolm Fearing: Emphasized that the Task Force needs to look at who is involved from the private partner side and feels that they need to prove that they are committed. He posed the question if the company involved are even able to borrow \$65 million?

Bobby Outten: Responded by explaining yes, they can borrow the money, but the real key is for them to have a site to build on that meets the desires and wants of the community. But remove the company currently involved from the conversation, even if we were to engage with a different builder, it would be necessary for them to take on the risk associated with serving the demographic that surpasses what the local government is limited to.

Chairman Woodard: Noted that the county has not received a large number of builders showing interest, we only received three RFQ's. However, the county is not opposed to exploring other possibilities.

Bob Peele: Inquired if there was a timeclock with the \$35 million.

Bobby Outten: There is not a statutory clock, but there is an underlying concern that it could be rescinded if left unused.

Jeff Schwartzenberg: Referenced the Long-Range Tourism Management Plan, and stated there were 900 pages of public comments and outside of quality of life, housing was the number one concern. It's essential to recognize that many other counties, particularly those in tourist destinations, are also faced with similar challenges that could be beneficial for the Task Force to look into.

Melody Clopton: Emphasized the significance of clarity and the necessity of establishing clear and specific goals and definitions when tackling the housing problem and stated that it is equally vital to ensure that relevant information is effectively communicated to the public. She also acknowledged that addressing this issue will require a multi-faceted approach, as no single solution can solve it entirely. Stated that it is worth noting that many individuals tend to leave the rental market over time due to high home buying costs.

Craig Garriss: Referenced HB 259 and felt that Dare County was involved. He then recognized the effort that Dare County is putting in to prevent the implementation of this bill and acknowledged the Resolution the Board of Commissioners adopted in January which demonstrated stance on the matter. Stated himself and the other Kitty Hawk Council Members have a significant interest in this issue due to a piece of property that is in question is located in the Town of Kitty Hawk. He emphasized that the term "affordable" often carries a negative connotation.

Ryan Lang: Asked what do we want to tackle, short term rentals, long-term rentals, summer workforce housing? Another significant issue that has been highlighted by conversations with the KDH Board and housing is that while housing is available, the market has undergone changes over the past five years due to short-term rental platforms like Airbnb. The task now is to find ways to incentivize property owners to turn those short-term rentals back into long-term rentals.

Melissa Dickerson: She discussed the legal regulations that both the county and towns must adhere to. She expressed that it is vital for everyone to have a clear understanding of these regulations in order to operate effectively. Additionally, she mentioned accommodating private developers who may not be subject to the same rules, and the importance of finding a balance amidst these varying factors. In terms of public perception, there is a concern about who will reside in these housing units. She discussed the examples of Harbortowne and Baytree in Manteo and assured that she has never received any complaints related to these developments despite them being HUD Developments.

Bobby Outten: Referenced other issues in Dare County that caused significant difficulties initially, but once relevant solutions were implemented, there was widespread support and the complaints ceased.

#### **ITEM 6 NEXT STEPS**

The task force identified several items for future discussion, including ideas for defining target markets, leveraging current state funding, understanding housing authorities, maximizing the use of funding and land, involving all local governments, addressing restrictions on housing projects, engaging the private sector, and developing effective communications regarding the issues. The task force announced its commitment to continuing monthly meetings on the third Tuesday of each month at 9:00 a.m. at the Dare County Administration Building.

The meeting concluded with members of the audience being given the opportunity to share their views and perspectives on the housing situation. Jody Fisher, Bae Jaynele, David Neal, David Shreagar, John Robbins, and Bren Bailey all spoke in favor of a housing project and provided suggestions.

*There being no further business, the meeting ended at 10:34 a.m.*